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SOLENIS POLICY
Global Procurement & Responsible Sourcing

1.0 Policy purpose

The purpose of this policy is to describe the process for evaluation, selection, onboarding and performance management of Suppliers, Subcontractors, and Consultants based on their ability to meet Solenis requirements.

2.0 Scope

This policy applies to all third-party vendors globally who supply products and services to Solenis on a recurrent basis and for which we had spend for the last 12 months and for new vendors who will start supplying products and services to Solenis on a recurrent basis.
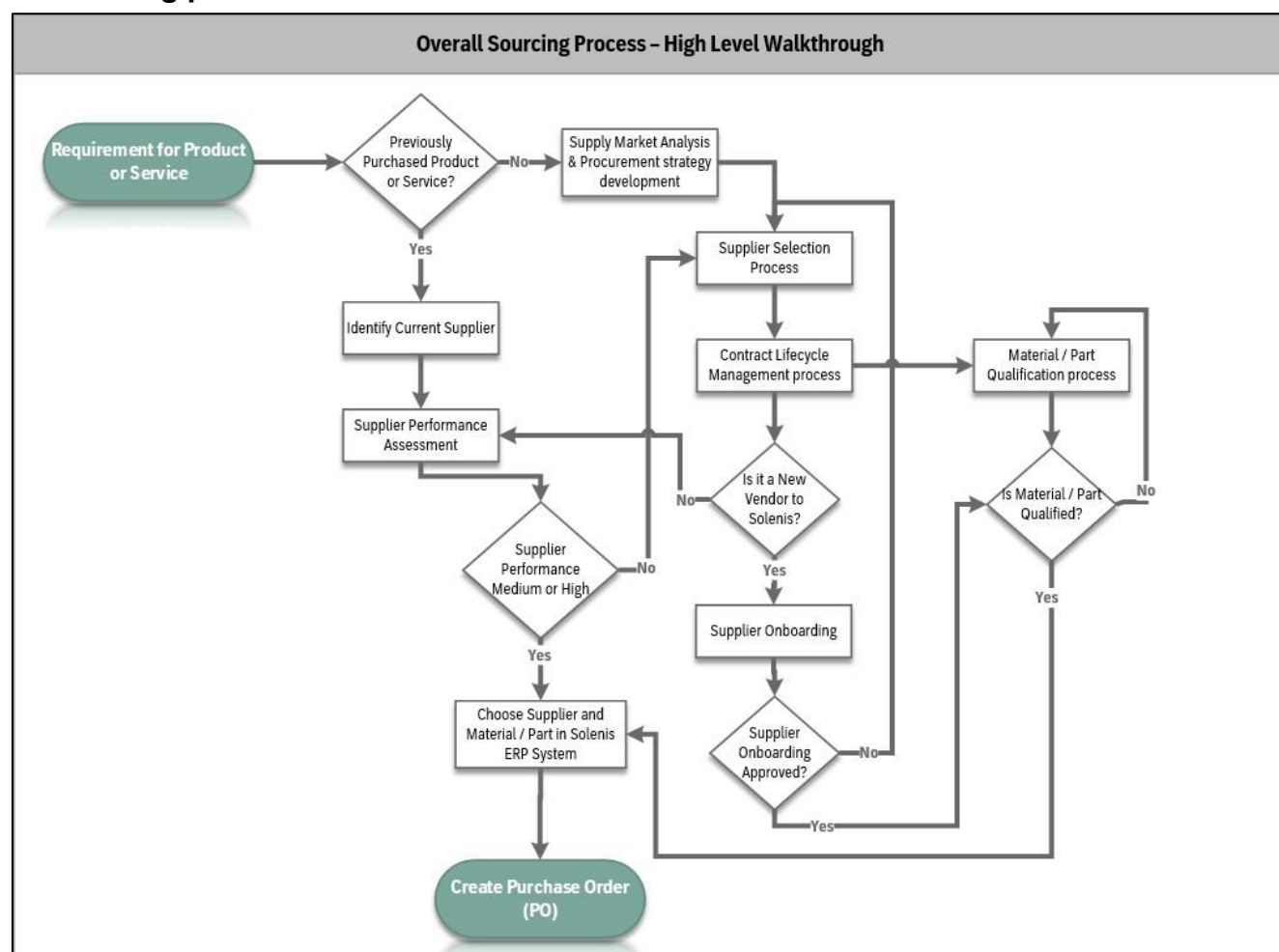
3.0 Sourcing process overview

Figure 1 – Sourcing Process Workflow

4.0 Reference documents

I. Internal references:

- SL-POL-010.002 Responsible Chemistry Policy
- SL-POL-004.030 Human Rights Policy
- SL-POL-005.008 Deforestation & Biodiversity Policy
- SL-POL-008.007 Solenis Supplier Code of Conduct
- SL-POL-002.008 Financial Approval Authority
- SL-POL-009.001 Quality Policy
- SL-POL-008.012 Conflict Minerals Policy
- SL-PRT-001.003 Solenis Supplier Risk Assessment & Management Protocol
- SL-PRT-001.002 – Onboarding a New Supplier
- SL-PRT-001.004 - Contract Lifecycle Management Protocol
- Solenis - Terms & Conditions
- Guide - Requesting a New Supplier

II. External references:

- **ISO 9001:2015** – Quality management systems – Requirements
- **ISO 14001:2015** – Environmental management systems – Requirements with guidance for use
- **ISO 45001:2018** – Occupational health and safety management systems – Requirements with guidance for use
- **ISO 13485:2016** – Medical devices – Quality management systems – Requirements for regulatory purposes
- **RC 14001:2023** – Responsible Care® 14001 Technical Specification
- **Regulation (EU) 2023/1115** of the European Parliament and of the Council of 31 May 2023 on making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010
- **RPSO Principles** and Criteria for Sustainable Cultivation of Oil Palms and Production of Sustainable Palm Oil and Oil Palm Products – Version 4.0

5.0 Definitions

Solenis	Represents all Solenis commercial units and majority-owned or controlled subsidiaries
Supplier / Vendor	Third-party entity providing products and/or services to Solenis. This includes Direct Suppliers, Subcontractors, Consultants & Indirect Suppliers
Direct Supplier	Third-party entity providing Solenis with purchasing materials, goods, or services that are directly incorporated into a final product or service offering (e.g., raw materials and components that Solenis requires to manufacture its products)
Chemical Supplier	Direct Supplier that provides chemical materials to Solenis
Indirect Supplier	Third-party entity supplying Solenis goods or services that support operations through non-core functions or services not directly related to product or service delivery (also referred to as "non-production" Suppliers)
Strategic Supplier	A Strategic Supplier is considered as a partner whose contribute to innovation, Solenis competitive advantage, and future growth opportunities through deep collaboration, shared goals and often multiyear contract
Critical Supplier	Supplier whose failure to deliver would cause significant disruption to operations, safety, or compliance continuity.

Local Supplier	Situated or located in same Region (per Solenis definition) as Solenis sourcing entity
Consultant	Third-party entity that evaluates Solenis' processes and provides guidance
Supplier Onboarding	Process to add a new Supplier to the Solenis Supplier database
Request for Information (RFI)	Process to gather specific information, such as product and services portfolio, capabilities, or financial information from a Supplier
Request for Quotation (RFQ)	Process to gather a quotation from a Supplier
Spend under management	Spend amount that is actively managed by the Procurement team
Procurement Category	Grouping of similar materials, goods, and services with common supply and demand Drivers, but may be sourced from different Suppliers
R&D	Research & Development
Contract Lifecycle Management (CLM)	Encompasses all steps from contract creation to execution
Contract Risk Assessment (CRA)	A step of the Contract Lifecycle Management process where we review and assess potential risk linked to a contract
Diverse Supplier	A business that is at least 51% owned and operated by an individual or group that is part of an underrepresented community
NPIR	New Product Introduction Request
RMR	Raw Material Request
RSPO	Roundtable on Sustainable Palm Oil
High Risk Clauses	Contractual provisions that pose risk to operational exposure requiring a review to negotiate or mitigate potential liabilities

6.0 Global procurement engagement:

I.   Sustainable raw materials:

Sustainability is crucial to Solenis, not only in what we do at our plants and facilities, but in what we do to help our customers meet their own sustainability goals. We have developed a comprehensive sustainability strategy encompassing all the environmental, social, and governance elements of sustainability, which can be found at 'Sustainability - Strategic Vision'. Solenis' sustainable procurement engagements are listed in the Solenis Supplier Code of Conduct.

At Solenis, we believe that sustainability is integral to our business operations. A key component of our sustainability strategy is the sourcing of sustainable raw materials. Solenis sources responsibly through building partnerships with Suppliers who share our commitment to environmental and social responsibility. Solenis prioritizes sustainable raw materials selection and considers alternatives, when possible, linked to:

- **Environment**:
  - **Renewable resources**: Prioritize materials that can be replenished naturally (e.g., timber from sustainably managed forests, renewable energy sources).
  - **Reduced carbon footprint**: Minimize the greenhouse gas emissions associated with material extraction, processing, and transportation.
  - **Water conservation:** Consider the water usage associated with raw material production and support Suppliers with efficient water management practices.

- o **Waste reduction**: Minimize waste generated during the extraction, processing, and transportation of raw materials.

- **Social Responsibility:**
  - o **Ethical labor practices**: Ensure that direct materials are sourced from Suppliers that comply with fair labor standards and applicable laws and provide safe working conditions.
  - o **Respect for human rights**: Source direct materials from Suppliers that prohibit all forms of child and forced labor, slavery, or human trafficking in any of its facilities or operations.
  - o **Community impact**: Seek to identify, prevent, or mitigate the negative impacts of raw material extraction on local communities, while supporting initiatives that promote sustainable livelihoods and social development.
  - o **Local content**: Engaging local Suppliers contributes to sustainable economic development by promoting job creation and enhancing regional capabilities, while maintaining alignment with the organization's strategic and business requirements.

II. Supplier Diversity

Solenis' is committed to supporting and empowering underrepresented communities by fostering economic development efforts, extending business opportunities, and showcasing the increasing importance of diverse Suppliers in our global value chain. Through Solenis' Supplier Diversity Program, Procurement professionals will identify and engage with certified diverse Suppliers where possible (as listed in the table below).

Our aim remains to continue growing the Supplier Diversity Program and provide equal business opportunities to under-represented Suppliers (starting with the US), as listed below:

- Minority-Owned (MBE)
- Women-Owned (WBE)
- Lesbian, Gay, Bisexual & Transgender-Owned (LGBT)
- Alaskan Native Corp or Tribally Owned (ANC)
- Veteran-Owned (VET)
- Service-Disabled Veteran-Owned (SDVET)
- Military Spouse Enterprise (MSE)
- Disadvantaged Business (DBE)
- Small Disadvantaged Business (SDB)
- Small Business (SBE)

- Small Business Administration 8(A)
- Business Development Program
- Women-Owned Small Business (WOSB)
- Economically Disadvantaged Women-Owned Small Business (EDWOSB)
- Historically Underutilized Business Zone (HUBZone)
- Airport Concessionaire Disadvantaged Business (ACDBE)
- Encouraging Diversity, Growth, and Equity

Supplier Diversity is part of Solenis **Supplier Selection** and **Supplier Onboarding** processes. The Procurement team works with non-Diverse Suppliers to support them in developing their own Supplier diversity program.

7.0   Procedure

I. Supply Market Analysis and Procurement Strategy Development

For all spend under management, Procurement professionals will leverage market intelligence and trend data to identify potential suppliers, products and alternatives that will meet Solenis' requirements. The Procurement team will assess external factors such as geopolitical, economic, and regulatory factors that could impact the relevant market, and collaborate with internal stakeholders to collect data on specifications, customer requirements, and other business needs and expectations.

The Procurement team will identify and assess market players and their capabilities. This process includes understanding supply and demand trends and monitoring supplier base activity to inform the development of category-specific procurement strategies. Where relevant, strategy development will consider the key sustainability criteria for raw materials outlined in **Section 6.0**, as well as the risk domains identified in the [Supplier Risk Assessment & Management Protocol](#).

At Solenis we are constantly monitoring our direct material supply chain to ensure continuity of supply, mitigate shortages, ensure operational controls, and control costs to guarantee cost competitiveness of our finished products.

In order to enable this, we classify Direct Materials into three different categories:

- **Sole Source:** When Solenis purchases a material from only one qualified Supplier. This material may be highly specialized, a patented technology, have regional registration limitations, and on rare occasions, be produced by only one Supplier globally. Identifying alternatives for sole-source materials requires financial effort and lengthy validation/ qualification time, involves cross-functional support and resources, and can include significant financial investment.
- **Single Source:** When Solenis purchases a material from one validated Supplier despite having multiple sources qualified by Solenis for the same material.
- **Multiple Source**: When Solenis purchases a material from multiple validated Suppliers.

We classify sole-sourced materials into two subcategories based on complexity:
- **High-Risk Sole Source:** High complexity, high investments, and very long validation time to identify an alternative.
- **Medium-Risk Sole Source:** Limited complexity, investments, and validation time to identify alternatives.

II. Supplier Selection

The Procurement professional identifies project stakeholders and defines decision committee composition:
- For Direct Suppliers, stakeholders can be Quality, R&D, Regulatory, Sustainability, Environmental, Health & Safety or Product Management teams.
- For Indirect Suppliers, stakeholders can be Information & Technology, Marketing, Sustainability, Human Resources, Environmental, or Health & Safety.

Before engaging with a Supplier or initiating requests for quotation (RFQ), a formal Non-Disclosure Agreement (NDA) is signed and stored in the Solenis contract database.

The Procurement professional will always check if a Diverse Supplier is available in the market to respond to requests for information or quotation. This Supplier should be able to provide

products that meet Solenis specifications and requirements.

Procurement professionals are encouraged to consider, where feasible, the inclusion of qualified local Suppliers in requests for information (RFI) and RFQ. Final sourcing decisions will be made following a comprehensive evaluation of relevant factors, including but not limited to foreign exchange rates, customs and transportation costs, applicable tax regimes, and prevailing sustainability regulations and guidelines.

Every request for information and quotation must contain the following elements. All Suppliers, Direct and Indirect, must agree with Solenis' Standard Terms and Conditions. Exceptions must be approved by Procurement professionals on a case-by-case basis. Specific requirements should be added depending on Supplier type as follows:

Specification / Requirement	For Direct Suppliers	For Chemical Suppliers

Sustainability Requirements	• Acknowledge the Solenis' Supplier Code of Conduct
	  ○ Acceptable Exception: Supplier's Business Code of Conduct aligned with Solenis expectations following Procurement Excellence or Legal teams' review
	• Be certified by a recognized ESG ratings provider or agency, such as EcoVadis and the Carbon Disclosure Program (CDP).
	• If the Supplier does not have any recognized sustainable certification, Procurement team will screen ESG supplier risk scoring through our risk screening platform (as described on Supplier Risk Assessment & Management Protocol)
	• If the product/service quoted is linked to a specific regulation (e.g. Regulation (EU) 2023/1115 on deforestation-free products, Regulation (EU) 2017/821 on conflict minerals) Suppliers must provide requested evidence of compliance
	• As Optional, we ask our Suppliers to: Commit to set SBTi (Science Based Targets Initiative) GHG Emissions reduction or similar science-based targets.
	  • Water Target Reduction
		On top of stated requirement for Direct Suppliers, Chemical Suppliers must:
		  ○ Acknowledge Solenis' Biodiversity Policy
		  ○ Be a member of RSPO & offer RSPO certified alternatives if the quoted product contains 'Palm Oil'
		  ○ As Optional, we ask our Suppliers to:
		  ○ Participate in American chemistry council's (ACC) Responsible Care Initiative
		  ○ Have a Carbon Disclosure reporting certificate or equivalent
		  ○ Have a Water reporting certification (CDP water or equivalent)

Regulatory Requirements	• Supplier to acknowledge "Substance of Concern Policy"	• Vendor Regulatory Request Form (VRR) • Safety Data Sheet (SDS) • For relevant countries: other compliance statements when applicable or requested
Commercial Requirement	• Lead Time must be formally agreed through a Statement of Work or a Contract	

Product Specifications		• Technical Data Sheet (TDS) • Certificate of Analysis (CoA)

Procurement professionals will involve relevant stakeholders to define assessment criteria and evaluate Supplier answers and capabilities to comply with product specifications, required service levels, and Solenis' policies and commitments. Procurement professionals will plan and conduct Supplier negotiations and assess Supplier risk. The decision committee will finalize Supplier selection based on project team recommendations and Supplier compliance with legal requirements, Solenis' policies, and customers' requirements. Procurement professionals are responsible for communicating the business award to the selected Supplier.

During the onboarding of suppliers within the scope of the Solenis Risk Management Protocol, any identified risks must be addressed promptly. Procurement professionals are responsible for collaborating with internal subject matter experts to define and implement appropriate mitigation strategies.
All identified risks and corresponding actions must be documented within our risk management platform, Coupa. Where applicable, suppliers should be actively involved in the development and execution of risk mitigation plans to ensure alignment and accountability.

III. Contract Lifecycle Management (CLM)

Procurement professionals, in partnership with the Solenis Legal team, will initiate conversation with the Supplier to gather information to draft a new contract. Solenis' standard contract templates should be used. In case of changes, Solenis' Legal team will assist with 'redlining' and finalizing the contract draft (Appendix 0 - Figure 1 for Contract Lifecycle Master Workflow).

While Solenis contract templates are the preferred standard, supplier-proposed templates may be accepted provided they incorporate all critical protective clauses following a Legal review.

Before finalizing a contract, Solenis thoroughly analyzes the agreement to confirm it aligns with internal standards and addresses Supplier-specific risks identified during risk assessment process Refer to the 'Contract Lifecycle Management Protocol' for more details.

Solenis contract templates cover key areas such as:
- Compensation and performance standards
- Security, confidentiality, and data handling
- Contingency and business recovery plans
- Termination, dispute resolution, and liability limits
- Compliance, subcontractor use, and indemnification
- Ongoing Risk Monitoring and Contract Lifecycle Management

To identify potential contractual risks, a Contract Risk Assessment (CRA) must be conducted. The CRA evaluates key areas, including Commercial (Supply Security, Financial, and General Clauses), Legal, and Sustainability provisions (refer to Appendix 1 for detailed CRA clauses). This process is led by the Procurement professional, who reviews the contract to ensure all potential risks are identified and addressed.

Contracts will go through CRA based upon meeting at least 1 of the following criteria:
- Estimated annual spend value equals or is higher than $1M
- Presence of High-Risk clauses **(Black Clauses)**

The contract is signed by the Supplier representative and Procurement professional as per Financial Approval Authority process (FAA-SL-POL-002.008). The Procurement professional is responsible for storing the final signed contract and related documents in Solenis' contract database (Appendix 0 – Figure 3 for Contract Approval Workflow).

Upon receiving automatic notification of upcoming contract expiration, the Procurement professional will investigate to renew or terminate the contract (Appendix 0 – Figure 2 for Renewal or Termination workflow). Before renewing a contract, the Procurement professional should:
- Align with the Global Procurement category strategy
- Review Supplier performance during the term of contract to ensure alignment with Solenis' expectations (section 9 - Supplier Performance Monitoring)
- Align with internal stakeholders to update Solenis' requirements
- Engage in negotiations with the Supplier to renew the contract, involving the Legal team if any changes are requested to the contract.

As part of our Supplier Relationship Management (SRM) program, compliance with contractual terms and obligations must be systematically reviewed during supplier performance evaluations.

In the event of any deviation, Procurement professionals are responsible for initiating a formal risk assessment within Coupa, in accordance with the Reactive Risk Management Process outlined in the Supplier Risk Assessment & Management Protocol. Appropriate mitigation actions must be identified and implemented, with supplier engagement as needed to ensure resolution and alignment with company standards.

IV. Supplier Onboarding

New Suppliers are onboarded per the process workflow highlighted below:

For a detailed review, please refer to the:

- [SL-PRT-001.002 – Onboarding a New Supplier](#)

- [Supplier Information Management Form (SIM Form)](#)

Coupa New Supplier Request Workflow

Requestor
- New Vendor Identified
- New Supplier Request Form
- Duplicate? — Yes → Request is Closed
- No ↓

Supplier
- Complete Supplier Information Form
- Direct → Answer ESG + Trade & Compliance Questionnaire
- More Information required
- Indirect

Category Management
- Take Risk Assessment Due Diligence Process
- Yes ← Direct Supplier + >$1M Spend?
- Spend <$1M

Non-Standard Payment Terms Approver
- Low / Medium Risk → Approve per Approval Chain (Figure 2&3)

Master Data Team
- Ensure Data Completeness and Completion / Internal Enrichment

Accounts Payable (AP)
- More Information Required
- Verify Vendor Bank Information and Details

SAP
- Vendor Creation Process in SAP → Information Confirmed and Pushed to Coupa → Supplier Created → End
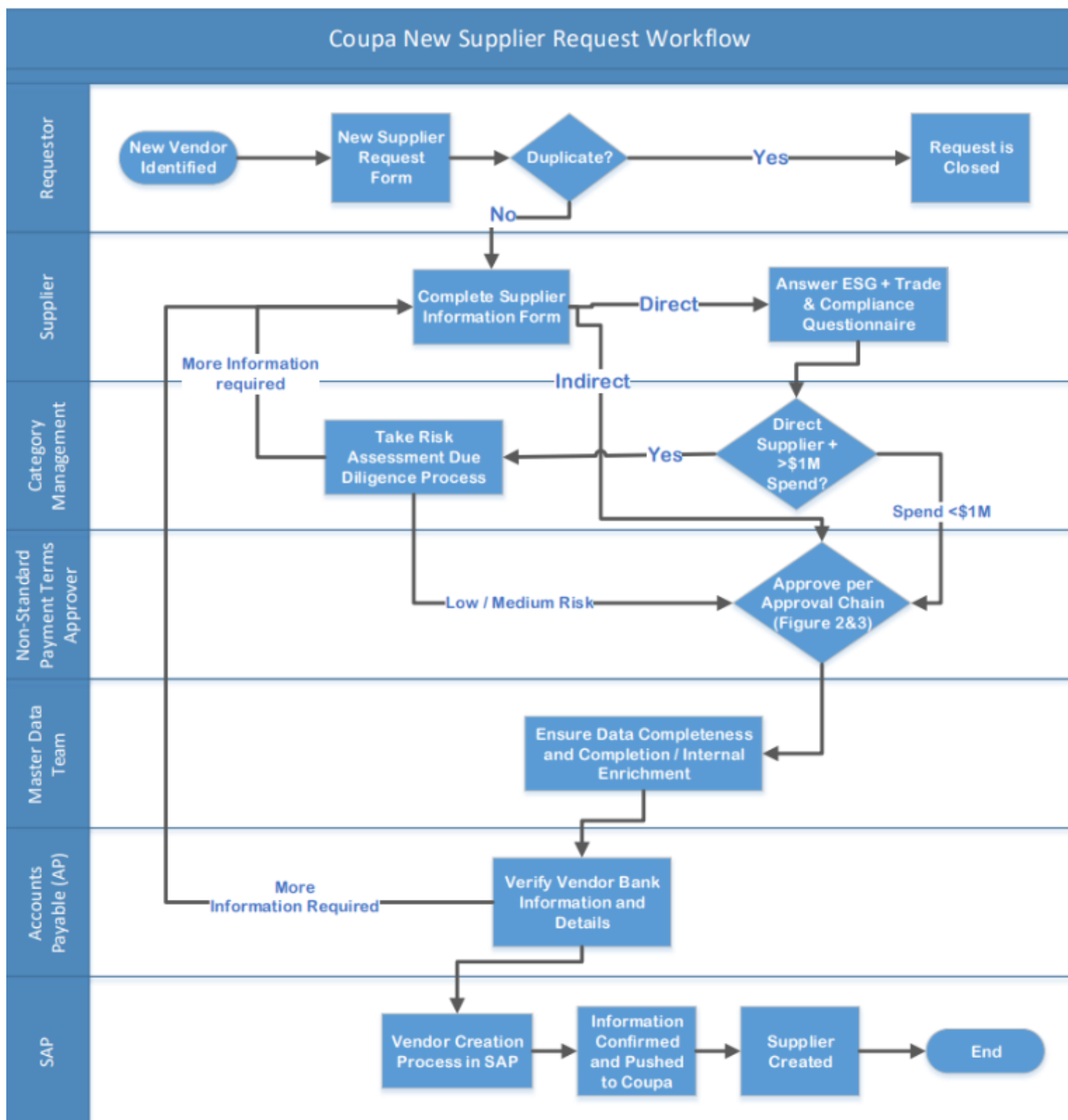
Figure 2 – Onboarding a New Supplier

Only requests reviewed and approved by the Procurement Operations team will be processed. Supplier onboarding requests are not approved if:

- **Document(s) are missing / incorrect** – the Procurement professional contacts the Supplier to ask for the missing documents and then routes them to the Procurement operations team for evaluation and verification.
- **Misaligned Contact** – the Procurement professional provides the correct Supplier contact to Procurement operations.
- **No standard terms and conditions –** Procurement professional approval has to be requested for any Terms and Conditions deviation from Solenis standard.
- **Risk Assessment Outcome Not Acceptable –** Procurement Excellence involves the Procurement professional to define risk mitigation plan.
- **Failure to meet minimum ESG requirements –** Suppliers who do not hold recognized ESG certifications or fail to demonstrate compliance with Solenis' Sustainability Supplier requirements (eg:- Supplier Code of Conduct), or who require an on-site risk assessment may be excluded from onboarding.

V. Material Qualification

In parallel with the Supplier Onboarding process, the Procurement professional initiates material qualification process through the NPIR process. Before creating RMR, the Procurement professional should ensure that Specifications of the material, service, and / or process listed in the CoA (Certificate of Analysis) are aligned with requested product specifications.

8.0   Supplier Risk Assessment

Solenis has implemented a comprehensive Supplier Risk Assessment Program to ensure responsible sourcing, regulatory compliance, and supply chain resilience. This framework applies to all existing Strategic and Critical Direct suppliers, as well as new Direct suppliers with an annual spend ≥ $1M, and selected indirect suppliers (e.g., warehousing).

I.   Key Principles
- <u>Risk-Based Approach:</u> Assessments are proportionate to nature, complexity, and the risk embedded in the supplier relationship.
- <u>Due Diligence</u>: Includes desk-based reviews, structured questionnaires, and—where necessary and upon feasibility —on-site audits.
- <u>Technology-Enabled</u>: Risk screening, assessment, mitigation and monitoring are supported by industry leading technology platforms like Interos, Coupa, Kharon, and Tableau.

II.   Risk Domains in Scope

Solenis Risk Program evaluates suppliers across multiple risk domains, including:
- ESG (Environmental, Social, Governance) including Human Rights & Labor Practices
- Anti-Bribery & Corruption
- Financial Stability
- Cybersecurity
- Geopolitical , Country Risk & Industry Risk
- N-Tiering (visibility into sub-suppliers)
- Operational Performance (e.g., On-Time In Full)
- Regulatory Compliance

III.   Risk Assessment Lifecycle

Solenis Supplier Risk Assessment process encompasses 5 steps, all supported by industry leading platforms to secure compliance and reporting

- Risk Screening (Inherent Risk Score)
- Risk Diligence (Collection of questionnaires & documentation)
- Risk Evaluation (Residual Risk Score)
- Risk Mitigation (Action plans led by Solenis Subject matter experts, involving suppliers where necessary)
- Continuous Monitoring (annual reviews, alerts)

IV.   Noncompliance with Solenis Supplier Risk Protocol

If any Suppliers in scope fails to comply with the corrective action plans or otherwise fails to address action plans within the agreed time, Solenis will take escalatory steps and may decide to place the supplier on a new business hold or identify alternative sources of supply.

Details of the framework are embedded into Supplier Risk Assessment & Management Protocol.

9.0   Supplier Relationship Management

The Supplier Relationship Management (SRM) program aims to enhance procurement processes and foster stronger partnerships with identified Suppliers. This program involves segmentation of Solenis' Direct Suppliers based on importance and strives to monitor performance regularly, conduct internal scoring evaluations, and collaborate on initiatives for continuous improvement as well as review compliance with contractual terms and obligations. On a yearly basis, Global and Regional Category team members review Suppliers' segmentation.

There are three Supplier SRM categories:

- **Strategic Suppliers**: High-value, high-impact partners essential for long-term success, innovation, and competitive advantage, necessitating deep collaboration and joint value creation.
- **Critical Suppliers**: High-risk Suppliers vital for operations due to supply chain dependencies, quality standards, or regulatory compliance.
- **Transactional Suppliers**: Low-value, low-risk Suppliers providing standard goods or services with minimal engagement beyond basic procurement.

10.0   Supplier Performance Monitoring

We are monitoring our Suppliers' performance to ensure Suppliers' compliance with company policies, including, but not limited to, quality, product safety, timely delivery, cost control, risk management, and driving continuous improvement in the supply chain.

Procurement professionals use Supplier performance assessments to improve Supplier performance, ensure Supplier compliance, and strengthen our partnership. Scorecards are mandatory for Strategic Suppliers. Scorecards can be created for other Suppliers based on Category Management request.(Note: both Strategic and Critical Suppliers are also managed according to the Supplier Risk Assessment & Management Protocol). The timeline to refresh scorecards will be at the beginning of the fiscal year and will be published before the end of first quarter of each Fiscal Year (Q1).

Performance Scoring brackets are as follows (Score and Percentage):

Score of 49% & Below:	Does not meet expectations
Score Between 50% - 79%:	Gaps identified in performance
Score of 80% & Above:	Meet or Exceed expectations

o **Supplier Performance Scoring Mechanism**

Performance Indicator	Metric Domain	KPI Measurement	Performance Rating Type	Excellent (4)	Good (3)	Fair (2)	Poor (1)	Very Poor (0)	Weightage %
Service	Quality Performance	No. of Quality complaints / delivery	Objective	100%	98-100%	95-97%	90-94%	<90%	15%
Service	Delivery Performance	OTIF (On-Time In Full)	Objective	>95%	90-95%	85%-89%	80%-84%	<80%	15%
Commercial	Contracts	Contract in place	Objective	Yes- for all the business	-	Yes - for some business	-	No contracts at all	15%
Commercial	Cost Savings	Annual Rebate in place	Objective	-	Yes	-	No	-	8%
Commercial	Payment Terms	Difference vs target	Objective	>105	76-105	61-75	45-60	<45	15%
Sustainability	Global ESG Ratings Provider	Global ESG Certification	Objective	Top 1%	Top 5%	Top 15% - Top 40%	Beyond 40%	No ESG Certification	8%
Sustainability	Carbon Disclosure Project (CDP) or Similar	CDP Score & schemes (e.g. Climate/ Water/ Forest)	Objective	A+ / A	B+ / B	C+ / C	D+ / D	Other	8%
Sustainability	Solenis Supplier Code of Conduct	Solenis Code of Conduct	Objective	Solenis CoC signed	Supplier CoC approved by Solenis	-	Supplier CoC but not approved by Solenis	No CoC	8%
Sustainability	Supplier Diversity Program	Diversity Program implemented	Objective	-	Yes	-	No	-	8%
								Total	100%

Solenis' Procurement team will work with Suppliers with performance scoring below 80% to improve their score. Solenis provides suppliers with their overall performance insights, as well as helping them understand their performance and peer ESG performance benchmarking. Where appropriate, Solenis may offer targeted support, such as technical guidance, training, or collaborative programs, to help Suppliers strengthen their sustainability capabilities and align with Solenis' expectations.

If a Supplier consistently scores below 49% and shows no improvement, the allocation of new

business may be suspended until the score improves.

In addition to business suspension, Solenis reserves the right to cancel outstanding orders, suspend future orders, and/or terminate the Supplier contract in cases of material breach of Solenis policies or refusal to implement agreed corrective actions within a reasonable timeframe.

Corrective actions are required when performance falls below defined thresholds:

- **If Quality Performance (Service) Score ≤90%:**
  - Quality team, with the support of the Procurement professional, will work with the Supplier to identify the quality issue's root cause and define a corrective action plan. In the event of repetitive quality issues, an on-site audit may be conducted.
  - In case of 'Recall from Market being identified as a root cause from the Supplier' or major EHSS incident (Chemical explosion, Fraud / Scandal, Slavery, etc.), the quality compliance score for the Supplier will automatically be 0.
- **If Delivery Performance (Service) score is <90%:**
  - The Procurement professional, in partnership with the Supply Chain team, will work with the Supplier to identify the root cause of the issue and define a corrective action plan for improved delivery performance.
- **If Sustainability Performance score is <75%:**
  - If poor score is due to supplier non-compliance with Supplier Code of Conduct or low ESG engagement Procurement Excellence will work with the Procurement professional and the Supplier to define an improvement action plan on sustainability performance.
  - A documental or on-site assessment may be initiated to support further validation of Supplier practices, upon need.
- **If Commercial Performance (Combined) score is ≤80%:**
  - The Procurement professional will partner with the supplier to identify cost reduction opportunities through Supplier-lead innovations, value engineered projects or negotiations (including Payment Terms extension).

  - **Deep Dive Analysis for Strategic Suppliers**

Performance Indicator	Metric Domain	KPI Measurement	Performance Rating Type	Excellent (4)	Good (3)	Fair (2)	Poor (1)	Very Poor (0)
Growth	Solenis revenues growth	YoY volume growth for Solenis as Supplier	Objective	>10%	7-10%	4-6%	1-3%	0%
Growth	Supplier sales growth	YoY Supplier volume growth	Objective	>10%	7-10%	4-6%	1-3%	0%
Value	Total cost of ownership	# of cost improvement projects proposed by Supplier	Qualitative	>5	4-5	2-3	1-2	0
Innovation	Innovation	Evaluate partnership in Innovation (# project launched)	Qualitative	>5	4-5	2-3	1-2	0

V. Voice of Supplier Survey

Solenis' Voice of Supplier survey gives our partners the opportunity to provide feedback on various components, including Supplier relationship & communication, Solenis' **Process**

Efficiency, **Payment & Terms**, **Innovation & Future opportunities,** and **Sustainability Initiatives**. Suppliers can provide feedback to Solenis with no impact on future Business opportunities. This effort allows Solenis to identify areas of improvement and strengthen our relationship with our Suppliers. The survey is launched on an annual basis.

The Procurement team reaches out to Suppliers who have identified areas of improvement and provided constructive feedback to identify and work on improvement areas (**Refer to Appendix 2, for Voice of Supplier Survey questions**).

11.0   Use and maintenance of this policy.

This policy will be reviewed at least once per year by the Procurement Excellence team.

12.0   Training

On an annual basis all members of the Global Procurement organization will acknowledge this policy review through the Solenis Learning Management System.
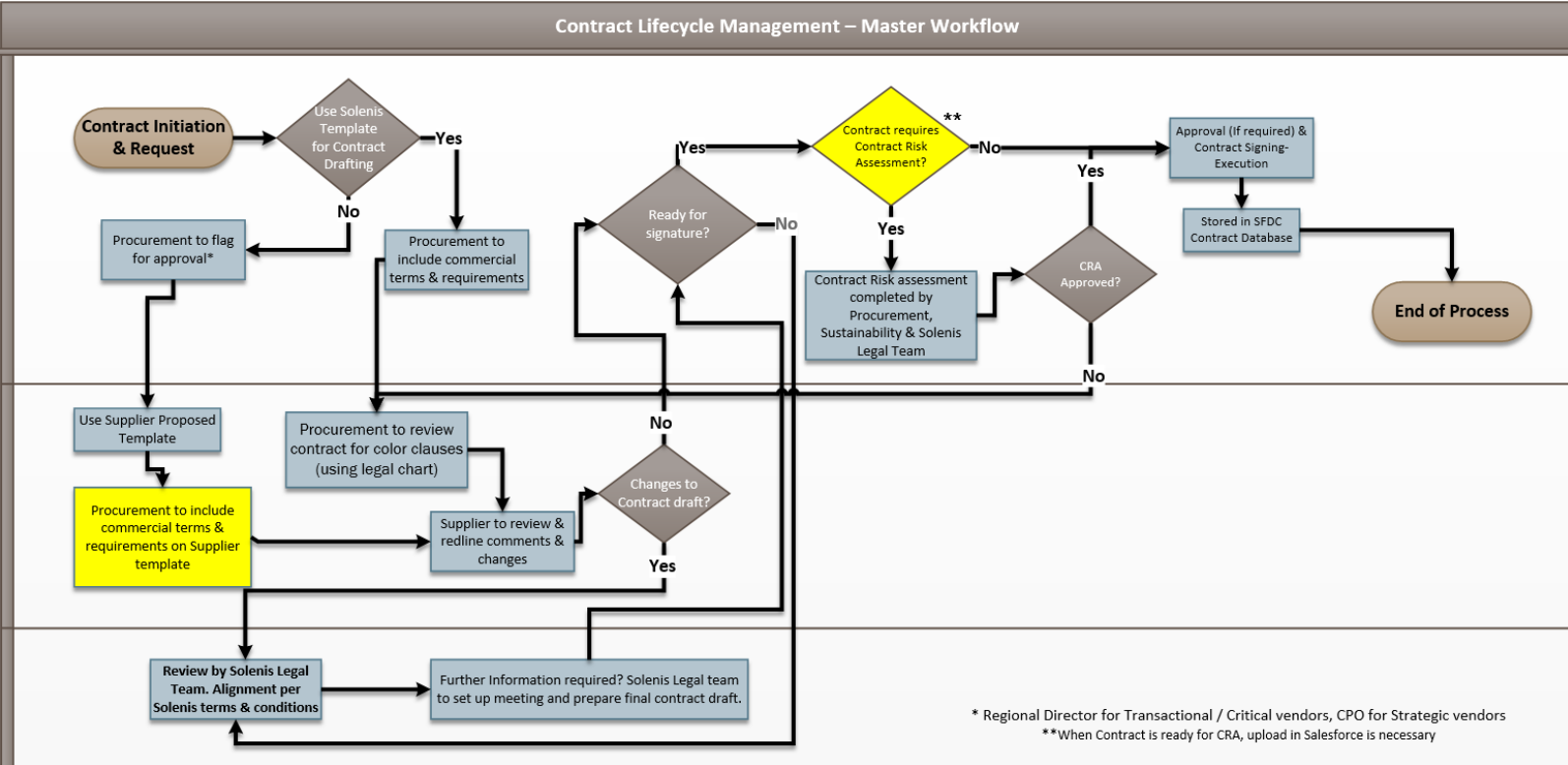
13.0   Owner

Procurement Excellence Director, Global Procurement
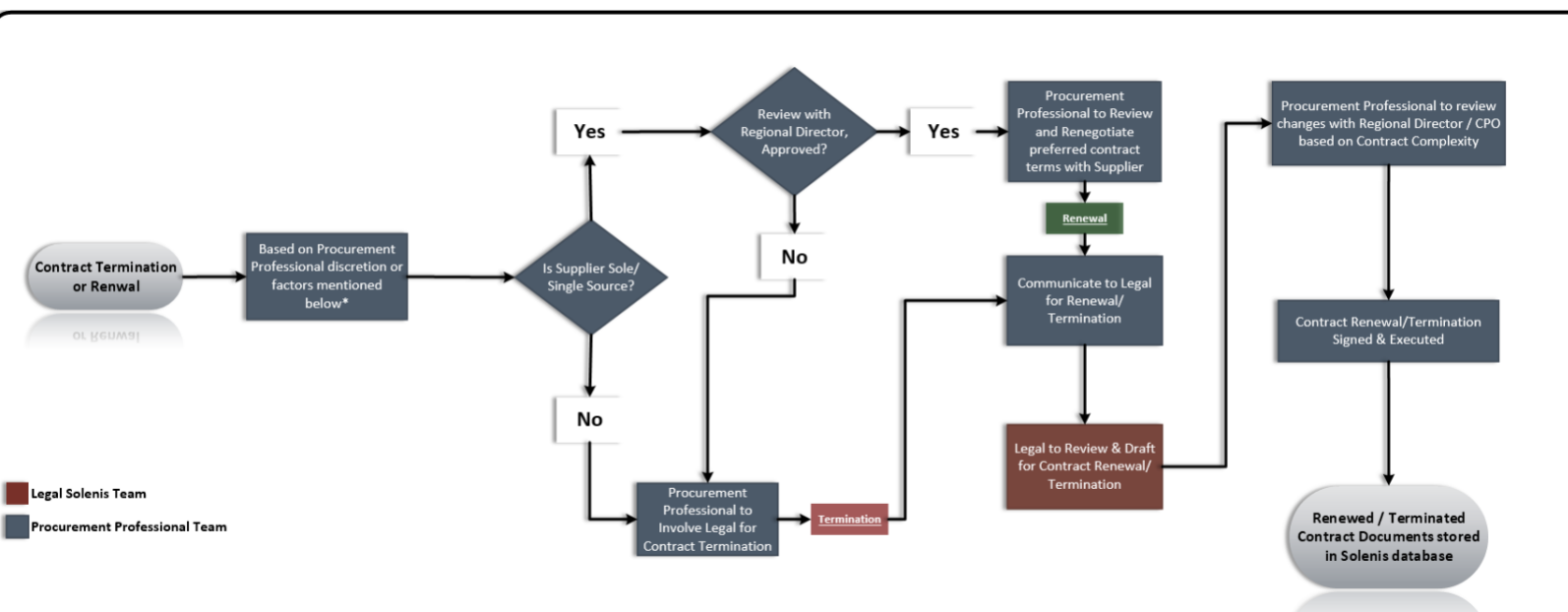
Revision history
This is a history of notable changes to this policy:

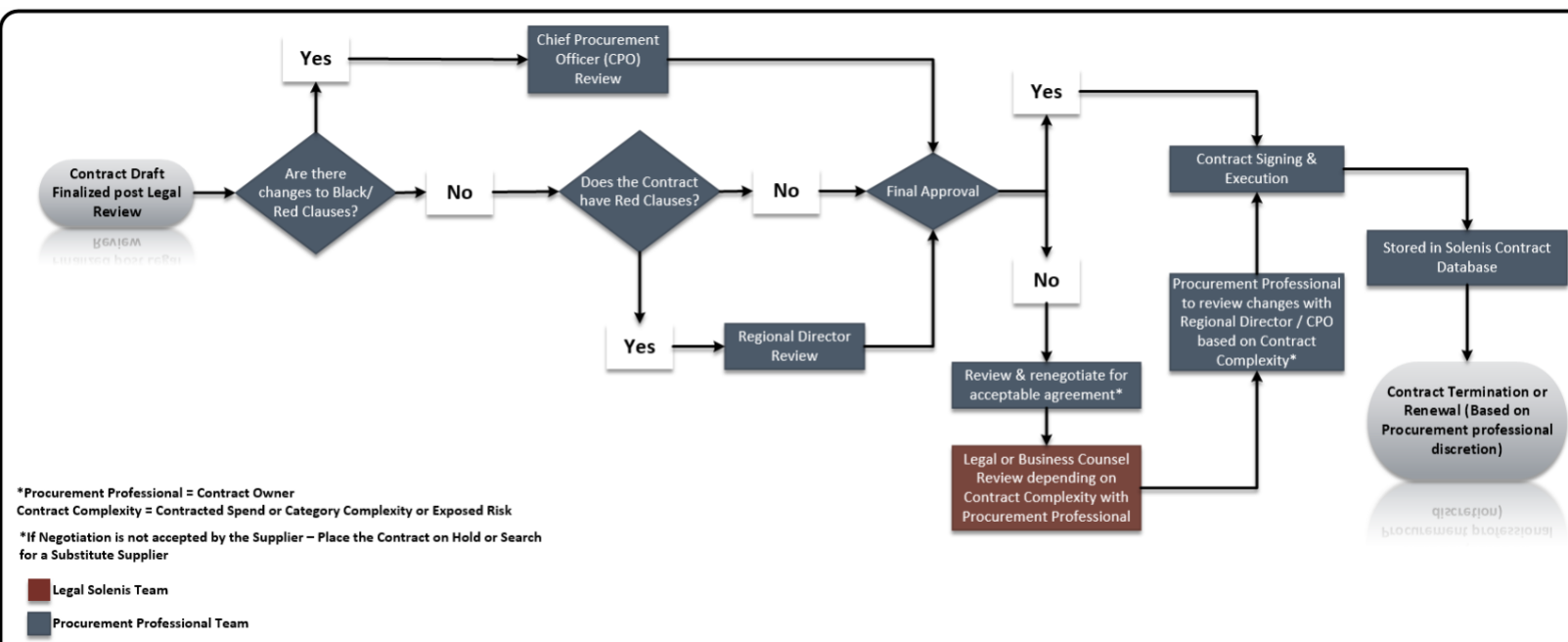| Effective date	Section	Description of change
Dec. 16, 2024	5.0 7.0 8.0 9.0	Added Definition 'Strategic Supplier', 'Critical Supplier' Added 'Sole Source,' 'Single Source', Multiple Source' Added 'Supplier Relationship Management Program' Added New scoring mechanism for Supplier Performance
Aug. 5, 2025	6.0 7.0	Added 'Local content' in Social Responsibility section. Added reference to inclusion of qualified local Suppliers in 'II. Supplier Selection.'
Dec. 3, 2025	7.0 8.0	Added New Risk Management steps and workflow Added CRA (Contract Risk Assessment) Flow + Appendix 1 (Clause Details) Reviewed Overall Policy (Per Annual Guidelines)

Appendix 0 | Figure 1- Contract Lifecycle Management (CLM) Workflow

Contract Lifecycle Management – Master Workflow

* Regional Director for Transactional / Critical vendors, CPO for Strategic vendors
**When Contract is ready for CRA, upload in Salesforce is necessary

Appendix 0 | Figure 2 – Contract Lifecycle Management - Termination & Renewal Workflow

Legend:
- Legal Solenis Team
- Procurement Professional Team

*Highlighted Factors that could affect Termination or Renewal of a Contract:

- **Supply Performance** – If the Supplier performed as expected or above through the contract period and delivered material / services on time in full, meeting required quality

- **Price Discrepancy** – If there was a price mismatch or request to change prices besides what was agreed in the contract, or if the Price offered did not meet Solenis' requirement

- **Volume Requirements / Over Supply** – If volume requirements are not fixed or changes, compared to initial drafting and finalizing of contract terms

- **Core Expectations** – If the Supplier has disagreed to any mandatory Solenis requirements (Code of Conduct / Red Clauses)

- **Contract Terms** – Disagreement in Payment terms / Availability of Supplier / Liability Clause / Pricing methodology / Unable to meet Volume commitments

- **Other Factors** – As Determined by the Procurement professional per the Contract agreement or Supplier Relationship

<u>Appendix 0</u> | Figure 3 – Contract Lifecycle Management - Approval s Review Workflow

Appendix 1 | Contract Risk Assessment (CRA) – Clause Bifurcation

Clause / Risk Segment	Contract Clause Sub-Segment	Risk Assessment Contract Clause
Commercial	**Supply Security**	• Sole Source / Single Source (*Not Applicable*) • Change Notification **(Red)** • Intent to Withdraw **(Red)** • Quality Assurance **(Red)** • Non-Conformities **(Red)** • Force Majeure **(Red)** • Productivity Clause **(Green)** • Performance Guarantee (OTIF) **(Yellow)** • Quality Performance Guarantee **(Yellow)**
	Financial Risk	• No Take or Pay? **(Black)** • Volume Requirements **(Black)** • Payment Terms **(Yellow)** • Price Adjustment Methodology **(Black)** • No Rebate Linked Risk? **(Yellow)** • Currency Provisions **(Yellow)** • Meet or Release Clause **(Green)**
	General Clauses	• Contract Termination Clause (*Not Applicable*) • Category Strategy Alignment (*Not Applicable*)
Legal	**Legal Clauses**	• Warranties **(Red)** • Remedies **(Red)** • IP Rights **(Red)** • Change of Control Clause **(Red)** • Assignment Rights **(Red)** • Governing Law **(Red)** • Most Favored Nation **(Green)** • Termination For Convenience **(Red)** • Supplier Duty to Cooperate with Audits **(Red)** • Insurance and Coverage Amount **(Red)**
Sustainability	**Sustainability Clauses**	• CoC (Code of Conduct) Acknowledgement **(Red)** • Vendor CoC (Reviewing Vendor CoC) (*Not Applicable*) • Compliance with Laws **(Red)** • Supply Chain Diligence: Sub-Supplier Management **(Red)** • Periodical Assessments **(Green)**

Appendix 2 | Solenis Voice of Supplier Survey - Questionnaire

Solenis Voice of Supplier Survey	
Supplier Relationships Communication	How would you rate overall communication with our company?
	How frequently do you receive updates or feedback from our team?
	Are the points of contact in our company clear and accessible?
	How would you rate the overall partnership with Solenis?
	What could Solenis do to improve our communication?
Process Efficiency	How would you rate the efficiency of our procurement processes such as ordering, forecasting...?
	Does Solenis clearly communicate our expectations regarding product/service quality?
	How can we help you meet our quality standards more effectively?
	How satisfied are you with the clarity of our purchasing requirements (product specifications, volume...)?
	How often does Solenis provide constructive feedback on your performance?
	Are there any specific bottlenecks or inefficiencies you've experienced while working with Solenis?
	How can we improve our processes to make your interactions with Solenis smoother?
Payments Terms	Timeliness of Solenis Payments
	Invoice Management Visibility
	Contact with Solenis Accounts Payable Team
Innovations Future Opportunities	Do you feel that Solenis provides opportunities for innovation or collaboration on new projects?
	How can we work together to be more competitive in the market?
	How would you rate Solenis processes based on integrity and fostering positive relationships?
Sustainability Initiatives	Rate your awareness on "Canadian Transparency Act / Norwegian Transparency Act / EUDR Regulations"?
	Which Solenis Sustainability initiatives are you aware of?
	Is there any sustainability-related initiative you'd like to propose to Solenis for partnership (e.g., VAVE workshop, charity events, GHG emissions reduction initiatives, etc.)
	Will you be willing to share best practices linked to sustainability with Solenis?
	Are there any sustainability-related requirements you have received from Solenis that you are unfamiliar with or have questions/or concerns about?