

# ESG Standards for IMCD Business Partners

September 2021

## INTRODUCTION

At IMCD, we have certain core values and guiding principles that are essential to the way we operate and key to fulfil our ambition to deliver sustainable and profitable growth. We strive to operate in an environmental friendly way, respect international labour standards and human rights and do not tolerate unethical behaviour. And we expect our business partners, that form an important part of our value chain, to do the same.

The behaviour we expect from you is laid out in these “ESG Standards for IMCD Business Partners”. This set of standards applies to all business partners in our supply chain, whether a legal entity or individual person, that provides goods or services to IMCD or its affiliates. We expect that our business partners ensure that its own agents and sub-contractors also comply with the requirements set forth herein.

We truly believe that responsible management of our supply chain can only be achieved together. Therefore, we encourage you to contact us in case of uncertainty about these ESG standards, but also to inform us of any (potential) breach or non-compliance that you may encounter. Please contact your IMCD contact person or report any issue through the [IMCD Ethics and Compliance Hotline](#).

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## 1. ENVIRONMENT

As a distributor of a wide range of speciality chemicals and ingredients, IMCD takes full responsibility for its own operations and the impact it has on society and the environment. IMCD also acknowledges that the products it distributes have societal and environmental impacts throughout their full lifecycles. Therefore, IMCD encourages responsible and sustainable operations in its supply chain.

In our sustainability strategy, we have aligned our priorities with the UN Sustainable Development Goals (SDGs) and we work to contribute to those goals that we believe we can contribute to the most:



We believe that our business partners play a vital role in reducing our impact on the environment and ask you to support us in our sustainability ambitions. We therefore expect you to:<sup>1</sup>

- Operate in an environmentally responsible and efficient manner to minimise your impact on the environment in all of your operations, products and services.
- Comply with all applicable environmental, health and safety regulations, obtain all environmental permits, licenses and registrations required for your business and follow their operational and reporting requirements.
- Where possible and applicable in your operations, conserve natural resources, avoid the use of hazardous materials and engage in activities that contribute to reuse and recycling.
- Have systems in place to ensure the safe handling, movement, storage, disposal, recycling, reuse, or management of waste, air emissions and wastewater discharges.
- If your activities include re-filling and/or re-packaging, have systems in place to prevent and accidental spills and releases to the environment or otherwise mitigate adverse impacts on the local community.

We strongly encourage you to measure the environmental impact of your facilities and transportations, including reductions achieved on emissions, waste, energy and water consumption. We ask that you pro-actively share your data with us.

If you provide warehouse- or transport services to IMCD, we may request you to take part in a third party sustainability assessment or audit.

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<sup>1</sup> The principles summarised here may not all apply to you, as there is a large variety of business partners we engage with in our supply and value chain. We ask you to adhere to as many of the standards listed herein, to the extent such are relevant and can be applied in the business that you operate or services that you provide.

## 2. ETHICAL BUSINESS CONDUCT

Our business partners must adhere to the same guiding principle of conducting business responsibly and with integrity. At IMCD, we have a 'zero tolerance' approach towards unethical business practices and we expect the same from any third party we engage with.

- **Corruption**

As a minimum, our business partners must comply with all applicable anti-bribery and anti-corruption laws and regulations, both on a local and - where relevant - international level. We require that you strictly abstain from any form of corruption or bribery.<sup>2</sup> This includes engaging in behaviour that could potentially be construed as bribery, paying or accepting facilitation payments, but also providing any financial donation or other form of support to political parties to influence transactions with or for IMCD.

- **Gifts**

We expect our business partners to only offer or accept gifts in the context of the execution of professional tasks. Gifts should be of modest value, customary in normal business relationships and compliant with applicable laws. Gifts in the form of cash may never be offered or accepted.

- **Conflict of interest**

When conducting business with IMCD, or acting on our behalf in business dealings with others, our partners' decisions may not be influenced by any personal preference or financial interest. If such a conflict should potentially exist, we expect our partners to inform their IMCD contact person up front.

- **Fair competition**

IMCD supports the principle of free market competition. We expect that our business partners strictly adhere to competition laws on a local and - where relevant - international level, at all times, and inform and train their employees on a regular basis, so that they are aware of potential conflicts and can actively avoid potential competition law infringements.

- **Trade sanctions and export control**

It is essential that our business partners comply with restrictive trade measures, export control regulations, economic sanctions and/or trade embargoes that apply for their business. Any breach or incident must be reported to us immediately.

- **Data protection**

We expect business partners to respect and protect the confidentiality of information, including intellectual property rights, belonging to IMCD. You must have adequate systems, procedures and security measures in place to prevent unauthorised access to IMCD's confidential information made available to you. The personal data of our employees must be protected and may be used for legitimate and authorised business purposes only. As our business partner, you must comply with applicable privacy and data protection laws, such as, for example, the EU General Data Protection Regulation that applies globally for all citizens of EU Member States.

Any incident or breach of the above ethical business practices must be reported to your IMCD contact person or through the [IMCD Ethics and Compliance Hotline](#).

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<sup>2</sup> Our definition of bribery includes the granting, accepting or promise of any kind of undue reward, being anything of value, including the provision of any service, gift or entertainment or otherwise, with the object of influencing or inducing the behaviour or business decisions of other parties.

### 3. LABOUR STANDARDS AND HUMAN RIGHTS

IMCD promotes a safe working environment, where conditions are humane and respectful and employees are treated decent and with dignity. We support the aim of the [International Labour Organisation](#) (ILO) to implement universally accepted labour standards and recognise and respect human rights as expressed in the [United Nations International Bill of Human Rights](#). We expect our business partners to do the same. More specific, we require that our business partners:

- Respect and comply with the international proclaimed labour standards and human rights, as defined by the ILO and United Nations, and ensure that their company, nor employees are involved in any labour or human rights abuse. Any infringement of labour or human rights must be reported to IMCD immediately.
- Commit to being an equal opportunity employer, by applying a zero-tolerance approach towards discrimination or harassment based on race, caste, colour, national origin, religion, gender, age, sexual orientation, gender identity or expression disability, protected veteran status, union membership, political affiliation or any characteristic protected by law.
- Do not engage in nor support the use of child, forced or compulsory labour. We expect you to adhere to the most stringent legal minimum age requirements as outlined by either the ILO or local law. No hazardous work may be executed by employees under the age of 18.
- Provide appropriate wages and working hours for all employees. This includes a commitment to ensure that all workers are paid a “living wage” (i.e., the minimum remuneration to support basic needs) in accordance with applicable local law. In the absence of applicable law or collectively bargained labour agreement, working hours must not exceed 60 hours per week, including overtime, and a minimum of one day of rest per week must be provided.
- Respect the right of their employees to freedom of association and assembly.
- Respect the personal dignity, privacy, and rights of everyone employed.
- Install and maintain an employee grievance process through which employees can report any serious issue or incident in a safe and confidential way. In absence thereof, we require our business partners to communicate to its employees that they can always make a report through the [IMCD Ethics and Compliance Hotline](#).

#### 4. HEALTH AND SAFETY

IMCD considers the health and safety of its employees to be of utmost importance and cannot accept anything less from its business partners. In all your operations products and services, we require that our business partners to:

- Provide and promote safe and healthy working conditions for all employees and/or (sub-)contractors, in compliance with all applicable local laws and regulations on occupational health and safety.
- Adopt measures and processes to minimise potential accidents and health hazards, and make sure employees and (sub-)contractors are always aware of safety rules and instructions that apply them, while at work.
- Systematically and on a regular basis assess, monitor and control any operational risks of hazards, injuries or other harm resulting from their activities for IMCD.
- Have adequate processes in place to detect, respond and manage safety incidents.
- Install and maintain an employee grievance process through which employees can report any serious issue or incident in a safe and confidential way. In absence thereof, we require our business partners to communicate to its employees that they can always make a report through the [IMCD Ethics and Compliance Hotline](#).

## 5. USE OF THESE STANDARDS IN PRACTICE

These ESG Standards for IMCD Business Partners should be regarded as minimum requirements, which we encourage you to exceed where possible. We require that our business partners embed these principles in their own organisations and commit to comply and continuous improve.

Any non-compliance with these ESG standards must be reported to your IMCD contact person or through the [IMCD Ethics and Compliance Hotline](#). We expect you to initiate mitigating and/or corrective actions to remedy such breach as soon as possible, and take appropriate measures to prevent any future reoccurrence.

These standards must also be communicated to your employees and, if applicable, (sub-)contractors, agents or other third parties you engage to provide services or goods to us, to ensure that they are aware of, understand and comply with the provisions stated.

IMCD reserves the right to periodically verify compliance with these ESG Standards for IMCD Business Partners by either a self-assessment that we ask you to complete, or an onsite audit performed by ourselves or a certified third party acting on our behalf. Business partners must provide access to sites and/or information when requested.

We work with you on a basis of trust and transparency. In case some elements of our ESG standards are not met, we will encourage you to improve and form an action plan to resolve any issues identified. However, serious or repeated breaches may negatively impact our business relationship and lead to measures, including termination of our business relationship.

**The undersigned confirms to comply with the ESG Standards for IMCD Business Partners:**

Company name : .....

Company representative : .....

Function : .....

Signature : .....