

Supplier Code of Conduct

V. 1.10 – February 2021

www.lhoist.com



Introduction

Dear Suppliers,

For more than 130 years, our family-owned business in lime, dolime and mineral products has been combining a traditional industrial culture with an entrepreneurial and innovative approach. We are long-term oriented, and aspire to a continuous growth, always considering the Lhoist's core values: respect, courage and integrity.

Our commitment to those values, to safety and to sustainability is anchored as a key element of the Group strategy, based on three main pillars: people, planet and profit.

As safe, efficient and innovative suppliers are strategically important to the success of this Group strategy, it is also key that our suppliers, and every level in their value chain, uphold the same standards as ours and that together we strive to make a positive difference to people's lives and to the planet at large while securing our long-term prosperity. By suppliers, we mean companies or individuals that provide goods, services or consulting services to the Lhoist Group.



Building from our Lhoist Code of Conduct and other applicable policies, our Supplier Code of Conduct seeks compliance with international convention standards, among others, those of the International Labour Organization, the United Nation's Universal Declaration of Human Rights, and with applicable national and local laws and regulations. We therefore expect all our suppliers, their own employees, agents and sub-tier suppliers to adhere at minimum to the same standards.

With kind regards,

A handwritten signature in blue ink, reading 'Aurélien Broecke'.

Aurélie Vanden Broecke
Group Compliance Vice-President

Human Rights and Labour Standards

Caring for employees, workers and stakeholders as a good employer, good citizen and good neighbour is part of Lhoist's core values. We expect the same from our suppliers and that they continually engage in people development and in particular access to education.

- **Human Rights:** Suppliers shall comply with the fundamental human rights of every employee and engagement, treating them with dignity, respect and fairness. This applies to every type of employment, including contractors.
- **Child/Forced labour:** Any form of child and/or forced labour is not tolerated. Suppliers must not employ any individual under the legal minimum age that is applicable for the region they operate in. Additionally, any form of forced or compulsory labour shall not be used and no individual shall be employed against his/her own will.
- **Non-Discrimination and harassment:** Any form of discrimination, harassment or any kind of unfair employment practices is not tolerated. We expect from our suppliers to always pursue values of respect, equality, fairness, diversity and inclusion when operating their business.
- **Fair employment practices:** Suppliers must comply with minimum wages and working hours standards, laws and regulations in the respective countries where they operate.
- **Freedom of association and collective bargaining:** Suppliers are expected to comply with the rights of their employees by recognizing their right to join, or to refrain from, associating freely and bargaining collectively.

Occupational Health and Safety

Lhoist strives to build an environment of zero harm for the safety, health, and well-being of everyone working at Lhoist. We believe that all injuries, safety incidents and occupational illnesses can be prevented.

Collectively and individually, we all are responsible for our own and others' safety.

Therefore, we expect a strong organizational commitment to responsible health and safety from our suppliers. We value suppliers who actively work on the elimination of workplace injuries and illnesses, and continuously improving their processes and/or equipment used to follow best practices and actively anticipate new laws and regulations.

Additionally, suppliers shall comply with any and all safety instructions and rules which are in force. We expect our suppliers to ensure obtaining assurance on compliance with those instructions and rules, both internally and externally, through regular audits, reviews and reports, and to allow for open and transparent communication channels to improve whenever required.

Business Integrity

Ethics remain at the forefront of all Lhoist day-to-day business activities. To enable this, not only our employees but also our suppliers, and every level in their value chain, are to contribute and apply strict ethical standards to make the right decisions in their daily work.

- **Anti-corruption and bribery:** Suppliers must not commit any kind of bribery or engagement in corrupt activities to facilitate business decisions and should fight against corruption in any of its form. Suppliers are expected to have in place necessary effective measures to ensure that their businesses and their supply chain businesses do not participate in any form of corrupt activities.
- **Fair competition:** Suppliers shall neither undertake any commitment nor engage in any agreement which is prohibited as anti-competitive, or illegal, and shall comply with the principles and rules of fair competition.
- **Money laundering:** Suppliers must comply with relevant anti-money laundering legislation and fight against any activity that facilitates money laundering or the funding of terrorists or criminal activity.
- **Conflicts of interest:** Suppliers are expected to ensure that their personnel and company activities and interests do not conflict or influence their responsibilities towards Lhoist. Any such situation must immediately be disclosed. Gifts or hospitality beyond modest value or inappropriate by their nature will be refused and are not to be extended by the Suppliers to Lhoist personnel.
- **Legal compliance:** Suppliers are expected to comply with all applicable laws and regulations, or other contractual requirements, including, but not restricted to, confidentiality and intellectual property, data protection and privacy, international trade compliance and licensing and permits.

Environmental Responsibility

The prevention of environmental damage or adverse impact to the planet, including our local communities, as well as ensuring a sustainable use of natural resources on the long-term is our objective but also the responsibility of our suppliers. Therefore, we do not only require our suppliers to comply with local laws, we also expect them to take a pro-active approach with regards to this matter. Making sustainability a deliberate part of each decision, at every level in the value chain, is an opportunity to adapt the way we use our resources more responsibly.

Lhoist has drawn up an environmental charter to ensure it remains a responsible partner for stakeholders close to its operations. Similarly, Lhoist expects from its suppliers to constantly look for innovative solutions in order to manage natural resources and minimise overall impact on the environment with an eye on using less, longer and smarter. For instance:

- Sustainability and corporate responsibility commitments, including communities' relationship
- Energy optimization, resource use / efficiency - water, energy, materials, waste management & recycling
- CO2 neutralization
- Mineral resources and landscape preservation, including Biodiversity and development of habitat for sensitive wildlife

Business Standards

Supply continuity

Suppliers are expected to:

- honour their commitments to deliver ordered products and services as per contractual terms;
- recognize the responsibility associated with supply continuity and demonstrate flexibility to adjust to meet our customers' requirements and bridge adequately any potential disruption to supply; and
- proactively provide relevant information to help assessing the short- and long-term conduct of business.

Productivity commitment

Suppliers are requested to:

- continuously strive to optimise total cost of ownership taking into account the full life-cycle of the product or service;
- focus on generating year-over-year improvements that result in greater and more sustainable productivity; and
- strive to provide cost transparency across the complete supply chain.

Technology leadership

Sustainable development also implies developing innovative products, applications and services. Suppliers are expected to:

- provide necessary technical support throughout the full lifecycle of materials or services provided;
- generate innovative ideas and, if needed, partner with Lhoist for timely delivery of innovations through new technologies; and
- use information technology when possible to drive standardization, simplification and sustainability of both business processes and product platforms.

Quality assurance

Suppliers are required to strive to consistently deliver goods and services at a benchmark level of quality. This includes:

- compliance with applicable specifications of the goods or services, or for packaging, labelling, storage, shipping, tracking, and containerization;
- deployment of quality management system at ISO 9000 or at least equivalent standards; and
- strive to use an appropriate and adapted quality management approach to continuously improve reliability of products and services and resolve any quality issue with a sense of urgency.



Together, the Future

Implementation

All our suppliers are invited to establish business processes in order to ensure compliance with this Supplier Code of Conduct. Lhoist reserves the right to request information and data and to audit the supplier, its operations and facilities with reasonable notice.

If a supplier is not able to comply with the content of this Supplier Code of Conduct, it is invited to raise this with its procurement contact at Lhoist and explain the reason for non-compliance in order to set-up a remediation plan to build on improvement and corrective actions.

Lhoist includes compliance with this Supplier Code of Conduct as a condition within the tendering and contractual process and may decide to terminate the contractual relationship with a supplier that does not fulfill the standards and principles set out therein.

Further Information

Information on the Supplier Code of Conduct is available on www.lhoist.com or with your procurement or supply chain contact at Lhoist.