



– Our commitment to responsible sourcing from our supply chain –

Syensqo is committed to upholding the highest standards and principles concerning environmental sustainability and human rights protection within its operations and expects its suppliers to adhere to and promote the same standards.

As a company with a strong and well established sustainable growth ambition, Syensqo integrates due diligence on environmental and social impacts and risks in its supply chain.

This policy outlines how Syensqo manages the impacts and risks from its procurement activities, including raw materials and indirect purchases. It also includes information on how the Company supports its suppliers in their sustainability journey, aiming for continuous improvement across the entire value chain. The policy should be read in conjunction with the [Supplier Code of Business Integrity](#) and other relevant company policies as referenced below, and is intended to align with local laws and regulations.

Our commitment

Syensqo has a company-wide approach to Sustainable Procurement, applicable to all Syensqo operations, employees, business units, and supply chain on a worldwide basis.

The Sustainable Procurement commitment used across the Company and supply chain is aimed at ensuring compliance, safeguarding health and safety, respecting human rights, and protecting the environment.

Our approach

Syensqo's comprehensive approach to Sustainable Procurement is in line with the aims of the United Nations' (UN) Sustainable Development Goals (SDG 12 - "Ensure sustainable consumption and production patterns").¹ It is also aligned with internationally recognized standards and conventions, including: the UN Global Compact, the International Labour Organization (ILO) Tripartite Declaration of Principles Concerning Multinational Enterprise and Social Policy, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, Children's Rights and Business Principles, the Universal Declaration of Human Rights, and further international declarations and conventions.²⁻⁷

In doing business with Syensqo, suppliers and subcontractors must comply with Syensqo's [Supplier Code of Business Integrity](#). Suppliers can refer to their own code, but in such cases, a check is performed to see if it is aligned with Syensqo's code.



Procurement due diligence – supplier evaluation and risk mitigation

Syensqo's procurement due diligence aims at identifying, assessing and mitigating salient risks in its upstream value chains. Suppliers are assessed based on value chain-related risks, which include environmental and social risks, country-related risks, adverse media alerts, and an EcoVadis score.⁸ This helps the Company prioritize actions to address high-risk areas. Syensqo also conducts on-site audits and performs internal risk assessments based on country and value chain.

In all its business activities, Syensqo is committed to respecting human rights. More information is available in the [Human Rights Policy](#).

Supplier risks, such as social and environmental issues, are integrated into the Enterprise Risk Management (ERM) program, ensuring coordination between the Internal Audit, Risk Management, Ethics & Compliance, and Procurement functions.

Financial and non-financial criteria are taken into account in the supplier selection process by buyers. Syensqo is also part of the Together for Sustainability (Tfs) initiative, which conducts independent audits and assessments.⁹ When third-party audits or assessments are not deemed sufficient, Syensqo uses questionnaires focusing on key areas like human rights and conflict minerals. Follow-up actions are based on assessment results, and Syensqo can ask for additional information and remedial actions, and may disengage from non-compliant suppliers or terminate the business relationships with those suppliers. Syensqo continuously seeks to improve mitigation measures, focusing on deeper engagement, corrective actions, and ongoing monitoring.

Risk-exposed commodities

Syensqo is committed to responsible sourcing and takes proactive measures to ensure that procurement and use of risk-exposed commodities are aligned with ethical, environmental, and social standards throughout the supply chain.

- **Conflict minerals:** Syensqo employs a due diligence process to help ensure it does not buy products, parts, or materials that contain 3TG (tin, tantalum, tungsten, gold) from sources that fund or contribute to conflict. Syensqo also requires the cooperation of its suppliers in the implementation of its [Policy on Conflict Minerals](#).
- **Palm oil and derivatives:** Syensqo is committed to the use of palm oil, palm kernel oil, and derivatives from sustainable sources when commercially available and economically viable, as per its [Sustainable Sourcing Statement](#). By doing so, the Company helps support sustainable forest management.

Grievance mechanism

Syensqo has an established process to receive, address, and resolve issues or concerns voiced by suppliers, civil society, and other stakeholders in a confidential and secure manner. Individuals can report their concerns through the [Syensqo Ethics Hotline](#). More information and guidance can be found on the [Ethics & Compliance](#) page of Syensqo's corporate website. Syensqo's procurement team are regularly trained on the Supplier



Code of Business Integrity and are responsible for reporting and acting upon suspected violations.

Measurement and evaluation

Syensqo is dedicated to improving its due diligence monitoring and reporting processes. This includes tracking key performance indicators such as the number of suppliers covered by third-party assessments such as EcoVadis, Tfs audits, and the questionnaires sent out to suppliers.^{8,9} The Company also reports on supplier engagement plans and other due diligence efforts each year in its annual report.

About Syensqo and implementation of this policy

Syensqo is a science company with more than 13,000 employees across 30 countries. Its solutions contribute to safer, cleaner, and more sustainable products found in homes, food and consumer goods, planes, cars, batteries, smart devices and health care applications.

Syensqo's Sustainable Procurement Policy is applicable to all of its operations and businesses.

The Sustainable Procurement Policy is communicated to all employees and potentially affected stakeholders and is published on Syensqo's corporate website.

Syensqo's Board of Directors oversees the Company's Corporate Governance and Ethics & Compliance strategy. The Executive Leadership Team has approved the Company's Sustainable Procurement Policy, and the Chief Procurement Officer is accountable for implementation, working with Ethics & Compliance.

References

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9. Together for Sustainability. "What We Do." Tfs Initiative, www.tfs-initiative.com/what-we-do. Accessed 28 Oct. 2024.