

Communication On Progress

Implementing UN global compact principles in Aliancys AG

1. Introduction

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

In our second annual Communication on Progress report, we describe our continued efforts and also new implemented 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 continuously confirmed its support to the ten principles on human rights, labour, environment and anti-corruption since then. 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 provides safe and healthy working conditions, by taking measures to eliminate ingredients, which could harm or threaten human life and health during manufacturing or disposal of products.
- Staff regulations articles regarding bullying, anti-harassment, equality, general duty of care apply.
- commits all suppliers to follow Aliancys' Supplier Code of Conduct to ensure the protection of human rights.

Implementation

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

- Aliancys has 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 when they start working for Aliancys and are on a regular basis reminded to stick to it.

- 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 and linked to specific yearly goals allocated to each and every employee.
- During 2018 an HR project was conducted to review all job descriptions to align similar jobs company wide and, to foster equality.
- on a regular basis Aliancys 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.
- Aliancys installed a Mailbox to report incidents.

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 continues 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:

- has a working time tracking system according to Swiss law
- allows flexible working hours, home office agreements
- started a project to reduce long term illnesses
- 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 are in place to fulfil the labour principles
- prevents discrimination of all kinds by hiring also females in managerial positions

- introduced in 2018 the Myers-Brigg-Type Indicator (MBTI) to make all employees better assess different personalities and characters and to allow a better cooperation between the teams.
- performed first aid course on site for all employees
- prevent accidents (e.g. 12 Life Saving Rules)
- all employees are entitled to medical insurance during business travels
- encourages all employees to practice exercise to maintain good health and reimburses a material part of the yearly fee to a gym club, which also applies for spouse/partner; Aliancys AG also provides for a small gym on-site.
- pays annual flu vaccination
- supports good, fresh and natural food in the office by using a supplier offering daily fresh meals or canteens.

Measures of outcomes - goals

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

It is our goal to have a high rate of employee satisfaction and low sickness absence and no work accidents.

Aliancys AG purchased a defibrillator.

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
- reuses materials on site
- changes the process or manufacturing technique
- changes the product components
- uses life cycle assessment in the development of new products
- has two strategic product development project-clusters, both around environmental friendly solutions (Styrene free & carbon fiber composites)

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 2018 Aliancys gave presentations at various global conferences about styrene free solutions.

- Aliancys AG has sponsored the Human Solar Team and contributed in a major way in the production of the Nuna9 Solar vehicle. In 2018 the Nuna9S was supported and they won the Sasol Solar Challenge in South Africa, 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 and further developed with its customers in 2018 several styrene-free technologies for a.o. relining house connections, roofing & automotive.
- 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 2018 with solutions for wind energy applications.
- Aliancys AG is certified ISO 9001-2015.
- Aliancys AG complies with the REACH Regulation (EC 1907/2006).

Measures of outcomes - goals

Together with its customers, Aliancys AG has introduced in 2018 styrene-free resin solutions that feature lower smell and emissions vs. alternative solutions. Aliancys will continue producing composite 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 staff regulations
- endeavors to implement communications channels (whistleblowing)
- supports recurring trainings, e.g. Anti-Bribery and Corruption manual,
- Online trainings for all employees will be implemented in the first quarter of calendar year 2019.

Measures of outcomes - goals

Aliancys AG has made progress in the implementation of communications channels (whistleblowing). No bribery or corrupt behavior has been reported in 2018.

Aliancys AG has not been involved in any legal cases, rulings or other events to corruption and bribery in the period.

Our books and accounts are subject to statutory external audit annually. These audits are used as one of the methods of identifying suspicious payments which could be related to bribery or corrupt behavior. There has been no such incident reported in the period.