

Vendor Policy

Perstorp's unique success molecule consists of the Group's four most important strengths, its core values: Care, Focused innovation, Reliability and Responsibility. These core values in various combinations pervade Perstorp's working methods and solutions.

Perstorp regards the application of its core principles and its values of prime importance in decisions to enter into or continue relationships with suppliers, contractors and customers and to participate in joint ventures. For more information on Perstorp's core principles and values, please read [Annex 1](#) or visit our webpage https://www.perstorp.com/en/sustainability/responsible_business/code_of_conduct.

In light of the above, we kindly request receiving your confirmation by signing this document that you comply with the following conditions:

- Your products and services meet high health, safety and environmental standards (certifiable: ISO 9001:2015, ISO 14001);
- Your employees are recruited, hired and promoted on the sole basis of suitability for their job;
- Harassment of any kind and exploitation of child labor is prohibited (a child is younger than 15 years);
- Bribery and any other form of unethical business practice is prohibited and you will comply with the Policy on Anti-bribery for Vendors of Perstorp Group, attached as [Annex 2](#);
- You adhere to anti-trust and other competition laws;
- All your business transactions with Perstorp are accurately, completely recorded, and guarantee legal and fiscal compliance;
- You refrain from any form of money laundering activities;
- You adhere to the laws and fundamental rights in your country, to (supra) national trade or economic sanctions and export regulations and other laws and regulations that may apply;
- You, any of your affiliates, or any of their respective officers or directors, are not owned or controlled by any person or entity designated, blocked or otherwise individually targeted under any trade or economic sanctions or export control laws or regulations.
- You ensure that no conflicts of interest arise between you and Perstorp or, if such conflicts are discovered, that they are eliminated and reported to Perstorp;
- The products that you sell to Perstorp are free of conflict minerals cassiterite, columbite-tantalite, gold, wolframite and the derivatives tantalum, tin and tungsten originating from the Democratic Republic of Congo or adjoining countries in accordance with the US Securities Exchange Commission Rule of Conflict Minerals issued on August 22, 2012 and any updates thereof; and
- In the context of our business relationship, you ensure to promptly notify Perstorp regarding any known or suspected violation of this Vendor Policy.
- You shall ensure that all chemical substances contained in the products and/or materials sold to Perstorp comply with the European Parliament and Council Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation and restriction of Chemicals (REACH) and the Regulation (EC) No 1272/2008 on the classification, labelling and packaging of substances and mixtures (CLP Regulation).
- You shall ensure that no Substances of Very High Concern (SVHC) <https://echa.europa.eu/candidate-list-table> is in or on any products sold to Perstorp.
- If you are a supplier of chemicals you shall also ensure to fulfil the obligations under the Swedish Regulation (2008:245) on chemical products and biochemical organisms, e.g. notification and registration requirements.
- All packaging delivered by you shall comply with the European Parliament and Council Directive 94/62/EC on Packaging and Packaging Waste and relevant national legislation implementing this directive, including the heavy metals content requirements and 97/129/EC: Commission Decision of 28 January 1997 establishing the identification system for packaging materials.

You are kindly requested to sign the Vendor Policy at the next page of this letter and to return this letter to Perstorp.

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Please inform us if, for any reason, you are not able to sign the declaration, in which case we would like to discuss how we can ensure that the business between us does not breach these specifications.

To be signed by supplier:

Herewith I confirm that the below Company at all times complies with the conditions included in Perstorp's Vendor Policy, including its annexes.

Company
Name
Function
Date

Signature

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Annex 1 – Perstorp’s Core Principles and Values

In the spirit of the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, the Perstorp Principles set out the core principles and values that should underlie the conduct of all Perstorp companies in order to fulfill Perstorp’s ambitions. In this respect the Perstorp Principles apply equally to our business transactions throughout the world and to the individual behavior of employees in conducting Perstorp's business:

1. Our business principles

Business ethics

Perstorp follows the laws and agreements in the countries where the company is active and requires that suppliers and business partners also comply. Perstorp’s relations with business partners shall be characterized by honesty and openness.

Open & honest communication

Perstorp encourages continuous communication with the company’s various interested parties. All communication shall follow applicable legislation, regulations and norms. Communication shall be transparent, honest and proactive. The CEO, CFO and heads of the Corporate Functions are the company’s spokespersons and have the right to make statements on behalf of the Group. Other managers are spokespersons for their respective areas of responsibility.

Accounting & reporting

All business transactions are recorded in accordance with the company’s accounting principles and local legislation, and accounting shall in no way be misleading. Perstorp’s financial accounting shall be open, truthful, relevant and understandable.

Customer relations

Perstorp shall always handle questions and any complaints from our customers in a fast, efficient and correct way.

Suppliers

Current and potential suppliers shall be assessed based on the contents of Perstorp’s code of conduct

Community commitment

Perstorp shall be a good, responsible and appreciated member of the community in the societies where we run our operations. This can mean involvement in community activities or support for the community in other appropriate ways.

Conflicts of interest

All employees are expected to avoid situations in which their personal, financial or other interests can come into conflict, or can be considered to come into conflict, with the company’s interests. Should such a conflict arise, it must be reported at once to the immediate manager.

Competition & cartels

All functions and employees must be aware of, and observe, all laws that concern competition and not participate in any illegal anti-competitive cooperation. Detailed instructions are included in Perstorp Competition Matters Policy, to be complied with by each employee of the Perstorp Group.

Confidential information

Employees are not allowed to use their knowledge of the company, its products or business transactions in contexts other than for the good of the company. Every employee must follow the regulations on confidentiality of information, which is owned by the company and our business partners, and is regulated by our Security Policy.

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Gifts & bribes

Perstorp shall not offer customers, potential customers, authorities, suppliers or other business partners any form of remuneration or reward that contravenes laws or good business practice. Small gifts can however sometimes be a part of business culture. Perstorp does not allow bribes in any form. Perstorp personnel shall not accept payment, gifts or any other type of remuneration from third parties that in any way can influence, or be considered to influence, their objectivity in business decisions. Detailed instructions are included in Perstorp Anti-bribery Policy, being applicable to everyone acting on behalf of Perstorp Group, including the board of directors, all employees, business partners and other representatives.

Political affiliations

Perstorp takes a neutral position in terms of party politics and political candidates. The Perstorp brand is not to be used to support political parties or candidates. Consequently, we neither contribute to political parties or organizations, or to individual politicians.

2. Products & Environment

Resource management

Perstorp's products and production processes are designed so that energy and raw materials are used in a resource-efficient way and that waste and residual products are minimized.

New products & processes

Environmental, health and safety aspects must always be considered during the development of new products and processes. Perstorp shall always provide updated information on products' possible effects on health and the environment.

Precautionary principle

Perstorp applies the precautionary principle by striving to avoid materials and methods that can constitute an environmental or health risk when good alternatives are available. It is Perstorp's responsibility to supply customers/business partners with relevant information on how products may/should be used and how, and for what, they should not be used. Perstorp's products shall live up to the agreed and legal norms, and be labelled with health warnings and product safety and information markings.

Environmental reporting

Perstorp regularly examines, follows up and reports environmental impact, with special emphasis on evaluating the potential risks of current and future products and operations. Perstorp works constantly to reduce negative effects on the environment in accordance with the company's commitment to sustainable development.

3. Working Conditions

Working environment

It is Perstorp's responsibility to offer safe and physically and psychologically healthy working conditions for all employees, and to forbid and take action against all types of harassment.

Non-discrimination & diversity

Perstorp recruits and treats its employees in such a way that no one is discriminated against on grounds of gender, race, religion, age, disability, sexual orientation, nationality, political opinion or social or ethnic origin. Equality and diversity in the workplace and in new recruitment are encouraged within Perstorp.

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Working hours & overtime

Local laws and agreements relating to working hours, overtime and overtime remuneration shall apply. Salaries shall be paid regularly and follow the local laws and market situation. All employees have at least the minimum right to locally legislated time off.

Training & further education

Perstorp shall strive to develop and enhance employees' expertise so that they can, in the best way possible, support the company's current and future business activities.

Preventive health care

Perstorp supports the health of individual employees through preventive health care and various fitness programs.

Zero tolerance for accidents

Perstorp shall maintain and develop an optimal health and safety standard at all locations where the company is active and thereby minimize possible risks. Within Perstorp, zero tolerance applies regarding workplace accidents and all other types of accident.

Use of alcohol or drugs

Perstorp expects that all employees carry out their work without being under the influence of alcohol or drugs. Any use of alcohol or drugs that can affect employees' work is forbidden.

4. Human Rights

Perstorp respects the individual and stands for justice, honesty, openness and trust, as well as encouraging networking, participation and the use of personal initiative.

Child labour

Perstorp does not tolerate any form of child labor. The minimum age of employment within Perstorp is regulated by the legislation of the respective country.

Forced or slave labour

Perstorp does not tolerate any form of forced labor or slave labor, or work carried out by political prisoners or illegal workers.

Union activities

The freedom of association and the right to belong to a union, like the right to collective bargaining and agreements, are respected within all parts of Perstorp.

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Annex 2 – Policy on Anti-bribery for Vendors of Perstorp Group

1. Purpose and scope

Perstorp never accepts any behavior by its business partners involving any form of bribery or corruption. This Policy on Anti-bribery for Vendors of Perstorp Group (the “**Policy**”) is especially written for the vendors of Perstorp Group and forms a part of Perstorp’s work for the prevention, deterrence and detection of any such behavior among its business partners. The purpose of this Policy is to reiterate Perstorp’s commitment to applicable anti-bribery legislation and to give the vendor a basic understanding of applicable laws, so that situations can be properly identified and appropriate actions can be taken. Perstorp requires the vendor to at all times abide by the terms of this Policy.

2. Basic requirements

- It is strictly forbidden to directly or indirectly offer, promise, grant or authorize the giving of money or anything of value (a “benefit”) to someone in order to unduly influence the recipient in the performance of his or her professional duties or in order to retain or obtain an undue business advantage.
- It is irrelevant whether the recipient of the benefit is acting within the public or the private sector – improper benefits are always prohibited. The same applies in respect of receiving benefits i.e. it is forbidden to accept, accept a promise of or request an improper benefit for the performance of his or her professional duties.
- To combat instances of corruption and bribery, the vendor must be mindful of applicable legislation and how to properly work and interact with individuals in foreign jurisdictions. If you are uncertain of applicable laws or regulations, you are required to seek guidance from your legal counsel.
- Any vendor being guilty of violations of this Policy constitutes a material breach of the contract with Perstorp, entitling Perstorp to immediately terminate such contract.
- Any vendor who does not comply with applicable anti-bribery laws exposes him-/herself to criminal and/or civil liability and significant reputational harm.

3. What is considered to be an improper benefit, i.e. a bribe?’

The determination of whether a benefit will be deemed proper or improper is sometimes difficult to make. Applicable law takes into account factors and circumstances that apply in the specific scenario at hand, such as

- (i) the professional duties of the parties involved;
- (ii) the relationship of the parties involved; and
- (iii) the nature and value of the benefit itself.

Benefits given to those working within the public sector¹ are more likely to be deemed as improper and illegal than benefits given to those working within the private sector. Accordingly extra care must be taken when interacting with representatives of the public sector.

¹ The public sector shall be deemed to include not only government agencies, courts and other public authorities, but also publicly owned (by the state or county council or municipality) companies (for example providing services such as water, waste and/or energy etc.) and private companies whose activities have an element of public authority or otherwise are largely financed by

An improper benefit, that is a bribe, may take different forms, and the parties involved may classify the bribe as a purchase price or a consultancy fee in order to hide the true nature of the transaction. The typical bribe is money or other property of economic value, but advantages of an intellectual nature, such as recommendations and distinctions or awards, are also included in the scope. Depending on the circumstances, bribes can be gifts, entertainment, invitations to certain events or seminars, travel and accommodation, use of property or equipment, job offers and work placements, charitable donations, political donations, services, favors and not least benefits for family and friends.

4. The vendor's acting towards Perstorp employees

The vendor will not offer, promise or provide to any Perstorp employee a kickback, favour, cash, gratuity, entertainment or anything of value to obtain favourable treatment from Perstorp. Perstorp employees are similarly prohibited from soliciting such favours from the vendor. This restriction extends to any Perstorp employees and their immediate family members, or with any other persons Perstorp employees have significant personal relationships in exchange for obtaining or retaining Perstorp's business.

5. Reporting known or suspected violations of the Policy

The vendor is required to promptly notify Perstorp regarding any known or suspected improper behaviour in the context of our business relationship, that could imply violations of this Policy or any applicable anti-bribery laws.

taxes. The public sector includes politically exposed persons, i.e. individuals who have been entrusted with prominent political influence or someone closely related to such person.