



# **Supplier Sustainability Guideline**

**HEXPOL Group**

# Supplier Sustainability Guideline

## Corporate responsibility

Taking responsibility for people, the environment and society is a feature of HEXPOL's corporate culture, and we are convinced that the sustainability work creates value for our stakeholders. The environment, health and safety, social responsibility and business ethics are therefore important components in the day-to-day work and long-term strategic planning. The ambition is to contribute to a better environment and to reduce climate impact, satisfy society's requirements and expectations, and generate business opportunities.

## The basis for our sustainability work

Laws, guidelines, standards, global objectives and voluntary initiatives form the foundation for our sustainability work. HEXPOL's fundamental values are applied in the same way in all operations worldwide and we expect Suppliers to accept and comply with our requirements.

Our values are based on UN Global Compact, and international conventions, and include the following documents:

- Materializing Our Values that serves as an ethical compass for persons working for, or on behalf of HEXPOL. Whistleblowing empowers employees to bring irregularities to the attention of the Board of Directors and company management.
- Policies including Environmental Policy, Health & Safety Policy, Equal Opportunities Policy, Communication Policy and other Group-wide policies.

All documents are found at [www.hexpol.com](http://www.hexpol.com).

## Your role as a Supplier to HEXPOL

We are committed to work with business partners who adhere to our values and we acknowledge pro-active sustainability work. HEXPOL therefore expect Suppliers to establish and maintain appropriate management systems and actively review, monitor and modify their management processes and business operations to ensure compliance with Materializing Our Values.

The objective of this Guideline is to provide you with requirements that are transparent and easily understood.

Malmö in July 2020

Peter Rosén  
Acting CEO and CFO  
HEXPOL AB

## Requirements

In the following HEXPOL's requirements on Suppliers are summarized. For further details see Materializing Our Values and associated Policies ([www.hexpol.com](http://www.hexpol.com)).

### Environment

#### Compliance with legislation

The Supplier shall identify relevant environmental legal and other requirements and ensure continued compliance with the requirements.

#### Environmental management system

Environmental risks and opportunities shall be managed in a systematic way. The objective should be that any impact on the environment, that is related to the supplier's activities, products and services, should be minimized. We encourage the Supplier to implement, certify and maintain an environmental management system (ISO 14001).

### Health & Safety and Emergency Preparedness

#### Compliance with legislation

The Supplier shall identify relevant legal and other requirements which are related to health, safety and emergency preparedness and ensure continued compliance with the requirements.

#### Health & Safety management system

Health and safety risks shall be managed in a systematic way. Risks shall be assessed and relevant preventive and mitigating measures shall be taken. Emergency preparedness procedures, including evacuation plans, shall be implemented and communicated. We encourage the Supplier to implement, certify and maintain a health and safety management system (ISO 45001).

### Workplace Conditions and Human Rights

#### Compliance with legislation and sound labour practices

The Supplier shall follow applicable legal requirements relating to human rights. The supplier shall support and respect the protection of internationally proclaimed human rights, and make sure that activities do not complicit in human rights abuses. The Supplier shall:

- Not accept discrimination of any kind.
- Identify, prevent and address actual, or potential, human rights impacts.
- Respect the rights to freedom of association and collective bargaining.
- Not permit illegal or forced labour.
- Not permit child labour.
- Provide employees with access to skills development, training, apprenticeships and opportunities for career advancement.
- Support equal employment opportunities.

### Business Ethics Requirements

#### Compliance with legislation

The Supplier shall be committed to conducting its business and pursuing its interests in a legal and ethical manner. In particular export and import regulations, anti-bribery laws, anti-boycott provisions, trade embargos and economic sanctions in force.

## Demonstration of sound business practices

The Supplier shall demonstrate sound business practices by:

- Act in accordance with fair business, marketing and advertising practices.
- Respect property and intellectual rights.
- Not accept any form of corruption and identify risks for corruption and implement preventive measures.
- Work actively to prevent the use of the Supplier for money laundering or terrorist financing.

## Supply Chain Practices

### Responsible business practices

The Supplier shall take actions to promote sustainability and responsible business practices in its value chain.

## How to comply with the Supplier Sustainability Guideline

### Application and Implementation

The Guideline applies to any and all suppliers, consultants, vendors, brokers, merchants, dealers, contractors, agents, and other providers of other goods and services, to HEXPOL worldwide. We expect that your company will establish and maintain appropriate management systems and controls to ensure that the company aligns with the principles set forth in this Guideline.

### A three-step process

The application and implementation of the Guideline should be seen as a three-step process where unnecessary administrative work for us, and the Supplier, should be avoided. As a Supplier you may be asked to participate in one, two or three of the steps.

### Step 1 – Read and accept the Supplier Sustainability Guideline

As a part of the Purchasing T&C, Suppliers will be informed about the Supplier Sustainability Guideline. We expect the Supplier to read and accept the Guideline. For Suppliers, where HEXPOL has not identified any material sustainability risks, there will be no further actions or requirements.

### Step 2 – Supplier Sustainability Self-Declaration

Suppliers that meet any of the following criteria may be asked to respond to the Sustainability Self-Declaration:

- Supplier that delivers raw materials, products, equipment, and/or services, with high economic value.
- Supplier that delivers raw materials and/or services that are important (critical, essential) for our manufacturing purposes.
- Supplier with occurring quality and/or delivery problems.
- Supplier with operations that have a potential to cause significant negative impact on the environment, and/or significant negative impact on health and safety of workers.
- Supplier that manufactures a product that contains hazardous chemicals that are listed on REACH Substances of Very High Concern (SVHC) list, or comparable lists (e.g. Conflict Minerals).
- Supplier with potential risks concerning human rights and social responsibility.
- Supplier that is located in an area/region where corruption and unfair business practices may occur.

The Supplier Self-Declaration includes the following areas:

- Compliance with environmental, health & safety legislation.
- Compliance with legislation concerning workplace conditions and human rights.
- Compliance with legislation concerning competition, anti-corruption and cartels.
- The Supplier's Code of Conduct, Policies and management systems.

- The Supplier's own value chain.

### **Step 3 – Audits**

Where relevant we will conduct Audits to further assess sustainability risks and compliance with the Supplier Sustainability Guideline. Audits may be a part of a Quality Audit or a separate Sustainability Audit.

### **Non-compliance with the Guideline**

Based on Self-Declaration, audits, and other information, HEXPOL will conclude if the Supplier has systems in place to ensure that the principles set out in this Guideline are met. Failure to do so may impact the future opportunity of a Supplier to do business with us.

The Supplier Sustainability Guideline has been adopted by the Board of Directors of HEXPOL AB in July 2020.

HEXPOL is a world-leading polymers group with strong global market positions in advanced polymer compounds (Compounding), gaskets for plate heat exchangers (Gasket), and plastic and rubber materials for truck and tractor wheel applications (Wheels). Customers are primarily system suppliers to the global automotive and engineering industry, the construction sector, the energy, oil, and gas sector, medical equipment manufacturers and OEM manufacturers of plate heat exchangers and forklifts. The Group is organized in two business areas, HEXPOL Compounding and HEXPOL Engineered Products. For additional information please check [www.hexpol.com](http://www.hexpol.com).