

Communication On Progress

Implementing UN global compact principles in Aliancys AG

1. Introduction

I am pleased to confirm that Aliancys AG reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this our first annual Communication on Progress report, we describe our actions to integrate the Global Compact and its principles into our business strategy, culture and daily operations. We are also committed to share this information with our stakeholders using our primary channels of communication.

Yours sincerely

Albert Jan Bakker

Chief Executive Officer



2. Aliancys AG:

Company introduction and its approach to the 10 principles

Aliancys is a leading global company active in the sales of quality resins for composite applications. Together with its customers, Aliancys is pushing the limits of both composite part manufacturing and performance. Aliancys can build on a 50 year track record of supplying composite resins and has a heritage of quality, innovation and sustainability. Taking an integral approach to new product development, Aliancys uses its full expertise in quality resins, material science, testing and certification, and composite component manufacturing in order to shape new composites applications. The company's headquarters are based in Schaffhausen, Switzerland. Aliancys is a joint venture of CVC Capital Partners and Royal DSM.

In November 2016 Aliancys AG signed up for the UN Global Compact program and confirmed its support to the ten principles on human rights, labour, environment and anti-corruption. Aliancys AG committed to make these principles part of its strategy, culture and day-to-day operations.

In view of the above, we hereby present our actions and initiatives.

A) HUMAN RIGHTS PRINCIPLES

- Ø **Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;**
- Ø **Principle 2: Business should make sure that it is not complicit in human rights abuses.**

Assessment & Policy of Aliancys AG

- ensures workers are provided safe, suitable and sanitary work facilities
- protects workers from workplace harassment, incl. physical, sexual, verbal or psychological harassment, abuse or threats
- ensures non-discrimination in personnel practices
- respects international guidelines and standards
- understands its customers' markets and business drives. Committed to mutual commercial success, we work together in creating value and materializing composites innovations. We provide excellent service, running our operations in a smooth and flawless way. We stand for teamwork and collaboration, bringing out the best in our people across all functions and regions. We treat others with dignity and respect, communicate openly and promptly, and take care of safety and the environment
- Aliancys AG provides safe and healthy working conditions, by taking measures to eliminate ingredients, that could harm or threaten human life and health during manufacturing or disposal of products
- Swiss staff regulations articles regarding bullying, anti-harassment, equality, general duty of care apply.

Implementation

Aliancys AG has taken the following measures to prevent human rights violations and to provide a safe working environment to its employees:

- Aliancys AG has introduced in 2016 for its entire staff a clear company culture, promoting employees to respect each other and to take care of a healthy and safe working environment
- employees do a Code of Business Conduct training



- engagement to the company culture is reviewed on a regular basis. Since 2017 it is an important part of the yearly Performance and Development Review
- during 2017 the company culture and implications for individual employee's jobs has been subject of workshops held throughout the organization
- on a regular basis Aliancys AG is auditing safety of its operations, reviewing safety performance of its employees, and is conducting dedicated Safety Reviews for identifying potential improvements in processes and behaviors
- Following a visit of an ergotherapist in the headquarters, new office furniture (desks, chairs, monitors) have been bought in 2017 in order to facilitate employees with general health problems.

Measures of outcomes - goals

Aliancys AG supports its employees to live the company culture on a continuous basis and to address undesired situations. Any contravention of human rights will be documented and continued non-compliance will result in the termination of the business relationship. Aliancys AG wishes to continue the further conduction of Safety Reviews on a regular basis.

B) LABOUR PRINCIPLES

- Ø **Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;**
- Ø **Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour;**
- Ø **Principle 5: Businesses should uphold the effective abolition of child labour;**
- Ø **Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.**

Assessment & Policy of Aliancys AG

- ensures that large-scale development operations do not rely on forced labour
- ensures that there is no discrimination in the recruitment process, remuneration, hours of work and paid holidays, job assignments, training and opportunities, social security
- complies with the minimum wage standards
- adheres to minimum age provisions of national labour laws and regulations
- ensures that the company does not participate in any form of forced labour.

Implementation

Aliancys AG has taken the following measures to support labour principles in its work locations:

- introduces the 16-weeks fully paid maternity leave, ensuring the maternity protection beyond the Swiss average protection
- drafts employment contracts in languages, easily understood by all employees, and states clearly the termination clauses and procedures, that need to be followed by the employees



- human resources policies and procedures support the labour principles
- prevents discrimination of all kinds by hiring also females in managerial positions and ensures comparable pay for comparable work

Measures of outcomes - goals

Aliancys AG has a 100% compliance on approved working contracts.

We had no working related injuries in 2017 compared to 3 injuries in 2016 and the sickness absence rate in 2017 has been also decreased. It is our goal to have a high rate of employee satisfaction and low sickness absence and no work accidents.

C) ENVIRONMENT PRINCIPLES

- Ø **Principle 7: Businesses should support a precautionary approach to environmental challenges;**
- Ø **Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility;**
- Ø **Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies;**

Assessment & Policy of Aliancys AG

- avoids environmental damage via regular maintenance of production processes and environmental protection system
- ensures safe handling and storage of chemical and other dangerous substances
- develops a code of conduct or practice for its operations and products, that confirms commitment to care for the environment and responsible environmental performance
- establishes a sustainable production program
- uses reporting tools, such as sustainability reporting
- reuses materials on site
- changes the process or manufacturing technique
- changes the product components
- uses life cycle assessment in the development of new products

Implementation

Aliancys AG has taken the following measures in favor of the environment:

- Aliancys AG is very active in the promotion of composites material solutions, which in many applications contribute to lower weight, reduced energy consumption and lower CO₂ emissions



- In 2017 Aliancys AG was the co-organizer of the SMC BMC Design Award 2017 (organized by the European Alliance for SMC BMC), promoting the use of SMC and BMC materials for Furniture and Lighting. The target was to promote the high durability and versatility of these materials for improving consumer quality of life. Many good examples were presented by participating Design students
- Aliancys AG has sponsored the Human Solar Team and contributed in a major way in the production of the Nuna9 Solar vehicle. The Nuna9 won the Bridgestone Solar Challenge organized in Australia, promoting the use of solar energy for cars and demonstrating the importance of light weight and superior aerodynamics for the cars of the future
- Aliancys AG has introduced with its customers in 2017 several styrene-free technologies for drinking water pipeline renovation and for repair of water transport piping used in open nature
- Aliancys AG is strongly involved in the development of new light weight technologies for making components on the basis of carbon fiber. Particularly, great progress was made in 2017 with solution for wind energy applications
- Aliancys AG is certified ISO 9001
- Aliancys AG complies with the REACH Regulation (EC 1907/2006).

Measures of outcomes - goals

Together with its customers, Aliancys AG has introduced in 2017 styrene-free flooring resin solutions that feature lower smell and emissions vs. alternative solutions, yielding stronger floors at significantly lower installation times. Aliancys AG will continue producing composites material solutions, which will reduce energy consumption and lower CO₂ emissions.

D) ANTI-CORRUPTION PRINCIPLE

- Ø **Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery**

Assessment & Policy of Aliancys AG

- Aliancys AG is in compliance with all relevant laws, including anti-corruption laws
- has its own Code of Business Conduct and according to it there is zero-tolerance of corruption

Implementation

Aliancys AG has taken the following measures to fight corruption:

- introduced an anti-bribery & anti-corruption policy and procedures, such as the CHF 50 gift acceptance limit mentioned in the Swiss staff regulations
- endeavors to implement communications channels (whistleblowing)

Measures of outcomes - goals

Aliancys AG has made progress in finalizing the implementation of communications channels (whistleblowing) during 2017. No bribery or corrupt behavior has been reported in this period.