

Nouryon Sustainable Procurement Policy

October 2024

Why do we have this Policy?

Nouryon recognizes the indispensable contribution of suppliers to the sustainable and safe provision of our high-quality products and services. This policy outlines Nouryon's commitment to responsible sourcing across environmental, social, and corporate governance domains. It further details our methods for assessing and enhancing the sustainability of our suppliers, ensuring we continually meet our goals and deliver exceptional value to our customers.

Who must comply with this Policy?

This policy applies to all suppliers of externally sourced goods and services where Procurement has responsibility for overseeing supplier/vendor selection, quotations, negotiations and contracting. Procurement has responsibility for ensuring suppliers adhere to the Business Partner Code of Conduct and the principles within this policy. Issued by the Chief Procurement Officer, this policy is developed in collaboration with the Compliance and Corporate Sustainability teams and reviewed on a periodic basis as best practices and regulatory requirements continue to evolve.

How does Nouryon promote Sustainable Procurement?

We expect our suppliers to adhere to our Business Partner Code of Conduct, accessible [\[here\]](#). Suppliers are also expected to ensure their own suppliers (Tier 2 suppliers) comply with our Business Partner Code of Conduct, or similar principles, and to extend these requirements throughout their own supply chains. Our overarching goal is to cultivate an ethical and sustainable supply chain beyond just our immediate suppliers. Obligations in Agreements:

- Inclusion in Agreements: Our standard agreement templates and purchase order terms and conditions, available [here](#), mandate that suppliers comply with our Partner Code. The Partner Code encompasses:
 1. Compliance with laws and regulations
 2. Standards for ethical and responsible business conduct and anti-bribery
 3. Fair competition
 4. Respect for human rights and prohibition of child and forced labor
 5. Providing a safe working environment
 6. Protecting the environment and local communities
 7. Responsible sourcing standards (including conflict minerals and palm oil)
 8. Managing and protecting information
 9. Reporting concerns

Core Values Integration:

- Ethical Business Conduct: Grounded in our core values—We Aim High, We Own It, and We Do It Right—ethical business conduct is integral to our strategic growth. Adherence to our Business Partner

Code of Conduct by business partners supports healthier business practices and enhances supply chain reliability. We invite our suppliers to join us in pursuing a sustainable future, promoting sustainability across Nouryon, our customers, and our entire supply chain.

- Business partners will also follow best practices for research and development, such as avoiding animal testing where possible, and for the sourcing of at-risk raw materials such as palm oil. We will measure the sustainability and ethical sourcing performance of our suppliers through their EcoVadis score. Results will be tracked in the EcoVadis dashboard. Suppliers scoring 50 or lower and those not having an EcoVadis score may be required to provide improvement plans to demonstrate improvement of their sustainability and ethical sourcing practices.

How is this Policy implemented?

Under the guidance of the Chief Procurement Officer, the Procurement function is tasked with the implementation of this policy across Nouryon's supplier portfolio. Nouryon employs third-party providers such as EcoVadis and Together for Sustainability (TfS) to periodically evaluate Supplier Corporate Social Responsibility (CSR) practices. These assessments include both paper evaluations and on-site audits. The Procurement Function actively supports Sustainable Procurement practices in accordance to Nouryon's Sustainable Procurement Supplier Engagement Program.

Procurement works closely with suppliers to identify opportunities for reducing carbon emissions and improving energy efficiency. The Procurement Function encourages joint projects focused on environmental innovations, such as developing sustainable materials or optimizing logistics for reduced emissions supporting Nouryon's corporate sustainability goals [\[here\]](#).

Nouryon tracks and publishes the percentage of suppliers who agree to adhere to the Business Partner Code of Conduct in our annual Sustainability Report. This compliance is monitored through the suppliers' acceptance of Nouryon purchase orders or the execution of Nouryon contracts.

Nouryon may audit business partners to verify compliance with this Policy as a condition to working with Nouryon. Business partners that are not compliant may be required to engage in corrective action to continue working with Nouryon.

What are the consequences if a Supplier is determined to be out of compliance?

This Policy, along with Nouryon's Business Partner Code of Conduct, are integral parts of the Company's compliance program. If a supplier is found to be non-compliant or fails to take reasonable corrective actions, Nouryon will evaluate available remedies, including discontinuing purchases from the supplier.

Any questions or concerns about this Policy can be sent to Nouryon's Compliance team by emailing nouryoncompliance@nouryon.com or via regular mail to:

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