



Supplier Sustainability Guideline

HEXPOL Group

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Corporate responsibility

Taking responsibility for people, the environment and society is a feature of HEXPOL's corporate culture, and we are convinced that our commitment to sustainable development 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, international 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 our Suppliers to accept and comply with our requirements.

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

- **HEXPOL 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.
- **HEXPOL Policies** - including Environmental Policy, Health & Safety Policy, Equal Opportunities Policy, Communication Policy and other Group-wide policies.
- **Requirements of the EU CSRD** (Corporate Sustainability Reporting Directive).
- **Requirements of the EU CSDDD** (Corporate Sustainability Due Diligence Directive).

Relevant documents are found at 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 proactive sustainability work. HEXPOL therefore expect our tier 1 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 October 2024

Klas Dahlberg
President and CEO
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).

Environmental & Climate Change Impact

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).

Actions to reduce the climate footprint

HEXPOL is committed to the Science Based Targets initiative and is actively reducing the climate footprint across its entire value chain.

As part of this commitment, the Supplier should take actions to reduce the emissions of greenhouse gases (GHG) in absolute terms, as well as identify and implement actions to reduce risks that are caused by climate change.

Our suppliers should be prepared to work together with HEXPOL to reduce our mutual climate footprint.

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 labor 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 labor.
- Not permit child labor.

- Pay living wages.
- 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. This includes, for example, applicable 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 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-Assessment

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

- 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-Assessment includes the following areas:

1. Commitment to sustainable development
2. Reporting and communication
3. Quality management system
4. Environmental protection
5. Climate change
6. Health & safety
7. Labor and human rights
8. Business ethics and anti-corruption
9. Supply chain responsibility
10. Information security

By email your company will be invited to the Sustainability Self-Assessment portal. The portal is hosted by Position Green (www.positiongreen.com). At the portal you will receive instructions on how to respond to the Self-Assessment Questionnaire. Instructions include video tutorials and helpdesk functions. You will also receive information about your scores in the 10 above sustainability areas.

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 the outcome of the Self-Assessment, 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. If there are non-compliances, HEXPOL will, as a first step, conduct a follow up and initiate a dialogue with the Supplier. Continued failure to comply with the Supplier Sustainability Guideline may impact the future opportunity of a Supplier to do business with us.

HEXPOL is a world-leading polymers group with strong global positions in advanced polymer compounds (Compounding), gaskets for plate heat exchangers (Gaskets and Seals), and wheels made of polymer materials for truck and castor wheel applications (Wheels). Customers are primarily system suppliers to the global automotive and engineering industry, building and construction industry and within sectors as transportation, energy, consumer and cable industry and manufacturers of medical equipment, 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.