

# QUALITY STATEMENT



Archroma is a global, diversified provider of specialty chemicals serving the branded and performance textiles, packaging and paper, and coatings, adhesives and sealants markets. Headquartered in Pratteln, Switzerland, the Archroma group of companies, its parent company being Archroma Management GmbH (hereinafter, the parent company and its affiliates will be referred as the “Company” or “Archroma”), operates in over 100 countries, with 3,000 employees located in 35 countries and 26 production sites.

Archroma is passionate about delivering leading and innovative solutions, enhancing people’s lives and respecting the planet. The company is committed to the principles of "The Archroma Way to a Sustainable World: Safe, Efficient, Enhanced. It's our nature!"; an approach reflected in its innovations, world-class quality standards, high service levels and cost-efficiency.

You can discover more about us in Archroma’s website: <https://www.archroma.com/about>.

As part of our commitment to strengthen our relationship with customers, this document (hereinafter, the “Quality Statement”) will give you information on how we provide the best possible service quality:

## 1. Scope

This Quality Statement contains the definition of the technical, logistical and organizational frame conditions and processes between Archroma and the customer with the target of receiving faultless ordered supplies.

If over the course of the application of this Quality Statement unforeseen gaps appear, both partners are obliged to eliminate these gaps in an objective and advisable manner while observing the agreed responsibility and risk assignments.

## 2. Quality, environmental and occupational health and safety management system

Archroma holds a global matrix certification according to the following international standard certifications:

SN EN ISO 9001:2015 Quality Management Systems Standard

SN EN ISO 14001:2015 Environmental Management Systems Standard

SN EN ISO 45001:2018 Occupational Health and Safety Management System Standard

Certificate downloads are available at Archroma web page <https://www.archroma.com/>.

Selected entities within the Archroma group hold further certifications based on their business requirements, such as: ISO 22716 Cosmetics Good Manufacturing Practices (GMP) or ISO 50001 Energy Management System.

### **3. ISO audits frame**

#### **a. External audits**

Bureau Veritas performed an initial audit and certification in 2014, re-certified in 2017 and 2020, with a current certificate validity until 8 July 2023. Regular external audits are performed according to an annual plan and the standard operational procedure for external audits.

#### **b. Internal audits**

Internal audits are conducted throughout the year on Archroma sites by our internal auditor teams following our internal procedure applicable (Standard Operational Procedure for Internal Audits).

#### **c. Customer audits**

Archroma is accepting to receive customer audits after business case review.

In line with the customer segmentation, the audit duration should not exceed one (1) day. Archroma may invoice the costs for the preparation and execution of customer audits to the respective customer. Audits shall be managed in accordance with the Archroma Code of Conduct, publicly available in Archroma website, and according to the audit rules set in Archroma internal procedure applicable (Standard Operational Procedure for Customer Audits)

### **4. Archroma quality standard**

#### **a. Retained samples**

Archroma will store retained samples of every production batch according to, at least, the product specific shelf life and an extra period defined conveniently.

Archroma preserves the right to extend the product shelf life based on internal quality tests and the confirmation of quality in line with product specifications.

#### **b. Calibration**

Archroma has established the requirements and framework for controlling and managing all equipment with which chemical and physical parameters of material and processes are determined and controlled. Measuring equipment shall be calibrated/verified in regular and appropriate intervals in the range of intended uses. The intervals shall be

defined according to legal requirements, the nature and criticality of the equipment. The recommendation of the manufacturer may be followed.

**c. Competent staff (level of responsibility)**

Production batches are released by the competent people assessed by the skill matrix, trained and authorized properly.

**d. Management of change**

Archroma is operating according to a process-oriented approach. Processes are defined and approved within a certain scope and within certain boundaries, based on current requirements and knowledge.

Changes may occur in all areas of Archroma. Due to development of market conditions, requirements and/or organizational context, it may become necessary to adjust procedures and/or processes in order to achieve objectives and/or cope with the shifts in framework.

The “management of change” objective is to avoid the company or the people on its behalf, the assets or the environment being exposed to unnecessary risk. “Management of change” is a systematic and systemic approach that sets the necessary steps to achieve this target.

All changes related to the product, as also changes in the process chain, are processed according to internal corresponding procedure (the Guideline: Management of Change).

In the case of new products, changes to the product specifications or significant changes to processes Archroma will provide, free of charge, trial samples materials before first delivery. The customer is responsible for determining the suitability of Archroma’s products for its particular application.

**e. Traceability**

Archroma ensures the identification and traceability of materials throughout the supply chain, where raw materials, intermediates, work-in-process, finished goods and traded goods are included.

All materials handled in Archroma shall have a proper and unique identification that allows to identify the material and status by suitable means, through all the material management “material life cycle”. That means that identification and suitable records keeping must ensure the ability to trace any individual material back to the time, place and conditions of its manufacture and/or origin.

The leading system within Archroma for material management is SAP/R3.

**f. Identification**

All materials shall be identified at every processing step starting from receipt of materials, their handling and storage, through production until delivery to customer. The identification methodology used is based on:

- Material name (chemical, commercial name or abbreviation).
- Material code: BULK (6 unique digits) + Packaging Code (5 unique digits).
- Dedicated batch number.

#### **g. Packaging**

Archroma ensures that containers and packaging materials used are adequate/resistant as required for transport and climatic conditions as well as to prevent damages and quality decrease (e.g. contamination, chemical reactions, ...) to the product.

Dangerous goods are shipped according to applicable local, national and international regulations (e.g. IATA-DGR, IMDG-Code). Archroma also ensures that packaging for dangerous goods are certified according to UN standards.

#### **h. Labelling**

All products delivered by Archroma are labelled according to applicable origin and destination country regulations and laws requirements ensuring traceability and safe use.

#### **i. Communication when agreement cannot be met**

As soon as it is noticeable that existing agreements (e.g. delivery date, quantity ordered, quality criteria, ...) cannot be met, Archroma shall inform the customer about this as well as the related circumstances and possible alternative solutions to be agreed.

#### **j. Inspections**

Archroma has established a concept of materials testing under its responsibility to ensure a "fit for use". Materials shall be tested against their specification and may be tested against additional relevant indicative parameters. The depth of testing is to be defined in the test protocols of the respective material number (inspection plan, sale specifications, ...). All materials produced shall be tested and released by the competent department ("Quality Control"). The material release process shall define a material usage decision, a batch status and a batch classification.

#### **k. Documentation**

All documented information and records derived from the activity of material verification and material release shall be retained for a minimum period of the lifetime of the product plus a safety period. Total retention period is defined based on the applicable local laws and regulations and is usually 5-10 years. The retention time for respective records shall be set by the owner of the records.

This includes data on deliveries, shipping documents, certificates of analysis ("CoAs"), data from physical chemical testing (including procedures applied) and the authorized person who carried out the material release. During the period of retention, the records shall be legible and identifiable, respecting at any time the principle of identification and traceability.

#### **l. Checking of delivered products**

Customer will check the delivered products after delivery: Quantity, identity in concordance with enclosed documentation and externally visible damages. If a non-conformance was detected by the customer, Archroma would be informed about defects of the supplied goods (product, logistic or sales referred defect) and, as soon as they are detected and informed, a complaint will be opened in Archroma's "Complaint Management System" based on SAP.

### **m. Complaint management**

The overall process flow of handling a customer complaint is described in Archroma “Guideline Customer Complaint Management”. When the customer complaint arrives at Archroma, it shall be opened in the Quality Notification System (QNS) within the SAP system within a maximum of 24 hours.

An initial feedback shall be sent to the customer, by the account manager, within 5 five working days after the formal complaint is received. Upon investigation, the QNS shall be classified as “Justified”, “Good will”, “Return” or “Unjustified”.

For each case, we will have a specific investigation to be performed, aiming at the correct treatment and quick response to the customer. The investigation shall lead to the root causes of the problem. The appropriate application of structured tools such as expert interviews, “5 Whys”, “Ishikawa diagrams” or “8D reports” is mandatory for quality complaints. Guidance to use the appropriate tool is given in “Guideline: Root Cause Analysis”.

Archroma is committed to closing the investigation without unreasonable delay, implementing sustainable solutions and avoiding the recurrence of the quality or service deviation.

### **n. Continuous improvement**

Archroma strives towards zero defects and zero accidents. Where deviations to our obligations on quality of our products and services occur, Archroma commits to investigate and identify root-causes and thoroughly analyze the circumstances in order to take the necessary immediate corrective action and implement further preventative action(s) to prevent recurrence.

### **o. Returns**

Customers returns are actioned only on the back of a justified customer complaint and internal pre-approval is mandatory before any return can be physically collected. Archroma is not obligated to accept the return of products and services that have complied with company “Terms and Conditions” and any additional contractual agreements that may be in place to support and enable business transactions.

A “Quality Notification” will be opened as register to support root-causes analysis and avoidance of repeatable cases.

## **5. Corporate social responsibility**

Archroma commits to act responsibly by integrating social and environmental concerns into its business operations. This commitment goes beyond regulatory compliance to focus on how the Company manages its economic, social and environmental impacts, as well as its relationships with stakeholders (e.g. employees, trading partners, governments, ...).

Archroma takes responsibility for its employees, its customers, its suppliers, its other stakeholders and the environment in order to achieve profitable long-term business development. Archroma commits maintaining ethical and sustainable operation and business development in all activities according to its own Code of Conduct and Responsible Care®.

### **a. United Nations Global Compact**

Archroma is a member of the United Nations Global Compact. This voluntary initiative is a commitment to implement universal sustainability principles and to take steps to support the United Nations goals, by aligning strategies and operations with the universal principles of the United Nations "Ten Principles" on human rights, labor, environment

and anti-corruption; and to take strategic actions to advance broader societal goals, such as the "UN Sustainable Development Goals", with an emphasis on collaboration and innovation.

#### **b. Code of Conduct & Whistleblowing Policy**

Archroma has a code of conduct (the "Code of Conduct" or the "Code") for employees, signed by the Chief Executive Officer and publicly available, which sets out the binding rules and guidelines for the employees and officers of Archroma. This enables employees to rely on the Code as a navigation guide, and one another's good judgement, to uphold a high standard of integrity for the individual and Archroma.

Each employee is required to give a personal commitment to meeting the Code of Conduct when joining the group. As a general rule, Archroma conducts re-training on the Code of Conduct to all employees on an annual basis. In addition, compliance topics are included in all meeting agendas to reinforce the training and awareness throughout the organization.

The Archroma Code of Conduct links all Archroma employees around the world in a collective commitment to integrity and excellence in all what they do, by providing tools that will guide them in making consistent and sustainable decisions.

Archroma also has a Whistleblowing Policy in place that allows the anonymous and non-anonymous reporting of any suspicious situation of violations of our Code of Conduct or the law, being managed by an independent global Compliance body. In addition, Archroma and its affiliated companies are committed to integrity and an open culture where everybody feels secure in seeking advice or raising concerns, and has confidence that reports are handled in a professional and transparent way. Archroma ensures a retaliation-free environment to anyone who comes forward in good faith to ask questions or report violations.

The Code of Conduct is available on Archroma's website.

#### **c. Sustainable sourcing**

For Archroma, sustainable sourcing is critical as our vendor network has a significant influence on our production and our resultant systems sold to our customers. Not only in terms of the raw material conformance to specification (quality), but also with regards to product hazardous chemical contamination that directly affects the safety of our products and the environmental pollution in production and when in use.

Our aim is to establish mutually beneficial relationships with our third-party suppliers and contractors in order to support our objectives of internal safety, health, environment and quality standards, which incorporates corporate social responsibility and Responsible Care®.

In order to underline our commitment to ethical, legal and moral standards, we have developed a binding suppliers code of conduct (the "Suppliers Code of Conduct") that we expect all our suppliers to follow. The actions and business practices of a vendor, when conducting business with or on behalf of Archroma, may significantly impact our Company. Hence, Archroma expects all suppliers (including, for the purposes herein, vendors, their employees and subcontractors) to follow our high ethical standards set forth in this Suppliers Code of Conduct. It is the responsibility of our suppliers to understand and to adhere to Archroma's Suppliers Code of Conduct and expectations, and to bind their own suppliers to a similar level of compliance.

The Supplier's Code of Conduct is available on Archroma's web page.

Following our philosophy of continuous improvement, any deviation from the specifications agreed with our suppliers, whether in product quality, packaging or delivery service, is recorded in a "Supplier Complaint" following our internal procedure named "Standard Operating Procedure for Complaints against Vendors".

#### **d. EcoVadis assessment**

We are regularly assessed by EcoVadis, an external and independent organization assessing the CSR (Corporate Social Responsibility) performance of companies in global supply chains. Using innovative technology and CSR expertise, EcoVadis build a report that supports companies to adopt sustainable practices. The objective is to evaluate the CSR management systems put in place by our Company using a questionnaire and supporting documentation. Each theme is analyzed according to 3 key indicators: Our policies, our actions and finally, results.

The assessment focuses on 21 criteria which are grouped into 4 themes: "Environment", "Labor & Human Rights", "Ethics" and "Sustainable Procurement". These criteria are based upon international Corporate Social Responsibility (CSR) standards such as the "The UN Global Compact Ten Principles", the International Labor Organization (ILO) conventions, the Global Reporting Initiative (GRI) standards for sustainability reports, the Social Responsibility standard ISO 26000, and the "Coalition for Environmentally Responsible Economies" (CERES) principles.

We require our suppliers and service providers to adopt standards comparable to Archroma's policies. Our vendors shall also bind their own suppliers to a similar level of compliance. A vendor's sustainability performance affects our own overall sustainability profile as well as our brand image in the industry and therefore vendor management, including sustainability criteria, is essential.

### **6. Sustainability Policy**

We look at how we operate in a holistic way, in order to protect the health and safety of our people, our communities, our customers, the consumers, as well as the environment in order to preserve our Earth for us all and future generations. These principles are included in our "Sustainability Policy":

#### **a. Health & Safety**

Safety is Archroma's uncompromised top priority, to guarantee the protection of individuals and the environment. We set ambitious goals for safety, health and environment which are valid throughout the entire company and monitor and evaluate all aspects of our activities worldwide.

Chemical manufacturing is a specialized process involving the handling and storage of large volumes of chemical substances of varying hazardous nature, synthesis processes requiring complex machinery often using high temperatures and pressure, and waste streams that require particular treatment before being discharged into the environment. Following our principle that we are all responsible for safety, Archroma has developed 12 "Life Saving Rules". Each employee is trained on these rules and gives a signed commitment to ensure they are followed.

#### **b. Industrial Safety**

A comprehensive assessment of risks related to our operations and products is prerequisite to our business processes. A local and global emergency organization is in place to ensure comprehensive emergency management and response. We take initiatives to reduce safety and health risks in the production, storage, distribution and usage of our products and in the disposal of waste.

In order to manage the risks associated with chemical manufacturing, process hazard analyses are conducted. Each manufacturing site and standalone laboratory has its own risk portfolio, particular to the manufacturing processes and chemicals used at that site. The primary hazards are fire/explosion, chemical properties and personal injury. This risk portfolio is updated annually, or *ad hoc* when an additional manufacturing process is initiated on the site.

Each manufacturing site has a "Safety and Environment Officer" (SEO), who reports on a monthly basis to the global "Safety, Health and Environment (SHE) Manager". Individual goals are set for each site. There are 3 safety pillars: Prevention of incidents, training and safety audits.

#### **c. Product safety – Product stewardship**

Consumer safety is of high importance to our value chains, increasing focus is being given to ensure that products used in manufacture do not pose a health and safety risk to the users and final consumers. Environmental health is referred to under the other topics of climate change, resource optimization, wastewater and waste management.

The "Product Stewardship" organization is fully integrated within Archroma's processes in order to ensure that hazardous chemical risks are identified and controlled. Current and future knowledge of regulatory requirements, often specific to countries and regions, is essential. In addition, other value chain stakeholders (consumers, brands, Non-governmental organizations,...) influence market demand and the resultant required specification in order to manage the risk of chemistry that poses a hazard to consumers and the environment.

As part of our core commitment "Safe", we believe that providing accessible and adequate information to our stakeholders (our customers, partners, and their employees, as well as authorities, NGOs and consumers) about the environmental and social impacts of our products is essential. In particular, we produce information and documents aimed at allowing our stakeholders to make informed purchasing choices or specifications, and then to handle, use and dispose of our products in a safe, efficient and sustainable manner.

#### **d. Environment**

We take initiatives to reduce environmental risks in the production, storage, distribution and usage of our products and in the disposal of waste. This includes the efficient use of energy and resources and the continuous improvement of our processes to minimize the impact of our activities on the environment. We apply a simple concept of analyzing our production processes to, where possible, avoid or reduce emissions and waste, recycle waste streams, and wherever necessary dispose of waste in an environmentally acceptable manner.

We comply with all local regulations and have online effluent monitoring in major sites which allows a control mechanism to achieve and surpass emission limits.

Short-term and long-term key performance indicators and associated targets are defined for each production site for energy use, waste and effluent, both in absolute terms and per unit of production. These are monitored on a monthly basis using scorecards by the manufacturing department and corrective actions taken where necessary. In addition, specific projects are initiated regarding operational excellence, especially in process simplification and production yield improvement.

#### **e. Labor standards, human rights and equality**

We operate with the core belief that only by aligning personal and business goals we can achieve sustainable growth. This in turn helps us drive our core purpose of continuously challenging the *status quo* in the deep belief that we can make our industry sustainable.

Archroma fully supports and complies with the 1989 "United Nations Convention of the Rights of the Child" and the 1998 "International Labor Organization Declaration on Fundamental Principles and Rights at Work". Archroma does not undertake any business with a company that uses forced or child labor.

Archroma recognizes the dignity, privacy and personal rights of all individuals; working together with various ethnic backgrounds, cultures, religions, ages, disabilities, races, sexual identity, worldview and gender. Archroma does not tolerate discrimination against anyone based on these characteristics or any other comparable offensive behavior.



These principles extend to all employment decisions, including recruiting, training, evaluation, promotion and reward.

Archroma also recognizes the freedom of association, and the right to collective representation and bargaining.

Archroma operates in many countries worldwide and, as such, has an extremely diverse workforce.

Archroma does not tolerate any acts of harassment or bullying, whether done by an employee or non-employee, in any form, including physical actions, verbal or written remarks or visual depictions, or any unwelcoming behavior that has the purpose or effect of creating an intimidating, hostile or offensive work environment.

Our contracts of employment clearly state the terms and conditions of employment including remuneration and amount of paid leave. Company benefits, performance measurement processes, grievance and disciplinary procedures are communicated to each employee.

We ensure that our notice periods are in line with country legislative requirements/procedure for significant operational changes.

In particular, as a multinational company with 51 locations worldwide, Archroma is strongly attached to diversity as one of its core values, and the Archroma Code of Conduct clearly sets the expected compliance in this area.

## **7. Legal compliance (national & international laws and regulations)**

Archroma fully supports and complies with the 1948 "United Nations Universal Declaration of Human Rights". Archroma does not undertake any business with any country or regime with known human rights abuses. Archroma fully supports and complies with the United States sanctions laws and the European Union restrictive measures and regulations and any other similar applicable laws. For Archroma, there is no other way to do business than in a sustainable and responsible way. Archroma is, therefore, committed to act with integrity and in strict compliance with the law.

Archroma strictly prohibits all forms of corruption and any business conduct that could create the appearance of improper influence. Archroma applies a zero tolerance policy regarding bribery in every kind of commercial setting.

Archroma has set up a "Compliance Committee" and a "Compliance Officer" holding regular meetings and responsible for investigating any potential violations in a professional and consistent manner, while safeguarding fundamental legal principles such as confidentiality, fairness and objectivity.

Any breach of the Code of Conduct is investigated and reported to the Compliance Committee, and, if necessary, prosecuted according to the Company's disciplinary procedure and/or criminal action, should the case apply, in accordance with applicable law.

Regular internal audits are performed by the group "Internal Audit" function. The audit plan is based, in addition to other elements, on the "Corruption Perception Index", that is published annually by Transparency International (the global coalition against corruption).

## **8. Quality**

Archroma shall ensure that the products supplied shall be of the quantity specified in the purchase order and according with the Archroma "Product Specifications". Except in case that otherwise is agreed, purchaser shall be

entitled to reject any products supplied, which are not in accordance with the previous sentence. Inspection or payment by purchaser shall not relieve Archroma of its obligations in this clause, nor limit purchaser's rights to reject other non-conforming products. Purchaser shall not be deemed to have finally accepted any Product, even after payment of the relevant invoice, until purchaser has had 45 (forty-five) calendar days to inspect or evaluate them following delivery. Regarding non-conforming products, Archroma shall, at its discretion, be entitled to seek repair or replacement or reduction of the purchase price, or pursue rescission of the purchase order including repayment of any part of the price that has been paid.

## 9. Warranties / Product liability

According to agreed supply agreement and, otherwise, in accordance with the Archroma "General Terms and Conditions" ("GTC").



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Chief Operating Officer



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