

Global Procurement Policy

Procurement is an integral part of Elementis' vision in bringing a distinctive combination of expertise, innovation and teamwork to every formulation challenge – creating specialty additives that enhance the performance of our customers' products.

Our suppliers assist us in achieving this vision and thus we are committed to ensuring transparent, ethical and efficient procurement practices that supports the Company's strategic goals, upholds our social and environmental responsibility and fosters strong supplier relationships.

Sourcing Process

We organize the types of goods and services we purchase into categories which enable us to be more efficient and effective in providing service to our employees and vendors.

Our category management process is core to how we manage our procurement function and we employ sourcing specialists within each category. This process is performed both globally and regionally depending upon the market and availability of suppliers.

Our procurement process will include the following: Qualification, Tendering, Negotiations, Awarding of business, On-boarding and Supplier Management

To ensure a transparent and comprehensive process we primarily use an user-friendly e-Sourcing solution (Pinpools) to provide faster tendering and to set out clearly defined requirements. This tool supports fair and equal treatment of all suppliers as they get access to the same information during the tender process. Additionally, in some circumstances we will use e-Auctions. We also use an ethics and compliance screening tool (RDDC, provided by Refinitiv) and potential suppliers may receive requests to provide information in that system also. Final supplier selection is based on the supplier's ability to meet requirements, at a competitive price while upholding our values for social and environmental responsibility.

We work with preferred suppliers to help us build better long-term relationships. Becoming a preferred supplier is dependent on several factors including: total spend, volume, criticality, working history, efforts on continuous improvement, demonstrating timely delivery of quality products and adherence to our Business Partner Code of Conduct. We always welcome new players to bring in healthy competition to the market.

Elementis expects preferred suppliers to continuously improve sustainability performance to support our ambitions. Therefore, we annually assess our key suppliers' ability to meet our expectations for improvement. Our Supplier Evaluation process consists of annual internal reviews. During this process Procurement assesses the supplier's competitiveness, reliability, innovation capability as well as the overall relationship. Procurement may ask for self-assessments and in some circumstances ask for permission for onsite audits to ensure compliance.

Sustainability and Business Ethics

We strive to make procurement decisions based on three main considerations: is it financially, environmentally and socially responsible.

We aim to promote responsible business practices and have a formal screening process prior to our selection and onboarding procedures. We have set expectations for our vendors and regularly assess risk across all types of spend, to identify potential issues. When issues are identified we take action and work with our suppliers to correct them.

As a global company, we work across many diverse cultures where concepts of appropriate business conduct can vary widely. We believe ethical business conduct is mandatory as is compliance and risk mitigation.

We strive to ensure all our employees are always ethical and we expect the same from our business partners. Suppliers should always be compliant with relevant local and international laws, principles, standards and codes including those relating to anti-bribery and corruption, competition and anti-trust and trade sanctions. We risk assess our suppliers for business ethics issues and put actions in place to mitigate these as required.