

# Nouryon Statement on Sustainable Procurement

Effective Sept 1, 2020

**With Nouryon's Purpose: *Your partner in essential chemistry for a sustainable future, and as an established industry leader, we take pride in minimizing our environmental impact and maximizing our positive societal impact.***

We see sustainability not only as the right thing to do, but also as a true business opportunity. It delivers value for our customers and society by providing new solutions that have smaller footprints or deliver other benefits. At the same time, we realize that striving for a sustainable future also means being a safe and reliable partner for customers, employees, business partners and communities alike. It also means that we ask all our suppliers to work with us towards this sustainable future.

## 1. Purpose

Our customers depend on the sustainable and safe delivery of high-quality products and services from Nouryon. Suppliers play a critical role in Nouryon's continued ability to deliver these. This policy sets out how we will measure and improve the sustainability of suppliers to ensure continued value for customers and achievement of Nouryon's objectives.

## 2. Scope

All externally sourced goods and services and all external suppliers within the scope of procurement.

## 3. Structure

The sustainability framework of procurement relies on

- a. Requirement of compliance to our Business Partner Code of conduct (BPCoC) which can be found [here](#).

Nouryon's BPCoC sets out expectations for suppliers regarding:

- i. Compliance with laws and regulations
- ii. Safety
- iii. Standards for ethical and responsible business conduct
- iv. Treatment of people and fundamental human rights
- v. Exclusion of Conflict Minerals
- vi. Fraud prevention
- vii. Support for Nouryon's efforts to operate sustainably

Through the BPCoC, Nouryon only does business with suppliers sharing and supporting our own standards. All suppliers are required to comply with the BPCoC, and this requirement is included in all new contracts and in all purchase order terms and conditions, which can be found [here](#).

## b. Supplier Sustainability Assessment

### *Scope*

The scope of supplier sustainability assessment has been set on a risk basis and comprises suppliers corresponding to the top 80% of spend on Raw Materials, Energy and Logistics. Other spend areas are assessed as lower risk and are therefore out of the scope for this assessment.

### *Process & Objectives*

Nouryon will measure and track the Sustainability performance of suppliers by means of the EcoVadis [<https://ecovadis.com>] assessment with the goal to measure the quality of the supplier's sustainability system through its policies, actions and results.

All suppliers having an EcoVadis score are invited to share the result and all other suppliers are invited to make a self-assessment to obtain a score.

All results will be tracked in the EcoVadis dashboard.

### *Improvement process*

Suppliers scoring 45 or lower will be required to provide improvement plans to demonstrate continuous improvement. Suppliers declining to make a self-assessment will be informed that such refusal will be considered as part of supplier selection decisions.

#### 4. RASCI

Sustainable Procurement	Main Activities	(PR) PLT	Category Manager	Procurement Sustainability Lead	Procurement Sustainability Coordinator	EcoVadis	Supplier	Sustainability Team
<i>Overall Accountability Process : CPO</i>								
<b>Set Sustainable Procurement Policy</b>	Identify / Specify business need	A		R	S			C
<b>Review activities &amp; results</b>	Policy & Actions	A		R	S			C
	Results	A		R	S			I
<b>CSR assessment</b>	EcoVadis Campaign Organization & Execution	A	R	C	R	R	R	I
	Follow-up with Suppliers (Refusals, low scores)	A	R	C	R	I	R	I
<b>Provide Evidence for Nouryon Self assessments</b>	Provide documentary evidence	A		R	R			I
<b>Ensure all new contracts require BPCoC compliance</b>	Contractual requirement to comply with BPCoC	A	R				R	
<b>RASCI</b>								
R = Responsible	Person who owns and controls the task and ensures							
A = Accountable	The one ultimately answerable for the completion of the task and the one who delegates the execution of the task to those 'responsible'							
S = Support	Person who provides support to execute the task							
C = Consulted	Those that have information and / or capability required to complete the work and with whom there is a two-way communication							
I = Informative	Should be informed and kept up-to-date on progress. Must be notified through one-way communication.							
Revision	0							
Date	Sept 10 2020							
Owner	Barry Cottrell							
Latest Change	First issue							

#### *RASCI Sustainable Procurement*

#### 5. Review

Review of sustainable procurement policy activities and results will be done by the Procurement Leadership Team (PLT) in collaboration with the Chief Sustainability and Communications Officer. Sustainability is a standing item at PLT meetings. In addition, a member of the Procurement team sits on the global Sustainability Network.