

# Code of Conduct for Suppliers

Issue February 2013

**PUBLISHER**  
CLARIANT INTERNATIONAL LTD  
GROUP PROCUREMENT

Rothausstrasse 61  
4132 Muttenz  
Switzerland

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**CONTACT**

For further information or  
support, please contact  
Group Procurement Services or Group  
Communication  
[procurement@clariant.com](mailto:procurement@clariant.com)  
[sustainability@clariant.com](mailto:sustainability@clariant.com)

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# Code of Conduct for Suppliers

CLARIANT INTERNATIONAL LTD  
GROUP PROCUREMENT

**CODE OF CONDUCT FOR SUPPLIERS**

February 2013

Clariant takes responsibility for the environment, its employees, its customers, its shareholders, stakeholders and society, in order to achieve a sustainable, profitable long term business development. Therefore Clariant has set sustainability as a key element for its business strategy and commits itself to ethical and sustainable operation and development in all business activities according to Responsible Care® and Clariant's own Code of Conduct. Clariant strives for a business culture of continuous improvement as well as for sustainable competitiveness and top performance in consideration of Clariant's ethical standards.

## **Our commitment**

When carrying out procurement duties and responsibilities, all Clariant employees are expected to share with suppliers the company's commitments to high legal, ethical and moral standards, which is written down in Clariant's Code of Conduct for employees. It sets the norms of ethical behavior that all employees are asked to strictly follow. Likewise, we are asking our suppliers to adhere to the principles laid down in this Code of Conduct for Suppliers.

Clariant Procurement has established the following key sustainability initiatives:

- Sustainability Standards incorporated in our sourcing strategies, Procurement Policy and Clariant's general terms and conditions of purchase.
- Innovation projects with preferred key suppliers to use more sustainable products
- Increasing procurement and usage of renewable feedstock's
- Elaborating on various initiatives related to resource-efficiency in terms of e.g. energy and waste management

## **Our expectations**

In order to underline our commitment to sustainability as an integral part of our business strategy we have developed this Code of Conduct for Suppliers that binds our suppliers. They form an integral part of our network and we expect them and their subsidiaries to commit to the ethical and sustainable business practices with consideration to human rights, labor and environmental standards and anti-corruption. We expect our suppliers and contractors globally

and locally to comply with this Code of Conduct for Suppliers and to work hand in hand with us in meeting future challenges.

All suppliers are expected to aim at cooperation for jointly improving and developing innovative solutions for a sustainable future. Being a responsible chemical company, and in line with Responsible Care ® principles, we also expect our suppliers to continuously improve their sustainability efforts.

## **Compliance with this Supplier Code of Conduct**

We expect our suppliers and their contractors to abide by this Code of conduct and to help us reduce our environmental and social impacts by establishing and operating state of the art standards for a sustainable supply chain including the collection and evaluation of adequate and relevant information, the establishment of relevant, measurable objectives and targets, and the regular monitoring and verification of their progress. Our employees are expected to report to their management any practices in dealings with business partners that are in violation of this Code of Conduct for Suppliers. A non-respect of our values may lead to a discontinuation of the business relationship.

## **The human scope: people**

- Health and safety – in order to protect the health, safety and life of its employees Clariant expects suppliers to implement strict policies on work place safety. Suppliers should apply internationally accepted standards such as the ISO Occupational, Health and Safety Guidelines, work actively on identifying and adjusting unsafe conditions and continuously develop workplace conditions towards a healthy and safe environment.
- Non-discrimination – suppliers shall not tolerate any discrimination on the ground of race, social or ethnic background, nationality, age, religion, gender, sexual orientation, political opinion or disability.
- Forced labor – suppliers shall not use work that is performed involuntarily under threat of penalty, including compelled overtime, debt bondage, forced prison labor, slavery or servitude.
- Child labor – suppliers shall not use child labor and shall act in line with Convention 138 (Minimum Age) and Convention 182 (Worst Forms of Child Labor) of the International Labor Organization.
- Freedom of association - suppliers shall respect the right of their employees to freedom of association and collective bargaining. Employee representatives shall not be subject to discrimination or termination of contract in retaliation for exercising employee rights, submitting grievances, participating in union activities, or reporting suspected legal violations.
- Compensation - suppliers shall pursue a fair remuneration policy that complies, at a minimum, with all local working hour and wage laws, in consideration of minimum wages, overtime wages and to provide legally mandated benefits.

## **The environmental scope: planet**

- Environment –suppliers shall ensure compliance with applicable environment, health and safety laws and regulations, including ensuring the protection of the health and safety of the local neighborhoods of the sites or locations they are operating in.
- Product stewardship – suppliers shall identify and manage the risks and environmental impact attached to their products, including in the development, production, distribution, use and disposal phases of their products. In order to reduce risks suppliers share knowledge and

expertise with customers [own suppliers and third parties] and inform Clariant transparently and pro-actively about the environmental and safety aspects of their products.

- Resource-efficiency and climate/environmental protection – suppliers shall use resources efficiently, reduce waste and emissions to air, land and water, and apply energy-efficient and environmentally friendly technologies in their production and services.
- Continuous improvement - suppliers shall continually evaluate and improve their products, working methods, production processes and services. Suppliers ensure that these changes are executed in a controlled way and are acceptable to their customers and stakeholders.

## **The ethical scope: integrity**

- Laws and regulations - suppliers shall conduct their business in an ethical and fair manner and operate in full compliance with international, national and local laws and regulations that are applicable to their business operations, and obtain all the necessary permits.
- Free and fair competition - suppliers shall value free and fair competition throughout the world, and adhere to anti-trust and other competition laws in all areas in which they operate and have implemented strict policies in this respect.
- Embargoes and trade control regulations - suppliers shall respect the applicable trade control regulations, embargoes and other restrictions and have implemented strict policies to ensure compliance therewith.
- Bribery and corruption- suppliers shall not pay or accept bribes, be it directly or indirectly, or participate in other illegal inducements in business or government relationships.
- Conflicts of interest - suppliers shall disclose to Clariant any situation that may appear as a conflict of interest, such as Clariant employees having professional, private and / or financial advantages or interests in any of the supplier's businesses.
- Confidentiality - suppliers shall protect all confidential information provided by Clariant and its respective business partners.
- Transparent accounting – suppliers shall apply principles of a true and fair accounting and abstain from money laundering activities.