

BorsodChem Zrt.
Supplier Code of Conduct

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Foreword

BorsodChem Zrt. is committed to sustainable and responsible operation and participates in the execution of the Responsible Care Program® by means of conscious measures that go beyond legal regulations. The Responsible Care® program was launched by the global chemical industry, emphasizing the global importance of achieving sustainability goals beyond corporate and national frameworks. In the course of our several decades of corporate development the respect of human rights, lawful employment, work- and technical safety, high level commitment towards protection of the natural environment as well as the transparent, ethical, lawful operation have become an organic part of our basic principles.

BorsodChem is a signatory to the United Nations Global Compact, respects and supports all of its principles – including principles on human rights, labor, environmental protection and anti-corruption. We always keep these principles in mind during our operations.

Our Company (hereinafter referred to as BorsodChem or Company) realised that achieving our sustainability goals also requires the coordinated implementation of joint actions and the active involvement of our suppliers. Under supplier, we mean all natural or legal entities that provide any product or service to our Company either as a contractor or subcontractor.

BorsodChem expects its suppliers to respect, to the best of their ability, the principles of the United Nations Global Compact which are relevant to their operations.

In consideration of the above, we created the Supplier Code of Conduct, which compared to our Company Code of Conduct contains in a simplified form all expectations towards our suppliers prevailing along with our business contracts that our Company considers to be followed for itself anyway.

BorsodChem Zrt. sets the following expectations towards its suppliers in order to contribute to a sustainable development also in the future jointly with them.

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The respect of human rights and lawful employment

BorsodChem's supplier is committed to ensuring the human rights of employees and in addition to complying with employment legislation, it applies the following principles.

Indiscrimination

The supplier rejects any form of discrimination, let it be based on especially, but not limited to age, national, religious or social belonging, sex and health condition.

Principle of equal treatment

The supplier consistently applies the principle of equal treatment during the hiring and employment of its employees and the termination of employment relationship.

Prohibition of child labour

The supplier rejects all forms of child labour and adjusts to the legal regulations related to minimum employment age at all its operating fields.

Prohibition of forced labour

The supplier rejects all forms of forced labour including convict labour. The supplier only employs employees who work based on their own free will.

Work and rest time

The supplier observes the laws related to work and rest time pertaining to its operations.

Humane treatment

The supplier takes a definite action against any form of humiliation, intimidation, threat, slander, mental or physical harassment and bullying.

Protection of notifiers

The supplier ensures that the employee will not be exposed to retaliation or other disadvantageous discrimination, who calls the attention of supplier's management to any irregularity or abuse. The supplier consistently investigates these incidents and takes the necessary corrective actions.

Lawful employment

The supplier observes the laws related to the employment of employees in terms its operations. The supplier complies with its employment related notification obligations towards the authorities.

Wages and allowances

The benefits provided by the supplier to employees shall be in accordance with all applicable wage and benefit laws, in particular, but not limited to the regulations on minimum wages, overtime pay and other

statutory benefits. Reductions in employees' wages for penalization purposes may only be made within the limits set by the relevant legislation.

Freedom of association

The supplier respects the employees' right of free association and collective bargaining. The supplier does not influence the establishment and operation of labour unions and ensures the conditions required for their activity in compliance with the applicable laws.

Lawful disciplinary measures

The supplier ensures that it calls an employee to account or terminates employment relationship along with observance of the relevant laws.

Respect of the individual

The supplier behaves respectfully towards the employees and representatives of the Company and other companies operating on Borsod-Chem's site and shall act in accordance with the generally accepted ethical norms of business life when dealing with them.

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Environmental protection, health protection and safety

Our daily activity is based on the “Safety First” principle. All of BorsodChem’s suppliers are committed and assume responsibility for establishing the conditions of safe work, reducing the accident risks down to the socially acceptable level and establishing a safe work environment. The supplier is obliged to observe the environmental regulations related to its activity and products and consciously seek to mitigate the negative environmental impacts arising from its operations.

Lawful and authorised operation

The supplier observes the safety and environmental laws related to its activity. The supplier always performs its activity in the possession of the required permissions and fulfils its reporting obligations related to its activity stipulated by laws.

Safe work environment and preparation for emergencies

The supplier creates a work environment for its employees and visitors on its site that is safe and ensures the preservation of health. The supplier provides the related persons with tools, equipment and training required for safe work and stay. The supplier – who perform tasks on BorsodChem site in particular – identifies the emergencies that potentially occur in the course of its activity. The supplier introduces such protection measures and procedures (e.g., but not limited to evacuation procedures, installation of protective equipment, establishment of unblocked emergency exits), which minimise

the impact of emergencies exercised on human life, natural environment and equipment.

Management of safety and environmental risks

The supplier identifies the safety and environmental risks and emergency situations related to its operation or generated thereby possibly occurring during the production, delivery of its product or provision of its service. The supplier takes such actions that reduce these risks down to the socially acceptable level.

Management of wastes and contaminants

The supplier consciously and responsibly monitors the volume of wastes generated during its operations, the emission of contaminants and seeks to eliminate or reduce these. The supplier observes the laws applied to the management of wastes and contaminants affecting its activity.

Protection of natural resources

The supplier responsibly manages the natural resources and endeavours to use them efficiently and economically and preserve them e.g. in the form of recycling or application of advanced technologies.

Safe product

The supplier ensures that its product or service could meet both safety and environ-

mental regulations and precisely, fully and relevantly satisfies its disclosure obligations arising from these regulations that prevail towards BorsodChem or other parties.

The observance of BorsodChem regulations

The supplier observes the Company's safety, environmental and property protection regulations applied to it on BorsodChem's site.

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Business ethics and compliance

BorsodChem's supplier is committed to observing the generally accepted ethical norms and regulations of business life as well as the laws related to its operation.

Lawfulness

The supplier complies with the laws of countries in which it operates, and produces and delivers its products and provides service in accordance with the relevant laws.

The supplier proceeds responsibly in the course of fulfilling its obligations undertaken towards BorsodChem and avoids any intentional breach of its obligations.

International trade

The supplier observes all international trade agreements, regulations, customs regulations, import-export restrictions, which affect the cooperation with BorsodChem in any form.

Mineral raw materials from regions affected by conflicts

The supplier ensures that its products supplied to BorsodChem do not contain such mineral raw materials, metals recovered from them or other derivatives, which originate from conflict-stricken or high-risk regions and which serve the financing of armed groups and security forces or their any other enrichment.

Transparent and trustworthy operation

The supplier ensures that its financial statements provide a full, exact and actual picture about its business transactions and economic situation.

The supplier conducts a lawful accounting and financial practice and complies with the relevant laws against money laundering.

Fair provision of products and services

The supplier communicates actual, precise, full and comprehensible information about its products and services.

The supplier proceeds with expectable care when ensuring the proper quality of product or service and refrains from the intentional and hidden deterioration in quality.

Data protection and confidentiality

The supplier considers all information related to the business conducted with the Company as confidential. The supplier introduces and maintains such data protection measures, which ensure the confidentiality and integrity of information received from BorsodChem.

The supplier observes the laws associated with its activity relating to the protection of personal data and provides due information to BorsodChem representatives in terms of processing their personal data.

After becoming aware of it, the supplier immediately notifies BorsodChem concerning all events and incidents, of which it can be fundamentally assumable that personal data linkable to BorsodChem got into the possession of a third party.

Protection of assets

The supplier refrains from access to the property of BorsodChem if it is obviously unnecessary to fulfil its obligation undertaken towards the Company or the Company clearly prohibited the access.

The supplier responsibly protects, manages, operates and uses the property and assets of BorsodChem, to which it receives access during its activity.

Protection of intellectual property

The supplier respects the intellectual property rights. The technologies and know-hows are utilised and delivered exclusively along with protecting the intellectual property rights.

Protection of goodwill and use of public media

The supplier refrains from all such disclosures, which may adversely influence BorsodChem's goodwill and judgement.

The supplier demands from its employees not to publish, distribute or confirm obviously inexact, untrue and misleading information related to BorsodChem also including the contents appearing in the public media.

The supplier respects that making image and voice recordings on BorsodChem site and the

distribution of these recordings are subject to the Company's written permission.

Fair competition

The supplier adheres to the laws governing relationship with competitors affecting its operations.

The supplier refuses all unethical and illegal business practices influencing fair competition such as the followings: discussion of prices, discounts, sales conditions; distribution of customers or regions; unethical influencing of the Company's procurement tenders and decisions or related unethical gaining or sharing of information.

The supplier does not attempt to obtain any information related to the business conduct of its competitors either in an unfair or illegal way.

Anti-corruption and conflict of interests

The supplier definitely rejects and refrains from any form of corruption including, but not limited to the offering of kickback, blackmail and offering subsidy in an illegal way.

The supplier avoids any conflict of interests or the mere appearance thereof. The possible cases of conflict of interests without limitation: BorsodChem's employee has a share in the supplier's undertaking; BorsodChem's employee or a member of his / her family has an employment relationship with the supplier, and at the same time the employee of BorsodChem makes an effective decision in relation to the supplier or controls the supplier's activity, product or service.

Business gifts

Offering business gift and business hospitality on behalf of the supplier shall remain within the general norms accepted in business life.

At BorsodChem, the acceptable limit of gift amounts to EUR 50 per capita. Providing gift in the form of any cash or cash equivalents is strictly forbidden regardless of the size of the amount.

The supplier should avoid the slightest appearance of bribery when providing a gift.

Fair cooperation and communication

The supplier does not take advantage of any accidental failure arising in its own operations or any situation originating from it that came to the supplier's knowledge and which causes disadvantage for BorsodChem. The supplier immediately informs the Company about such a failure that came to its knowledge and cooperates with the Company as far as possible in order to correct these failures, reduce or eliminate their impact.

The supplier undertakes only such an obligation, which the supplier is able to fulfil with high probability on the grounds of the available information. If, due to any reason, the supplier considers it reasonable that the supplier will not be able to perform its obligations undertaken towards BorsodChem, the supplier immediately notifies the Company about it and initiates negotiations with

BorsodChem as soon as possible to find an alternative solution.

The supplier settles its lawful and undisputed financial liabilities in a timely manner. The supplier does not intentionally withhold payments towards its business partners and does not bind these payments to the fulfilment of such conditions, which were originally not stipulated in the related contract.

The supplier communicates actual, exact, full and comprehensible information in the course of cooperation with its business partners. Subsequent to becoming aware of it, the supplier takes immediate steps to correct all communications and messages, which fail to satisfy the above conditions due to any reason having a critical significance with a view to the original data communication.

The supplier refrains from intentionally misleading and deceiving its business partners. The supplier does not conceal any key information related to its own operation, product or service and does not encourage the Company thereby to make such a business decision, which BorsodChem would not have obviously made in the possession of the concealed information.

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Execution

The supplier undertakes to outline the principles of this Code of Conduct for all its related parties (e.g., but not limited to employee, subcontractor, representative), who contact BorsodChem, make an effective decision in terms of the business relations conducted with the Company, have an effective influence on the production, provision, quality and delivery of the product or service provided for the Company or who appear on BorsodChem site.

BorsodChem Zrt. expects both the supplier and its related parties to follow the principles stipulated in this Supplier Code of Conduct and refrain from consciously violating it, especially in the course of dealings affecting the procurements of BorsodChem.

BorsodChem Zrt. reserves the right to examine the supplier's commitment towards the principles stipulated in this Code of Conduct. Possible methods of the examination are as follows:


- Onsite audit arranged by BorsodChem Zrt. in case of the supplier's consent.
- Study of the supplier's own code of conduct, attestations and other related documents made available by the supplier for BorsodChem Zrt. including similar principles.
- Request towards the supplier to fill out a questionnaire and issue positions.

The supplier accepts that in case of the obvious violation of the Supplier Code of Conduct, BorsodChem is authorised to request information on the relevant incidents and it is entitled to request the supplier to take corrective measures. The supplier is supposed to execute the corrective measures as far as possible and within a reasonable deadline, on which BorsodChem is also authorised to request information.

The supplier accepts that a violation of the Supplier Code may, depending on its extent, affect the supplier's annual qualification at BorsodChem.

The supplier accepts that BorsodChem Zrt. has the right to terminate the business relations in place with the supplier if following discussion and a possible investigation to the necessary extent it is established that the supplier has severely violated this Supplier Code of Conduct.

Should any article of the Supplier Code of Conduct not be clear for the supplier, the supplier may make questions at the following address: compliance@borsodchem.eu

A blue-tinted photograph showing a person's hands in a business suit interacting with several large, interlocking mechanical gears on a desk. In the background, there is a bar chart on a piece of paper. The overall scene suggests a focus on industry, engineering, and business operations.

Contact details of BorsodChem Zrt.'s Whistleblowing Line:

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