



# EVONIK CODE OF CONDUCT FOR SUPPLIERS

SHARED RESPONSIBILITY – TOGETHER SUCCESSFUL

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Evonik's leadership and management processes are rooted in the conviction that responsible action is essential for the long-term success of any company. Our performance promise and purpose – "Leading beyond chemistry to improve life, today and tomorrow" – describes how we want to meet this responsibility. With our competences, our values and products, but also through our contribution to society.

Mutual trust as well as responsible and fair conduct towards our employees, customers, suppliers, other business partners and the public are central elements of this approach.

Our commitment to acting responsibly in our own business and in our business relationships is anchored in the following guidelines:

- **Evonik Code of Conduct**
- **Evonik Declaration of Principles on Human Rights**
- **Evonik ESHQE policy on environment, safety, health, quality, energy efficiency**

Our commitment is also manifested in voluntary initiatives of which our company is a member, including:

- **United Nations Global Compact**
- **World Business Council for Sustainable Development**
- **Together for Sustainability**
- **Responsible Care Global Charter**

In our actions, we are committed to the *International Charter of Human Rights*<sup>1</sup>, the *International Labour Organization (ILO)*<sup>2</sup> on Declaration on Fundamental Principles and Rights at Work (ILO Core Labour Standards), the *ten principles*<sup>3</sup> of the UN Global Compact and the *OECD Guidelines*<sup>4</sup> for Multinational Enterprises. In implementing our human rights due diligence obligations, we act on the basis of the United Nations *Guiding Principles on Business and Human Rights*<sup>5</sup> and explicitly focus on the rights of (potentially) affected persons.

Evonik expects its business partners, especially suppliers, to share these principles and assume their responsibility towards their employees, their own business partners, society, and the environment. This Code of Conduct for Suppliers specifies our expectations. It is aimed at suppliers of all kinds and also includes service providers and consultants (hereinafter collectively referred to as "suppliers"). Evonik expects its suppliers to actively demand these principles from upstream suppliers as well.

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<sup>1</sup> <https://www.ohchr.org/en/universal-declaration-of-human-rights>

<sup>2</sup> <https://www.ilo.org/declaration/lang--en/index.htm>

<sup>3</sup> <https://unglobalcompact.org/what-is-gc/mission/principles>

<sup>4</sup> <https://www.oecd.org/daf/inv/mne/>

<sup>5</sup> [https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf)

**COMPLIANCE WITH LAWS**

We expect suppliers to comply with applicable legal requirements, their internal company guidelines and voluntary commitments. In countries where local laws differ from the standards listed here, we expect suppliers to implement these standards in a manner that does not conflict with local laws.

**FIGHT AGAINST CORRUPTION**

Evonik is committed to fair competition for the benefit of its own customers, shareholders, and other stakeholders. We also place this expectation on our suppliers.

Any active and passive bribery or attempted bribery is prohibited.

We expect suppliers not to grant or offer inappropriate gifts to Evonik employees. With regard to other benefits, in particular invitations, restraint is generally required. These must not be unreasonable and under no circumstances suitable for influencing the decision of Evonik employees in the business relationship with the supplier or third parties.

**FIGHT AGAINST MONEY LAUNDERING, PAYMENT FRAUD AND CYBERCRIME**

We expect suppliers to comply with applicable legal requirements for the prevention of money laundering and terrorist financing.

We expect our suppliers to have effective measures in place against payment fraud. For example, the correct contractual partner and his correct bank details must be specified when invoicing. Changes must be agreed with Evonik in advance. The supplier shall also take appropriate precautions to protect against cybercrime.

**FOREIGN TRADE AND EXPORT CONTROL**

Evonik supports global efforts to prevent the production of nuclear, biological and chemical weapons as well as the further development of suitable delivery technologies and complies with all applicable foreign trade and customs regulations.

We expect suppliers to ensure that all imports and exports are cleared correctly and transparently and that all applicable foreign trade and customs regulations are complied with.

**ANTITRUST LAW**

We expect suppliers to act in accordance with applicable antitrust and competition laws.

**CONFIDENTIALITY AND DATA PROTECTION**

We expect suppliers to use and protect confidential information and data in a conscientious and appropriate manner and to use it only for the purpose of processing the respective order. When handling personal data, the personal rights and privacy of the persons concerned must be protected. Data and information may only be passed on to the extent necessary for this, in case of doubt consultation must be held. The supplier is obliged to comply with all relevant data protection regulations in the currently valid version. The supplier must instruct all employees who come into contact with the information as intended in accordance with the relevant data protection regulations and oblige them to maintain data secrecy. These declarations must be submitted to Evonik or its data protection representative upon request.

**PROHIBITION OF FORCED LABOUR,  
HUMAN TRAFFICKING AND CHILD LABOUR**

We expect suppliers to reject and actively combat any form of labour exploitation, forced or compulsory labour, (ILO standards) debt bondage, involuntary or exploitative prison labour, human trafficking or other forms of modern slavery.

Suppliers are strictly prohibited from confiscating and withholding employee identification documents or using any form of psychological or physical violence. Employment contracts should be concluded in writing, including the electronic form. Employment relationships must be voluntary and terminable for the employee and the employing company within a reasonable period of notice.

Suppliers must exclude any kind of child labour within the meaning of ILO Conventions 138 and 182.

Suppliers must ensure that young people are protected so that their health is not in danger and their development can proceed undisturbed.

**FAIR TREATMENT, PROTECTION AGAINST  
DISCRIMINATION AND EQUAL OPPORTUNITIES**

We expect suppliers to treat all employees with dignity and respect. Suppliers should ensure that employees can work in a working environment free from physical, sexual, psychological or verbal harassment or abuse.

Any form of discrimination or unjustified unequal treatment shall not be tolerated, for example on the basis of ethnic origin, skin colour, religion or belief, political, social or trade union activity, age, gender, sexual identity and orientation, physical constitution or appearance.

We expect equal opportunities and equal treatment to be an essential part of the supplier's corporate policy.

**FREEDOM OF ASSOCIATION AND  
COLLECTIVE BARGAINING**

We expect suppliers to recognise the fundamental right of employees to form, join, or consider joining labour unions and employee representatives, and to engage in collective bargaining. The establishment, affiliation or membership of a labour union shall not result in unequal treatment or other discrimination. Employee representatives must not be discriminated against, their access to workplaces must be guaranteed.

In situations where the right to organise and the right to collective bargaining are restricted by law, the supplier shall offer reasonable alternatives to cooperation within the workforce.

**RIGHT TO FAIR PAY AND REGULAR WORKING  
HOURS**

We expect suppliers to pay remuneration and provide services that provide a living wage for all employees. The remuneration should at least correspond to the respective national minimum wage or the local industry standards; whichever is higher. We expect suppliers to comply with the principle of equal pay for work of equal value. In addition, social benefits must be provided that meet the respective national or local standards.

We expect the employees of our suppliers to have regular working hours that do not endanger their health. Working hours must not exceed the maximum under local law, and all ILO conventions applicable at the workplace regarding working hours, breaks and paid holidays must be respected.

**TRAINING AND QUALIFICATION**

The development and expansion of employees' professional skills must be promoted at all levels through appropriate training and further education measures.

**RIGHTS OF LOCAL COMMUNITIES AND INDIGENOUS PEOPLES**

We expect suppliers to respect the rights of local communities and indigenous peoples who may be affected by suppliers' operations. This applies in particular to the acquisition of land and land use.

**PROTECTION OF HUMAN RIGHTS IN THE DEPLOYMENT OF SECURITY FORCES**

Should suppliers deploy their own security forces or commission private security service providers, they must ensure by means of suitable specifications and measures that they respect internationally recognised human rights in their operations. These include, in particular, the prohibition of torture and cruel, inhuman or degrading treatment, injury to life or limb and interference with freedom of association and association.

Certain raw materials, intermediate products and services pose particular human rights and environmental risks. These include, for example, metallic and mineral raw materials, including conflict and high-risk minerals<sup>1</sup>, as well as renewable raw materials<sup>2</sup>. Certain services – especially those involving a lot of unskilled and low-paid labour or many subcontractors – are also particularly risky.

We expect suppliers who purchase appropriate hazardous raw materials, inputs or services to establish and continuously improve effective management systems to identify, reduce or address human rights and environmental risks in their supply chain.

We expect suppliers to ensure that no conflict minerals are contained in the products to be supplied to Evonik. Corresponding inquiries must be answered truthfully.

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<sup>1</sup> High-risk minerals include for Evonik (non-exhaustive list): tin, tantalum, tungsten, their ores and gold (3TG) from the DR Congo and neighboring countries, cobalt, chromium, mica (mica), manganese, lithium, rare earth metals, diamonds, platinum and any kind of compounds of these substances. Conflict minerals are tin, tantalum, tungsten, their ores and gold (3TG) from the DR Congo and neighboring countries.

<sup>2</sup> Renewable raw materials include for Evonik (non-exhaustive list): corn-based products and sugar, rapeseed-based products, coconut oil, castor oil, palm oil, palm kernel oil.

Evonik regards the protection of people from adverse effects on their safety and health and the responsible handling of the environment as elementary components of its business activities. The principles of Responsible Care are binding for Evonik worldwide.

#### **HEALTH AND SAFETY AT WORK**

We expect suppliers to provide their employees with a safe, healthy and hygienic working environment and active health protection. As part of an effective management system, necessary measures must be taken to avoid accidents and damage to health arising as a result, in connection with or in the course of work.

We expect service providers and contractors who work on our behalf at our sites to actively participate in our safety programs.

#### **PRODUCT SAFETY**

All country-specific laws and legal requirements must be complied with. Relevant information (e.g. product information, safety data sheets, notification or registration confirmations, uses, and exposure scenarios) must be provided to Evonik upon request. Information provided by Evonik must be included in the relevant documents.

The supplier undertakes to provide Evonik with all necessary product information, in particular on composition and shelf life, e.g. safety data sheets, processing instructions, labelling instructions, assembly instructions, occupational health and safety measures, etc., including any changes thereto in good time before delivery/service.

#### **QUALITY**

We expect suppliers to maintain a quality assurance system, e.g. in accordance with ISO 9001. Required permits, licenses and registrations must be in place and maintained. Operational obligations and reporting obligations must be fulfilled.

#### **CLIMATE CHANGE, ENVIRONMENTAL PROTECTION AND RESOURCE EFFICIENCY**

We expect our suppliers to develop and manufacture their products safely and in an environmentally friendly manner, as well as their packaging, transport and disposal.

We expect suppliers to consciously select resources (e.g. water, energy, raw materials), use them sparingly and minimize their impact on natural resources and livelihoods. Furthermore, we expect them to observe and continuously improve climate protection with regard to applicable international standards and legal requirements.

Where relevant, suppliers shall comply with the following conventions in addition to applicable environmental regulations: Minamata Convention on Mercury, Basel Convention on Hazardous Wastes and Stockholm Convention on Persistent Organic Pollutants (POPs).

#### **PROTECTION OF ANIMALS**

If applicable to the supplier, we expect animal testing to be reduced to the lowest possible level. As far as possible, alternatives should be used that are scientifically recognised and accepted by the authorities.

Suppliers can demonstrate implementation and compliance with the standards under this Code of Conduct through their own Code of Conduct, by adopting an industry standard or through their own corporate policy that includes these standards. If no corresponding standards are established, we expect the supplier to commit to this Code of Conduct and to inform its employees about the standards according to this Code of Conduct and to ensure compliance with them.

In order to implement these standards, we expect suppliers to:

- **Establish appropriate systems according to your company and risk profile** to identify, reduce or address social, environmental and governance risks in your own company and in your supply chain and to counter them through effective prevention measures. Implementation shall be monitored in an appropriate manner. Appropriate documentation must be provided.
- **In the event of non-compliance with the standards,** immediately take appropriate remedial action to stop the violation, minimize its extent and, if necessary, provide redress.
- **Inform Evonik immediately in the event of serious violations.** These include, for example, incidents that have a serious and irreparable impact on the quality of life of those (potentially) affected.
- **Establish an effective grievance mechanism** to ensure that its employees and others potentially or actually affected can report violations of these standards without suffering any adverse effects of any kind. In addition to setting up their own procedure, suppliers can refer their employees to *Evonik's external whistleblower system*<sup>1</sup>, which is also available to third parties.
- **Cooperate with Evonik on request in the implementation of training and further education with regard to compliance with our standards.**
- **Encourage your upstream suppliers to comply with appropriate standards.**

When selecting and evaluating suppliers, Evonik will ensure compliance with the above-mentioned principles and examine their implementation in products and services. If suppliers do not meet these requirements, Evonik expects the improvement of the supplier as a prerequisite for establishing or continuing business relationships: The identified deficits must be eliminated or continuously improved as part of a systematic management process. In this respect, too, appropriate documentation by the supplier is required.

**Evonik is expressly prepared to support suppliers in the implementation of these standards in the sense of continuous improvement,** or example by sharing knowledge or as part of the TfS initiative.

However, we reserve the right to verify the implementation and compliance with these standards, for example through self-disclosure, our own audits, evaluation by third parties, certificates/statements as well as assessments and audits on site as part of the TfS initiative.

In the event of serious violations, we also reserve the right to either temporarily suspend business relationships as long as the violation continues or to terminate them immediately. This holds also true if we do not see any improvements on the part of the supplier in the event of identified risks and actual violations.

If you have any questions about this Code of Conduct, suppliers can find respective contact persons via the *Evonik Procurement homepage*<sup>2</sup>. Information on possible or actual violations of these standards can be transmitted via *Evonik's external whistleblowing system*<sup>1</sup>.

**WE ARE LOOKING FORWARD TO A CONTINUED SUCCESSFUL COOPERATION.**

<sup>1</sup> <https://www.bkms-system.net/bkwebanon/report/clientInfo?cin=5EvK11&c=-1&language=eng>

<sup>2</sup> <https://corporate.evonik.com/en/company/procurement/sustainability-in-procurement>



## CONTACT

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