



Communication On Progress

Implementing UN global compact principles in AOC AG

1. Introduction

I am pleased to confirm that AOC 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 current annual Communication on Progress report, we describe our continued efforts and 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

A handwritten signature in blue ink, appearing to read 'F. Theeuwes', with a long horizontal flourish extending to the right.

Franciscus J.P.M. Theeuwes

VP Finance EMEA



2. AOC AG:

Company introduction and its approach to the 10 principles

AOC AG (formerly known as Aliancys AG) as part of the AOC group of companies is the leading global supplier of specialty resins and solutions which enable customers to create robust, durable, and versatile products and components for applications in Coatings and Protective Barriers, Colorants and Visual Effects, Adhesives and Specialties, and Composite resins. With strong capabilities worldwide in manufacturing and science, the company works closely with customers to deliver unrivalled quality, service, and reliability for today and create innovative solutions for tomorrow. Partner with AOC, and we will work together to find the right solutions for your business.

The company's EMEA headquarters are based in Schaffhausen, Switzerland. AOC is a joint venture of CVC Capital Partners and Royal DSM.

AOC AG joined the UN Global Compact programme in November 2016, and has continuously confirmed its support for the ten principles on human rights, labour, environment and anti-corruption ever since. AOCs is committed to make these principles part of its strategy, culture and daily operations.

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

A. Human Rights Principles

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;
- Principle 2: Businesses should make sure that they are not complicit in human rights abuses.



Assessment and Policy of AOC AG

- ensures workers are provided safe, suitable and sanitary work facilities.
- protects workers from workplace harassment, including 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.
- provides safe and healthy working conditions, by taking measures to eliminate elements that could harm or threaten human life and health during the manufacture or disposal of products.
- provides the possibility to work from home or with a proper Health & Safety concept in the office during a worldwide pandemic.
- staff regulations regarding anti-bullying, anti-harassment, equality and a general duty of care apply.
- commits all suppliers to follow AOC's Supplier Code of Conduct to ensure the protection of human rights.

Implementation

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

- a clear company culture for all staff, promoting employees to respect each other and to take care of a healthy and safe work environment.
- a Code of Business Conduct training for all staff upon joining AOC and other, regular trainings.
- 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 2020 the HR project was continued to review all job descriptions to align similar jobs across the company and to foster ongoing equality.
- regular auditing of safety of operations, regular review of safety performance of employees, and dedicated safety reviews to identify potential improvements in processes and behaviours.
- maintaining of a mailbox to report incidents.

Measures of outcomes - goals

AOC AG supports its employees to live the company culture continually and to address undesirable situations. Any contravention of human rights will be documented and continued non-compliance will result in the termination of the business relationship. Safety reviews are held regularly.

B. Labour Principles

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

Assessment and Policy of AOC 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

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

- has a time tracking system according to Swiss law.
- allows flexible working hours and home office agreements.
- has started a project to reduce long term illnesses.
- drafts employment contracts in languages easily understood by all employees, and states clearly the termination provisions and procedures that need to be followed.
- human resources policies and procedures support the labour principles.
- prevents discrimination of all kinds including by hiring women in managerial positions.
- has introduced the Myers-Brigg-Type Indicator (MBTI) to allow employees to better assess different personalities and characters, for a better cooperation between the teams.
- Has provided a first aid course on site for all employees.
- prevents accidents (e.g. 12 Life Saving Rules).
- provides medical insurance for all employees during business travels.
- encourages all employees to exercise regularly in order to maintain good health and reimburses a material part of the yearly fee to a gym club, which also applies for their spouse or partner.
- pays for and organizes an annual flu vaccination.
- supports good, fresh and natural food in the office by using a supplier offering daily fresh meals or canteens, and fresh fruit weekly.

Measures of outcomes - goals

AOC AG is 100% compliant with approved working contracts.

It is our goal to have a high rate of employee satisfaction, low sickness absenteeism and no work accidents. This includes the purchase of a defibrillator.



C. Environment Principles

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

Assessment and Policy of AOC AG

- avoids environmental damage through regular maintenance of production processes and environmental protection systems.
- 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 programme.
- 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 environmentally friendly solutions (Styrene free and carbon fibre composites).

Implementation

AOC AG has taken the following measures in favour of protecting the environment:

- AOC 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.
- As an example, AOC has been working on a large project to reduce energy consumption and associated GHG emissions from its Filago manufacturing operations



(more information can be found on https://aocresins.com/en-emea/about-us/blog/20210120_saving-energy-reducing-emissions/)

- Since 2019 AOC AG is actively involved in the Sustainability Working Group of the European Composites Industry Association (EuCIA), promoting composites recycling initiatives and the development of the EcoCalculator tool for calculating Eco Footprint of composites.
- As part of the collaboration between EuCIA, CEFIC (Industry Association of Chemical Companies across Europe) and Wind Europe (European Industry Association of Wind Turbine Manufacturers), AOC AG has made multiple presentations to multiple audiences about composites recycling.
- In 2019 AOC AG introduced and further developed with its customers several styrene-free technologies for relining house connections, the roofing and automobile industries.
- AOC AG is strongly involved in the development of new lightweight technologies for making components on the basis of carbon fibre. In particular, great progress was made in 2020 with solutions for wind energy applications and the automobile industries.
- AOC AG is certified ISO 9001-2015.
- AOC AG complies with the REACH Regulation ([EC 1907/2006](#)).

Measures of outcomes - goals

Together with its customers, in 2020 AOC AG introduced more styrene-free resin solutions that feature lower smell and other emissions compared to alternative solutions. AOC AG will continue to produce composite material solutions that reduce energy consumption and lower CO₂ emissions. AOC AG has also taken a leadership role in increasing recycling of composite materials.

D. Anti-Corruption Principle

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



Assessment and Policy of AOC AG

- AOC AG is compliant with all relevant laws, including anti-corruption laws.
- has its own Code of Business Conduct and zero tolerance of corruption in any form.

Implementation

AOC AG has taken the following measures to fight corruption:

- has introduced an anti-bribery and anti-corruption policy and procedures, such as a limit on the acceptance of gifts to CH 50.00, mentioned in the staff regulations.
- endeavours to implement effective communications channels (whistleblowing).
- supports recurring training, including an anti-bribery and anti-corruption manual.
- Offers regular mandatory online training.

Measures of outcomes - goals

AOC AG has finalized the implementation of compliance policies and procedures at company and group level. No bribery or corrupt behaviour was reported in 2020.

AOC AG has not been involved in any legal cases, rulings or incidents related to bribery or corruption in the current 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 that could be related to bribery or corrupt behaviour. There has been no such incident reported in the current period.

AOC AG has implemented a process to apply the Mandatory Disclosure Rules (MDR) and works together with its tax advisors to report any applicable transaction.