

join resources, **build solutions**

connect
CHEMICALS

CODE OF CONDUCT



Introduction


Connect Chemicals was founded in 1998 and is the cornerstone of the Connect Chemicals Group. Headquartered in Ratingen, Germany, with subsidiaries on four continents and a network of partners. We act as a distributor and are continually expanding our expertise in the field of modular custom manufacturing. We offer global coverage, serving both local and multinational organizations. Worldwide sourcing is integrated into all our business segments. Our distribution focuses on, but is not limited to, the following industries:

- Intermediates for the thermal paper industry
- Raw materials for industrial water treatment
- Biocides and their blends
- Metalworking components for, including lubricants
- Additives for the detergents and cleaning industry
- Additives for coatings, adhesives, sealants and detergents
- Specialties for the cosmetics industry, and
- Corrosion inhibitors

Our teams of experts work closely with customers to ensure technical standards are met. We provide customized solutions tailored to our customers' specific needs that go beyond the traditional scope of chemical marketing. These solutions include:

- Worldwide delivery including customs clearance and taxes
- Customized packaging, labelling, and packing
- Implementation of religious requirements (e.g. Halal, Kosher)
- Material safety data sheet preparation
- Regulatory requirements (e.g., REACH)
- Storage and warehousing

Our modular Custom Manufacturing service includes:

- Contract/Toll Manufacturing in various scales (kg to t)
 - New process development and process optimization
 - Collaborative plant design and engineering
 - Application consulting and troubleshooting
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At Connect Chemicals, we hold ourselves and our partners to high ethical and professional standards. This Code of Conduct (CoC) outlines our expectations for all Business Partners and Suppliers working with us. In addition to country-specific regulations and government requirements, the following principles serve to reinforce and interpret the principles outlined below: the United Nations *Universal Declaration of Human Rights*, the *International Labor Organization (ILO) Conventions*, the *OECD Guidelines for Multinational Enterprises*, the principles of the UN Global Compact, and the general principles regarding *Anti-Corruption* and *Competition Laws*.

It applies to all aspects of Business Partners' and Suppliers' operations that impact our business, covering areas such as labor standards, safety, environmental responsibility, and ethical business practices. We appreciate your commitment to these standards and look forward to a rewarding partnership.



Dirk Otmar



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1. Compliance with Legislation and Regulations

Business Partners and Suppliers shall fully comply with all applicable laws, rules, and regulations in the countries and regions in which they operate or conduct business activities.

2. Human Rights and Work Place

Respecting and protecting human rights is an integral part of our corporate responsibility. Every employee, Business Partner and Supplier respects the dignity and personal rights of all other employees and third parties with whom we do business.

2.1 Prohibition of Child Labor

At Connect Chemicals, we require all our suppliers to maintain high labor standards in accordance with local and international laws. The minimum working age for employment is 15 years. If national law requires a higher age, that age will apply instead. Any type of work that could jeopardize the health, safety, or moral values of young people (such as hazardous work) will be restricted to those who are at least 18 years old.

2.2 Prohibition of Force Labor, Freedom of Association and Right to Collective Bargaining

All forms of forced labor are prohibited. This includes core labor standards as defined by the *International Labor Organization* (ILO), including freedom of association, the right to collective bargaining, and the elimination of forced labor and discrimination. Work shall be performed on a voluntary basis and all workers, including temporary, migrant, student, contract, direct hire employees, or any other type of worker, shall have the right to terminate their contract upon reasonable notice.

Employees shall be regularly informed and consulted by the Board of Directors and management, for example at company meetings and team meetings or through internal newsletters and company notices.

2.3 Health and Safety

Business Partners and Suppliers shall provide a safe, healthy, and secure working environment for all their employees. This commitment includes the well-being and safety of the workforce, ensuring that employees can work without undue risk to their health or personal safety. Suppliers shall have policies and procedures in place to prevent accidents and the occurrence of occupational illnesses.

2.4 Diversity and equal opportunities

Business Partners and Suppliers must respect and comply with internationally recognized human rights as set forth in the *Universal Declaration of Human Rights*. We expect our Business Partners and Suppliers to adhere to these principles in all their operations and business practices. This includes ensuring non-discrimination, the right to privacy, the right to freedom of expression, and upholding the principles of fairness and justice. They should respect these fundamental rights in all aspects of their operations and remain committed to these values at all times.

Business Partners must provide a work environment that is free from harassment and unlawful discrimination on the base of race, color, age, gender, sexual orientation, gender identity and expression, ethnic or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information, or marital status. This

prohibition extends to various aspects of employment, including but not limited to hiring, wages, promotions, benefits, and access to training. Employers are required to provide reasonable accommodations for religious practices to ensure inclusiveness. In addition, current and prospective employees should not be subjected to medical tests, including pregnancy or physical examinations, that could be used in a discriminatory manner. This commitment is consistent with the principles outlined in the *ILO Discrimination (Employment and Occupation) Convention (No.111)*

2.5 Working Time and Remuneration

Working hours shall be consistent with the stricter of legal or industry standards in the region in which we operate. The work week should not regularly exceed 48 hours over a reference period of up to 4 months. Overtime shall be strictly voluntary and limited to 12 hours per week, except in emergency or unusual situations. Each employee is entitled to one day off after six consecutive days of work. Compensation for regular and overtime hours shall be in accordance with the applicable laws and the current industry standards, with the stricter standards taking precedence. The Business Partner shall comply with local minimum wage regulations. In cases where such wages do not cover the cost of living, the Business Partner shall ensure that employees receive compensation that covers their basic needs and living expenses.

2.6 Land Rights

Our Business Partners are required to respect the land, forest, and water rights of individuals and communities affected by their operations and sourcing practices. This includes the principles of free, prior, and informed consent, contract transparency, and disclosure. All Business Partners must avoid any action that could be considered land grabbing. It is mandatory that they obtain, maintain and comply with all necessary environmental permits, approvals, and registrations to ensure environmental protection and compliance.

3. Business Integrity

3.1 Free Competition

We promote fair and open competition, recognizing its importance for innovation, consumer choice and market efficiency. We strictly adhere to ethical business practices and reject the use of bribes or participation in cartel arrangements as a strategy to secure business. We prohibit all forms of fraud, including misrepresentation and embezzlement. We also do not engage in anti-competitive practices, including price-fixing, manipulation, market division, or collusion. In our business transactions, we expect our partners to act in accordance with principles that are consistent with our own.

3.2 Anti-Corruption and Money Laundering

Business Partner and Suppliers must prohibit all forms of corrupt practices, including bribery, extortion, embezzlement, and money laundering. They should have systems in place to prevent, detect, and respond to such activities.

3.3 Data Protection and Security

We require our Business Partners and Suppliers to agree to protect confidential information, trade secrets and intellectual property belonging to Connect Chemicals, its employees, customers, and

partners. Suppliers and Business Partners must acknowledge and respect privacy rights and comply with all relevant data protection and privacy laws in their respective regions.

3.4 International Trade Law, Taxes

Business Partners must comply with laws and regulations relating to privacy, competition, tax, export controls, chemical regulations, and other relevant areas. They are expected to conduct their business operations in an ethical and responsible manner and to demonstrate a high level of business integrity.

3.5 Conflict minerals

We do not trade directly in conflict minerals (tantalum, tin, tungsten, and gold). We ask our Business Partners to ensure that these metals in our supply chain come from trustworthy sources, especially where they are needed, such as in catalysts. Sourcing is conducted in accordance with the *Organization for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* or an equivalent and recognized due diligence framework.

3.6 Disclosure of Information

All business transactions must be conducted transparently and accurately recorded in the Participant's business records. It is critical to disclose information regarding the Participant's labor practices, health and safety standards, environmental practices, business activities, organizational structure, financial status, and compliance with relevant regulations and industry standards. Any falsification or misrepresentation of supply chain records or practices is unacceptable.

3.7 Participation and Grievance and Feedback

Ongoing processes, including an effective grievance mechanism, must be in place to assess workers' understanding of, and to obtain their feedback on, any violations of the practices and conditions set forth in this Code. These processes should be designed to promote continuous improvement. Workers must be provided with a safe environment in which they can voice their grievances and provide feedback without fear of retaliation or any form of reprisal.

4. Environmental

We are committed to protecting and preserving the environment and the people for present and future generations and recognize that environmental stewardship is essential to sustainable development and the well-being of our planet. The Business Partner shall comply with all applicable laws and regulations regarding environmental impact and protection (e.g. energy, greenhouse gas (GHG), waste management, water use, and conservation of natural resources). We expect our Suppliers to demonstrate a strong commitment to environmental responsibility and to integrate these concerns and impacts into their decision-making processes and activities.

4.1 Emissions

Our Business Partners shall comply with all applicable legal requirements and laws regarding the management and reduction of GHG emissions. Business Partners should actively monitor, record, and document their emissions to air, water, and land from their facilities, as well as the wastewater generated by their operations. This data collection is critical to identifying areas for improvement. Targets are being set to reduce greenhouse gas emissions in line with the Paris Agreement and

limit global warming to well below 2 °C. We are actively working to reduce or eliminate emissions, pollutants, and waste at source. This includes deploying pollution control technologies, refining production processes and optimizing plant operations. Concurrently, we are committed to the responsible use of natural resources, including water, fossil fuels, minerals, and virgin forest products. Strategies such as production process modification, material substitution, resource reuse, conservation, recycling, and other resource-efficient practices are integral to the sustainability journey.

4.2 Hazardous Substances

Our Suppliers must comply with international and/or local laws and regulations regarding the transportation and handling of hazardous materials. This includes, but is not limited to, proper packaging and labeling.

4.3 Animal Welfare

All animal testing should be limited to what is absolutely necessary and only those tests required by laws or regulations (e.g. REACH Registration) should be performed.

4.4 Resource and Energy Efficiency

Business Partners and Suppliers are expected to minimize the use of resources and improve energy efficiency through efficient operating practices. This includes managing energy and water use in their facilities to conserve natural resources. Prioritizing energy efficiency not only promotes environmental sustainability, but also leads to potential cost savings and increased competitiveness.

4.5 Waste Management

Business Partners are expected to implement a systematic waste identification and management program with the primary goal of reducing waste generation. Waste management and disposal should follow the general sustainable practices guided by the principles of “avoid, reduce, reuse, recycle, or recover”. Disposal methods that may have long-term environmental impacts, such as landfilling, should be avoided. Disposal in water sources is strictly prohibited. All waste storage, disposal, import, and export activities must comply with relevant laws and regulations.

5. Reporting of Breaches

Compliance with these principles is the basis for doing business with Connect Chemicals Group. Any violation of the Code of Conduct may result in the termination of our business relationship. Suppliers and Business Partners must promptly address and correct any practices or conditions that do not comply with this policy. Employees, Suppliers or Business Partners are encouraged to report any violations of the Code of Conduct or unethical behavior without fear of retaliation. The following means are available to report violations of this Code of Conduct:

a) **Direct Reporting to Senior Management**

Employees and stakeholders are encouraged to report breaches directly to senior management. This direct line of communication ensures that the concerns are addressed promptly and effectively. All messages received by senior management will be handled with the utmost care and confidentiality. This means that the identity of the whistleblower will be protected and information will only be shared on a strictly need-to-know basis to facilitate the investigation and resolution of the reported issue.

b) **External Reporting Mechanism**

In cases where the whistleblower wishes to remain anonymous, or if reporting directly to senior management is not feasible, an external reporting mechanism (external reporting office) is available. This mechanism allows individuals to report breaches anonymously, ensuring that their identity is protected while allowing the organization to address the reported issues. If you observe a potential or actual violation, you can simply enter the information into the external reporting office's pre-designed reporting form. You can find the form here <https://www.nextwork.de/whistleblowing-en/>

If you wish, the external reporting office will remain in contact with you and keep you informed of the status of your report. You will remain completely anonymous to Connect Chemicals and its subsidiaries, and your report and your contact details will be kept strictly confidential in accordance with applicable privacy laws.

These reports are kept confidential and the individual or employee will not suffer any negative consequences. The rights of the accused are also protected.

6. Amendments

Connect Chemicals Group reserves the right to amend the Code of Conduct due to changes in legislation or law. When such changes to the Code of Conduct occur, they will be communicated to the Business Partner in writing. If our Business Partners do not have any issues with the changes within thirty (30) days, we will consider them approved.

7. References

- ILO Discrimination (Employment and Occupation) Convention (No.111)
https://www.ilo.org/wcmsp5/groups/public/@dgreports/@gender/documents/genericdocument/wcms_114189.pdf
- Organization for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict- Affected and High-Risk Areas
<https://www.oecd.org/daf/inv/mne/OECD-Due-Diligence- Guidance-Minerals-Edition3.pdf>
- OECD Guidelines for Multinational Enterprises
<http://www.oecd.org/investment/mne/1903291.pdf>
- ILO International Labor Standard
www.ilo.org/public/english/standards/norm/whatare/fundam/index.html
- Universal Declaration of Human Rights
<https://www.un.org/en/universal-declaration-human- rights/>
- United Nations Convention on the Rights of the Child
<https://www.ohchr.org/en/professionalinterest/pages/crc.aspx>