

UN Global Compact

—
communication on progress

May 9, 2022



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CEO statement of support



Ashland has committed to integrating the United Nations (UN) Global Compact and its principles as part of the company's business strategy, culture, and day-to-day operations. We are engaged in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals, and we continue to innovate and operate under consideration of these goals.

The attached Communication on Progress outlines Ashland's actions relative to the UN Global Compact and we continue to provide regular internal and external communication on our efforts and progress.

Sincerely,

Guillermo Novo
Chair and Chief Executive Officer
Ashland

human rights assessment, policy, goals

At Ashland, we commit to business practices and operations that are safe, ethical, compliant, and responsible. Our Code of Conduct reinforces our values and commitment. It informs us and guides us in the decisions we must make at work each day.

We have zero-tolerance policies for the use of child labor, forced labor, human trafficking, or land-grabbing practices. We refuse to do business with subcontractors, business partners and suppliers who engage in these practices.

Our Code of Conduct aligns with the ISO 26000* seven key principles of Corporate Social Responsibility.

human rights implementation

To ensure the ongoing protection of human rights, Ashland has a Chief Compliance Officer who oversees adherence to the Code of Conduct in all business operations. In addition, we have instituted:

- annually required training of all employees on our Code of Conduct and signature of compliance at year-end
- a secure, confidential, third-party whistleblowing mechanism through 1-800-ASHLAND
- a 24-hour, toll-free, Global "Speak Up" phone line if employees have concerns about compliance or business ethics
- a formal investigation process for all ethics incidents

In addition, Ashland has partnered with EcoVadis for third party verification of supplier sustainability self-assessments to ensure they meet their commitments to environmental, social, and ethical practices and behavior. The self-assessment focuses on environment, labor and human rights, ethics, and sustainable procurement.

measurement of progress towards human rights

ethics, compliance, and due diligence

Ashland has a zero tolerance policy for corruption, bribery, and extortion. As an extension and enhancement to Ashland's Ethics and Compliance Policies and Programs Ashland has created a Global network of "Ethics Ambassadors" as an added resource for employees and to integrate our global ethics and compliance program into business operations at the local level.

When doing business with a third party, Ashland has a formal process in place to initiate the due diligence review process which is required prior to entering into or renewing a contractual relationship with a person or entity supporting Ashland's international business operations such as an agent, consultant, representative, distributor, or professional service provider.

anti-corruption policy

Ashland has an Anti-Corruption Compliance Policy which demonstrates our commitment to lawful and ethical business practices and compliance with laws concerning corruption (including but not limited to the US Foreign Corrupt Practices Act ("FCPA")), political activities, conflict of interest and global trade. It provides the foundation for procedures designed to assist Ashland employees in implementing this commitment and guides their decision-making and conduct.

speak up culture

- Ashland has a variety of options available to employees for reporting concerns (Global Speak Up Line, Global Speak Up Web Form, Global Compliance Questionnaire and Certification form, HR, or local Ethics Ambassador). Ashland encourages employees to Speak Up via the channel they are most comfortable with.
- Ashland's Global Code of Conduct Questionnaire and Certification process was completed by all employees and Board of Director members. All reported concerns are tracked through an incident management system and reviewed by an appropriate internal resource. Once the concern has been investigated, the employee is contacted with resolution details.

training

Ashland has a mature and robust training program with a variety of methods for employees to complete training including instructor-led, targeted and online.

The majority of Ashland's global employee population completes online training with an overall passage rate of 85% in the following areas:

- o anti-boycott compliance
- o anti-corruption compliance
- o code of conduct**
- o competition & anti-trust
- o data privacy: global edition
- o diversity & inclusion
- o preventing workplace harassment

Various employee groups completed instructor-led and targeted training in the following areas:

- o anti-corruption compliance
- o code of conduct
- o competition and anti-trust
- o gifts and entertainment
- o protection of intellectual property
- o trademark protocols
- o travel and expenses

labor principles – assessment, policy, goals

We provide safe workplaces, reasonable working hours and fair wages for people who work on our behalf. We also respect the rights of our workers to join (or not join) labor unions.

Generally speaking, harassment is any form of unwelcome behavior toward another person that is motivated by a protected characteristic and used to create a hostile work environment. We do not tolerate harassment – period. It is a form of discrimination and has no place at Ashland. Please see our Anti-harassment policy for more information.

labor implementation

Ashland offers benefits to full-time employees in all countries of operation, including: Argentina, Belgium, Brazil, Canada, France, Germany, Italy, Japan, Mexico, Netherlands, Poland, Russia, Singapore, Spain, Switzerland, Turkey, and the United States.

** Board of Director members also completed this training course.
 * Employees include directly supervised contractors: these are defined as those employees on the entity's payroll, whether they are full-time, part-time, executive, labor, salary, hourly, or seasonal employees.
 ** FY19 data includes Pharmachem, Avoca, and Composites. Ashland sold the Composites business during FY19. FY20 data does not include Composites.

labor measurement

injury & illness performance

Cultivating a safety culture is intentional at Ashland and is best shown by our commitment to a Zero Incident Culture (ZIC). ZIC begins with the vision, values, beliefs, and actions of Ashland's leaders demonstrating that zero incidents are possible. It means developing processes where compliance is the minimum expectation, allowing employees to proactively manage safety above compliance on the journey to ZERO.

As an indication of our commitment to Responsible Care, we have obtained a third-party certification to RC14001, which includes the internationally recognized ISO 14001 certification and adds additional health, safety, security, and chemical industry requirements. Currently, Ashland has 29 international sites participating on a group RC14001 certification, and we are working toward certifying all our manufacturing locations. Also, as part of our commitment to health and safety, 16 of our sites have obtained an additional ISO 45001 certification, an international health and safety management system. [view the certifications.](#)

our recordable occupational injury and illness rates for the last three years are as follows:

our manufacturing sites continue to prove that

	FY 2018	FY 2019	FY 2020
employees+ at year end	6,400	6,000	4,500
employee recordable injury rate	1.11	0.94	0.70
employee lost-time incident rate	0.53	0.44	0.30
employee fatalities	0	0	0

achieving zero workplace injuries is possible; by the end of FY 2020:



environmental principles – assessment, policy, goals

Protecting the environment is an integral part of Ashland's operations. Largely, we mitigate environmental risks of our operations through our Responsible Care* program. Responsible Care is the chemical industry's unique, global initiative that drives continual improvement in health, safety, and environmental performance, with open and transparent communication with stakeholders. As a symbol of our commitment, Ashland has signed the Responsible Care Global Charter and the American Chemistry Council's Guiding Principles. We publicly report our global environmental, health, and safety performance to ensure transparency in our progress.

our responsible care policy outlines our commitment into three main goals:

- 1. operate with zero incidents:** we believe that all injuries are preventable ... on and off the job; we strive to operate with zero occupational illnesses and zero environmental, security, quality, or process safety incidents
- 2. ensure compliance:** we abide by applicable laws, regulations, technical specifications and internal standards while adhering to high ethical standards
- 3. reduce impact:** to support our sustainability efforts, we continually examine ways to reduce our environmental footprint while providing products that meet our customers' needs

keys to our responsible care policy include:

- o **transparency:** we maintain an open dialogue with employees and communities
- o **product stewardship:** we work with supply chain partners and customers to enhance product safety
- o **global management system:** we follow standard processes that provide a foundation to achieve our RC Goals

Headquartered in the U.S.A., Ashland is an active member of the American Chemistry Council. Because we are a global company, we also participate in similar organizations in other countries as well as the International Council of Chemical Associations. As an indication of our commitment to Responsible Care, we have obtained a third-party certification to RC14001, which includes the internationally recognized ISO 14001 certification and adds additional health, safety, security, and chemical industry requirements.

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To learn more about Responsible Care, visit: <http://www.icca-chem.org/responsible-care> or <http://responsiblecare.americanchemistry.com/>

environmental implementation

Ashland has several initiatives underway to reduce our footprint and reduce risks to the environment. We have broken out our overarching sustainability strategy into three main categories:

- o **sourcing**
- o **operations**
- o **solutions**

sourcing

- o expanding the use of renewable materials
- o pursuing sustainable sourcing for priority raw materials, i.e. RSPO and FSC Chain of Custody certifications, sustainable guar partnership with local NGO in India
- o evaluation of our suppliers on the EcoVadis platform
- o Supplier Code of Conduct

operatons

- o working to establish Science Based Targets for GHG emissions
- o interim goals of 2% reduction (intensity based) in hazardous waste, energy use, and GHG emissions annually
- o recycling or reuse of materials such as packaging, solvent, and more
- o expansion of use of renewable energy
- o upgrading equipment to more efficient machinery
- o developing an overarching strategy to improve efficiency of our manufacturing locations and meet environmental targets
- o responsible care program for environmental and employee health and safety

solutions

- investment in R&D to develop products which follow the principles of “green” or “sustainable” chemistry
- in-house testing of biodegradability for all products, expanding the OECD assays we can perform
- recently introduced in-house compost-ability testing for our products
- calculating % naturalness of our products by ISO 16128-2:2017 standards, calculating % renewable carbon, making the results of these calculations readily available to customers
- partnership with our customers to meet their individual needs within the scope of sustainability/ environmental impacts
- use of upcycling in products

environmental measurement

To support the initiatives mentioned above, we are continuously increasing our communication and transparency surrounding environmental matters. We disclose environmental data to a number of reporting platforms—including, but not limited to: CDP, EcoVadis, SEDEX, GRI, SASB, customer-specific platforms, and the annual Ashland Sustainability Report. We report # of environmental incidents and any fines associated. We also report progress towards our environmental goals, which is reviewed regularly at our board meetings. Ashland performs routine internal audits of all manufacturing locations to ensure compliance and high standards for health and safety.

Through our ongoing efforts and commitment to ESG we increased our CDP Climate Change score from a D to a B-, and increased our CDP Water score from a D to a C. We also increased our EcoVadis overall score by 3 points. Our EcoVadis Ethics and Sustainable Procurement scores both increased by 20 points. As we continue to make progress within ESG, we will continue to share and highlight our efforts with all of our stakeholders.

always solving™

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