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SUSTAINABLE PROCUREMENT POLICY

Purpose

Arkem Chemicals B.V. is committed to conducting procurement activities in a responsible, ethical and sustainable manner. As part of a leading and trusted organisation in the chemical industry, we recognise that our procurement decisions influence not only the quality and continuity of our products and services but also the environmental, social and economic impacts throughout our value chain.

This Sustainable Procurement Policy establishes the principles that guide our purchasing decisions and supplier relationships. By integrating sustainability into our procurement processes, we aim to create long-term value for our customers, employees, suppliers, shareholders and society while supporting responsible business practices and contributing to the United Nations Sustainable Development Goals (SDGs).

Scope

This policy applies to all employees involved in procurement activities and to all purchasing decisions made by Arkem Chemicals B.V. It also defines our sustainability expectations for suppliers, contractors, service providers and other business partners throughout our supply chain.

Our Procurement Principles

Arkem Chemicals B.V. commits to integrating environmental, social, ethical and governance (ESG) considerations into procurement decisions while maintaining the principles of quality, reliability, cost-effectiveness and business continuity.

Our procurement activities are guided by the principles of:

- Integrity and ethical business conduct;
- Transparency and accountability;
- Fair competition and equal treatment of suppliers;
- Respect for human rights and labour standards;
- Environmental stewardship;
- Risk-based decision-making;
- Collaboration and continuous improvement.

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Our Commitments

To achieve these objectives, Arkem Chemicals B.V. commits to:

Legal and Ethical Procurement

- Comply with all applicable national and international laws, regulations and other compliance obligations relating to procurement activities.
- Conduct procurement activities with integrity and in accordance with our Code of Conduct, Supplier Code of Conduct and applicable anti-bribery, anti-corruption and competition laws.
- Promote fair, transparent and objective supplier selection and evaluation processes.

Sustainable Supplier Selection

- Integrate environmental, social, ethical and governance (ESG) considerations into supplier selection, evaluation and performance reviews.
- Give preference, where appropriate, to suppliers that demonstrate strong sustainability performance and a commitment to continuous improvement.
- Encourage suppliers to implement recognised environmental, quality, occupational health and safety, and information security management systems where relevant.

Responsible Supply Chain Management

- Maintain long-term, collaborative relationships with suppliers based on mutual trust, transparency and shared responsibility.
- Encourage suppliers to communicate our sustainability expectations throughout their own supply chains and promote responsible business practices among their subcontractors and suppliers.
- Work collaboratively with suppliers to improve sustainability performance and address identified risks.

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Human Rights and Labour Standards

- Respect internationally recognised human rights throughout our procurement activities.
- Promote fair labour practices, safe and healthy working conditions, equal opportunity, diversity and inclusion.
- Oppose all forms of forced labour, child labour, modern slavery, discrimination and harassment.
- Encourage suppliers to comply with internationally recognised labour standards and applicable employment legislation.

Environmental Responsibility

- Support procurement decisions that minimise environmental impacts throughout the product and service life cycle.
- Encourage suppliers to reduce greenhouse gas emissions, improve energy efficiency, conserve natural resources and minimise waste generation.
- Promote the use of environmentally responsible materials, recycled content, sustainable packaging and circular economy principles where technically and commercially feasible.
- Encourage suppliers to protect biodiversity and prevent pollution within their operations.

Climate Change

- Integrate climate-related risks and opportunities into procurement planning and supplier engagement.
- Encourage suppliers to measure and reduce greenhouse gas emissions and support the transition to a lower-carbon economy.
- Consider climate resilience and environmental performance as part of supplier risk assessments where appropriate.

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Risk Management and Due Diligence

- Apply a risk-based approach to identify, assess and manage environmental, social, ethical and governance risks within our supply chain.
- Conduct supplier assessments, performance reviews or audits where appropriate based on identified risks.
- Support suppliers in implementing corrective actions and continuous improvement initiatives where appropriate.
- Periodically review procurement risks to strengthen supply chain resilience and business continuity.

Supplier Performance and Continuous Improvement

- Monitor supplier performance using appropriate sustainability criteria.
- Maintain open communication with suppliers to encourage innovation and the sharing of good practices.
- Promote continuous improvement through collaboration, training and capacity-building initiatives where appropriate.

Supplier Expectations

Arkem Chemicals B.V. expects suppliers and business partners to:

- Comply with all applicable legal and regulatory requirements.
- Operate in accordance with our Supplier Code of Conduct.
- Respect internationally recognised human rights and labour standards.
- Maintain safe and healthy working conditions.
- Minimise environmental impacts and continually improve environmental performance.
- Conduct business ethically and with integrity.
- Cooperate with reasonable requests relating to sustainability assessments, information requests and corrective action plans.
- Communicate these sustainability expectations throughout their own supply chains where appropriate.

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Responsibilities

The Managing Director is responsible for the implementation, maintenance and periodic review of this Sustainable Procurement Policy.

Management is responsible for integrating sustainable procurement principles into procurement strategies and supplier management processes.

Employees involved in procurement activities are responsible for applying this policy during supplier selection, purchasing decisions and supplier relationship management.

Suppliers are expected to support the principles of this policy and work collaboratively with Arkem Chemicals B.V. to promote responsible and sustainable supply chain practices.

Monitoring and Review

The effectiveness of this policy shall be reviewed at least annually, or more frequently where necessary, to ensure its continuing suitability, adequacy and effectiveness.

Performance shall be monitored through supplier evaluations, sustainability objectives, risk assessments and continuous improvement activities. Where appropriate, corrective actions and supplier development initiatives will be implemented.

Any revisions to this policy shall be approved by the Chief Executive Officer (CEO) prior to implementation.

The current version of this policy shall be made available to employees through the Company's internal document management system and published on the corporate website where appropriate.

Quantitative objectives and performance indicators supporting this policy are defined separately in the **Corporate Strategic Sustainability Targets (MNG-SG)** document, which forms part of the Company's sustainability management framework.

Contact

Questions, comments or feedback regarding this policy may be directed to the Sustainability Committee:

E-mail: sustainability@arkem.com

Prepared by	Checked by	Approved by
OM/ JB	**FM**/ HD	**MD**/ BK