



UN Global Compact - Communication on Progress (COP)

About EMS Group

The EMS Group is active worldwide in the business areas High Performance Polymers and Specialty Chemicals. The companies within the group are consolidated in the EMS-CHEMIE HOLDING AG domiciled in Domat/Ems. EMS has 25 production sites in 16 different countries and is represented throughout the world with company-owned sales companies or by distributors/traders. The EMS Group is committed to health, safety, and sustainability, and EMS remains an active participant of the UN Global Compact.

Statement from EMS Group's President of the Board of Directors Bernhard Merki:

I am pleased to confirm that EMS reaffirms its support to the UN Global Compact (UNGC) Principles as well as its continuing commitment to work with the UN on promoting sustainable development as a Global Compact participant company. Hereafter follows a summary of the progress made by EMS in 2020:

Human rights

- When hiring employees and determining their assignment in the company, EMS attaches great importance to qualifications appropriate to the task description. In accordance with their qualifications, the majority of EMS employees at the production sites and sales companies are paid well above the minimum wage range. This considerably reduces the risk of human rights violations.
- The EMS Group's Code of Conduct clearly stipulates that the companies and employees in the Group respect the human rights, dignity, privacy and personal rights of every individual.
- EMS does not tolerate any form of discrimination, humiliation, oppression, harassment or offence.
- In the reporting year 2020, the Compliance Officer received no complaints of alleged discrimination in EMS companies.
- In its Code of Conduct, the EMS Group commits to ensuring a safe and healthy working environment.
- EMS is committed to the safe operation of equipment and processes. Before commissioning,

Principle 1:

Support and respect the protection of internationally proclaimed human rights

all systems are carefully tested, especially the monitoring and control equipment. After successful trial operation and only after internal and external experts have inspected the plant and found it to be in reliable and secure condition, operations takes over. Periodic safety checks by operations and safety experts ensure a high safety standard.

Principle 2:

Make sure the company is not complicit in human rights abuses

- In its Code of Conduct, the EMS Group commits to open and honest behaviour with integrity.
- The EMS Group gives its suppliers fair contractual terms and reasonable valuable consideration. In return, EMS also expects the suppliers to treat their employees and suppliers fairly and honestly.

Labour practices

Principle 3:

Uphold the freedom of association and the effective recognition of the right to collective bargaining

- The EMS Group's Code of Conduct explicitly states that employees are free to join trade unions.
- The EMS companies maintain a constructive dialogue with internal employee representatives.
- Employees of the production site Domat/Ems in Switzerland are subject to the Collective Bargaining Agreement. Group wide, 46% of the EMS Groups workforce, were covered by collective bargaining agreements in 2020.

Principle 4:

Uphold the elimination of all forms of forced and compulsory labour

- EMS's exposure with respect to forced labour is considered low because of its industry, business model, the countries in which business activities are carried out, as well as high quality requirements.
- In its Code of Conduct, the EMS Group commits to protect human rights. It categorically rejects the use of forced and compulsory labour.
- No cases of forced and compulsory labour were discovered in 2020, nor were any cases revealed during the course of the audits performed among the suppliers.

Principle 5:

Uphold the effective abolition of child labour

- EMS's exposure with respect to child labour is considered low because of its industry, business model, the countries in which business activities are carried out, as well as high quality requirements.
- In its Code of Conduct, the EMS Group commits to protect human rights. It categorically rejects the use of child labour.
- No cases of child labour were discovered in 2020, nor were any cases revealed during the course of the audits performed among the suppliers.

<p>Principle 6: Uphold the elimination of discrimination in respect of employment and occupation</p>	<ul style="list-style-type: none"> ▪ The Code of Conduct lays down that EMS does not tolerate any form of discrimination or harassment. ▪ In the reporting year 2020, the Compliance Officer received no complaints of alleged discrimination in EMS companies. ▪ EMS salary policy adheres to the principle of fair and equal pay for men and women.
<p>Environmental protection</p>	<ul style="list-style-type: none"> ▪ The Group's Executive Management of EMS ensures that environmental aspects are taken into account in the corporate strategy and in the activities of EMS. The Business Unit Managers are members of the Extended Executive Management. ▪ For many years, EMS has focused on sustainability in the production of its products. For example, EMS already reduced CO2 emissions by over 80% in 2006 with the commissioning of a biomass power plant at the world's largest production site in Domat/Ems, Switzerland. Since 2020, the power supply at the Swiss and German production and sales sites has also been generated 100% from CO2-neutral hydropower. Through further measures including the purchase of long-term effective CO2 certificates, EMS has been producing CO2-free worldwide since July 1, 2020. ▪ Thanks to its innovation, EMS helps its customers to reduce energy consumption: Polymer materials for demanding technical applications are the main business of EMS. These high-performance polymers are mainly used to replace heavy metal applications, in automotive engineering, but also in a wide range of other industries. The weight reduction that can be achieved in this way makes a significant and sustainable contribution to reducing emissions from vehicles and in the manufacture of consumer goods. EMS thus achieves significant added value for its customers. Thus, the EMS business model is per se designed for environmental protection and sustainability. ▪ In the reporting year 2020, investments in environment, health and safety measures amounted to 4.6% of the total investments (previous year: 1.1%). ▪ At the end of 2020, 2 EMS Group companies were recertified to ISO 14001 (EFTEC (Nizhny Novgorod) LLC and EFTEC (Elabuga) OOO). ▪ Other companies are working towards ISO environmental certification. ▪ EMS-CHEMIE AG in Domat/Ems follows the principles of the Responsible Care Initiative.
<p>Principle 7: Support a precautionary approach to environmental challenges</p>	
<p>Principle 8: Undertake initiatives to promote greater environmental responsibility</p>	

- A wood-fired power plant (Axpo Tegra AG) has been in operation at the site in Domat/Ems since 2006 to supply process steam.
- Environmental protection at EMS encompasses both environmentally friendly production with efficient use of resources and the development of products that are made of the most environmentally sound components possible. With its proactive chemical compliance management, the company goes above and beyond the legal requirements.
- EMS proactively identifies substances of concern that are particularly hazardous to health and harmful to the environment and prohibits the use of these substances for the development and production of new thermoplastic products.
- In many cases, EMS products directly help to protect the environment. For example, EMS products used in automobiles help to save weight and reduce fuel consumption.

Anti-corruption

- The EMS Group's Code of Conduct strictly prohibits any kind of offers, payment, demands or acceptance of bribes and kickbacks as well as any kind of other financial advantages.
- The Code of Conduct is reiterated to employees regularly during internal training sessions.
- During 2020, no significant fines or non-monetary sanctions were imposed on EMS for non-compliance with laws and regulations during the reporting year.
- The internal auditors regularly monitor compliance with the Code of Conduct in all organizational units of the EMS Group.

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EMS-CHEMIE HOLDING AG



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