
Protocol number:	SL-PRT-001.003	Revision number:	2
Original effective date:	May 6, 2024	Pages:	20
Revised effective date:	Sep 01, 2025	Reviewed date:	Dec 18, 2025

SOLENIS PROTOCOL Supplier Risk Assessment

1. Introduction

Overview and Background

Solenis uses Suppliers to provide products or services in support of its business operations. Such outsourced relationships may benefit Solenis by reducing costs, improving performance, increasing business competitiveness and providing access to specific expertise. However, Senior Management recognizes that Solenis' reliance on Supplier relationships presents many risks that must be identified, assessed, and managed. Failure to manage these risks can expose Solenis to financial losses, litigation, or other damage or may even impair Solenis' ability to service existing customer relationships or establish new ones.

Protocol Purpose

This Protocol aims to establish standards and guidance relating to Solenis' management of its Supplier relationships and the associated inherent / residual risks presented by those Supplier relationships and their fourth parties. These risks are present when Solenis engages with Suppliers to provide products and services directly for the benefit of its internal operations, employees, or customers.

Solenis recognizes that the purpose of Supplier risk management is not to eliminate all risks, but to provide the structural means to allow Solenis to identify, prioritize, manage, mitigate or respond to the risks associated with Supplier activities, while protecting the integrity of Solenis' brand and reputation, enhancing Supplier relationships, driving innovation, and building a robust value chain that can avoid potential disruptions.

Additionally, while this Protocol considers a broad scope of potential Supplier risks, it also serves to support our commitment to provide for or cooperate in remediation where Solenis activities have caused or contributed to adverse human rights impacts, in line with our Human Rights Policy.

2. Scope

- **Risk Domains in the Scope of Solenis' Supplier Risk Program**

Solenis' Supplier risk assessment process encompasses multiple dimensions to safeguard business continuity, regulatory compliance, and sustainable growth.

For more details on Risk Domains in scope, please refer to the table below:

Risk Domain	Risk Domain Definition
Environmental, Social, and Governance (ESG) Risks	Evaluation of risk concerning sustainability processes and practices, ethical business conduct, and regulatory adherence. This also considers environmental risks such as climate change impacts, water use, and waste reduction, as well as social risks such as employee health & safety and labor practices.
Anti Bribery – Anti Corruption (ABAC) Risks	Evaluation of the threats that Suppliers may offer or accept bribes to influence decisions, engage in corrupt practices to gain unfair business advantages, or violate laws like the U.S. Foreign Corrupt Practices Act (FCPA) or the UK Bribery Act
Financial Stability	Evaluation of the risk concerning Supplier solvency, financial health, and credit exposure affecting long-term viability.
Cybersecurity Threats	Evaluation of the risk concerning Supplier threats regarding data breaches, vulnerabilities in information technology infrastructure, and non-compliance with cybersecurity standards.
Geopolitical Risks	Evaluation of supply chain dependencies, trade restrictions, and geopolitical disruptions impacting supply chain and procurement.
Catastrophic Event Risk	Evaluation of Suppliers' resilience in the face of natural disasters, pandemics, and other high-impact disruptions.
Regulatory and Compliance Restrictions	Continuous tracking of legislative changes, trade sanctions, and compliance requirements affecting Supplier operations.
Country Risk	Evaluation of the potential adverse impacts on individuals, business operations, or supply chains resulting from the political, legal, social, economic, environmental or human rights conditions of a specific country. This includes risks associated with the locations where the Supplier or its sub-suppliers operate.
Industry Risk	Evaluation of the inherent risk level associated with the industry in which the Supplier operates, based on recognized international standards and frameworks.
N-Tiering Risk	Evaluation of risks that arise not just from Solenis' tier-one Suppliers, but from their Suppliers
Operational Performance Risks	Evaluation of risks associated with Suppliers' delivery reliability (On-Time In-Full, OTIF) and quality performance metrics to ensure consistent service levels.
Supplier Worker and Community Risks	Evaluation of protections for Suppliers' workers and relevant stakeholders in the supply chain (e.g., local and Indigenous communities), including appropriate grievance and feedback mechanisms.

Figure 1: Details of Risk Domains in scope

- **Suppliers in the Scope of Solenis' Supplier Risk Program**

- All direct Suppliers identified as **Strategic or Critical** as per Solenis' Supplier Relationship Management program ([Global Procurement and Responsible Sourcing Policy](#)) that have delivered products to Solenis on a regular basis for the past 12 months
- All new direct Suppliers onboarded through Solenis' Coupa Supplier Portal (CSP) with an estimated annual spend **≥\$1M**
- Warehousing Suppliers (Indirect Category) for continuous monitoring of Environmental, Health, and Safety compliance.

Additional Suppliers may be incorporated into the risk management program's scope as deemed necessary to address emerging business needs or to comply with evolving regulatory and compliance requirements.

3. Technology applied to Solenis' Supplier Risk Management Program

At Solenis, we recognize that technology plays a pivotal role in Supplier risk management. To enhance its Supplier risk program, Solenis leverages the following technologies:

- **Interos (Risk Identification and Screening Platform):** Supported by Artificial Intelligence (AI), the platform screens Suppliers in scope by leveraging external sources as well as private databases made available through partnerships. They also provide N-Tiering risk visibility to secure resilience along Solenis' supply chain.
- **Coupa (Risk Management Platform):** Through automated flows and integrations, the Coupa risk management platform enables continuous monitoring, scalability, due diligence processes, and compliance reporting capabilities for Suppliers.
- **Kharon (Human Rights Due Diligence):** This enables a deep dive into Sanctions Screening & Human Rights Risks such as forced labor in global supply chains.
- **Tableau (Risk Reporting):** This enables the continuous flow of risk data to Procurement Professionals and Solenis Leadership for risk monitoring purposes to make more informed decisions.

4. Internal References

- a) [SL-POL-008.007 - Supplier Code of Conduct](#)
- b) [SL-POL-004.030 - Human Rights Policy](#)
- c) [SL-POL-008.000 - Global Procurement and Responsible Sourcing Policy](#)
- d) [SL-PRT-001.002 - Supplier Onboarding Protocol](#)
- e) [SL-PRT-001.004 - Contract Lifecycle Management Protocol](#)

5. Supplier Risk Assessment Process

Solenis' Supplier risk management process is comprised of six elements as described below:

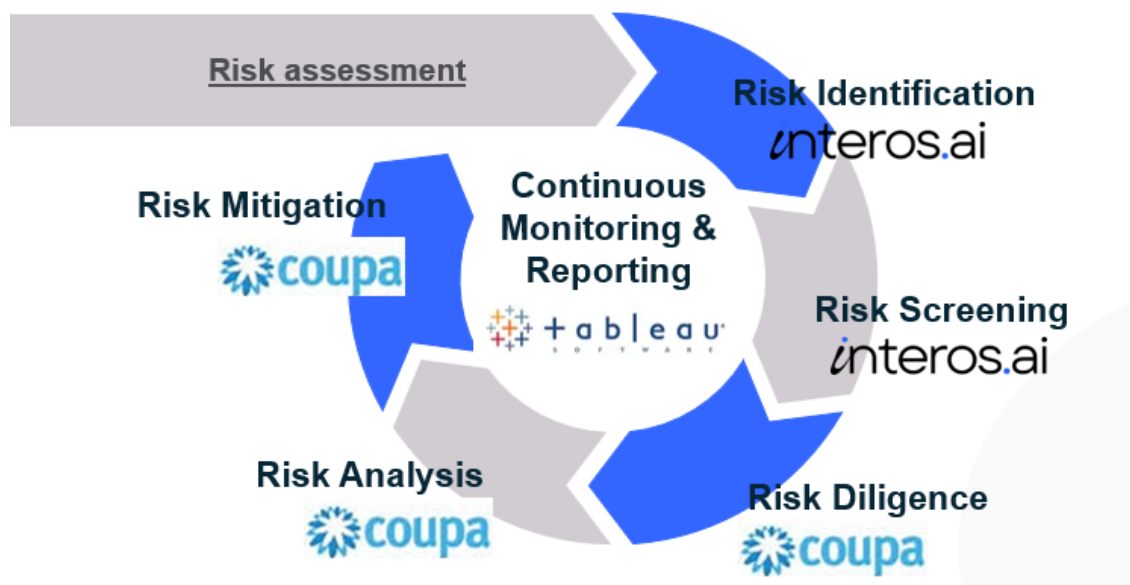


Figure 2: Supplier Risk Program Overall Process

Solenis' Supplier Risk program assessments are part of the End-to-End Procurement lifecycle, from Supplier selection to onboarding, contracting, Supplier relationship management and ongoing monitoring for existing Suppliers.

Solenis applies a risk-based assessment approach that is proportionate to the nature and complexity of each Supplier business relationship. The process requires appropriate evidence to evaluate the effectiveness of internal controls.

Supplier assessments are primarily conducted through desk-based due diligence, including structured questionnaires, documentation reviews, and scoring methodologies applied via Solenis' risk management platforms. These assessments are conducted using standards and methodologies from recognized industry frameworks and multi-stakeholder initiatives (see Appendix D – Abstract of ESG Risk Assessment Questionnaire for details). Where necessary, additional methods—such as on-site audits and interviews with key personnel—may be employed to validate and supplement the assessment when desk-based due diligence is insufficient or when elevated risks are identified, subject to feasibility.

Risk diligence, analysis, and mitigation steps are subject to and dependent on the outcome of the risk identification & screening process; therefore, they might not be necessary. For more details on each step, outcome, and expected corrective actions along with the process, please refer to Appendix B.

6. Process Stakeholders: Roles & Responsibilities

At Solenis, mitigating Supplier risks requires a structured approach that clearly defines responsibilities and fosters collaboration across key functions. To ensure accountability and proactive risk management, Solenis established a framework that assigns distinct roles based on the different risk domains in scope, promoting cross-functional collaboration and engagement.

By defining responsibilities and reinforcing collaboration, we strengthen our ability to navigate Supplier risks, protect our operations, and uphold industry-leading standards in risk management. Each function plays an essential role, and through shared accountability, Solenis can ensure sustainable and long-term Supplier resilience. For more details on Roles and Responsibilities along the process, please refer to the RASIC matrix below:

RASIC Matrix - R - Responsible A - Accountable S - Support I - Informed C - Consulted										
Risk Domain in Scope	Process Stakeholders									
	Corporate Sustainability Team	Ethics & Compliance Team	Information Technology Team	Legal Team	Procurement Professionals	Supplier Risk Management Team	Sustainable Procurement Team	Trade & Compliance Team	EHSS Team	Suppliers
ESG & ABAC	A (Supplier Diligence) S (Supplier Mitigation)	A (Supplier Diligence) A (Supplier Mitigation)	-	S (Support in Contract Review & Negotiation to mitigate risks across all domains)	S (Supplier Mitigation)	-	A (Supplier Diligence) A (Supplier Mitigation)	-	-	R (Responsible for filling Diligence Questionnaire and Executing Risk Mitigation Plans)
Financial	-	-	-		S (Supplier Mitigation)	A (Supplier Diligence) A (Supplier Mitigation)	-	-	-	
Cybersecurity	-	-	A (Supplier Diligence) A (Supplier Mitigation)		S (Supplier Mitigation)	-	-	-	-	
Geopolitical	-	-	-		A (Supplier Diligence) A (Supplier Mitigation)	-	-	-	-	
Catastrophic	-	-	-		S (Supplier Mitigation)	A (Supplier Diligence) A (Supplier Mitigation)	-	-	-	
Operational Performance	-	-	-		A (Supplier Diligence) A (Supplier Mitigation)	-	-	-	-	
N-Tiering	-	-	-		S (Supplier Mitigation)	A (Supplier Diligence) A (Supplier Mitigation)	-	-	-	
Trade Compliance & Restrictions	-	-	-		S (Supplier Mitigation)	-	-	A (Supplier Diligence) A (Supplier Mitigation)	-	
EHSS	-	-	-		S (Supplier Mitigation)	-	-	-	A (Supplier Diligence) A (Supplier Mitigation)	

Figure 3: Roles & Responsibility Rasic Matrix

7. Supplier Risk Assessment: Onboarding

Solenis considers the Supplier onboarding process a critical component in establishing sustainable growth and fostering reliable partnerships. The full onboarding procedure is detailed in the [SL-PRT-001.002 – Supplier Onboarding Protocol](#)

As part of the **Solenis Supplier Risk Management Program**, the onboarding process includes a comprehensive risk assessment for all direct Suppliers within scope. This assessment ensures that Suppliers entering into a business relationship with Solenis are appropriately screened, evaluated, and classified based on their potential risk exposure.

This initial risk evaluation is a foundational step in the Supplier Risk Management lifecycle, enabling the implementation of appropriate controls from the outset and supporting long-term risk mitigation strategies.

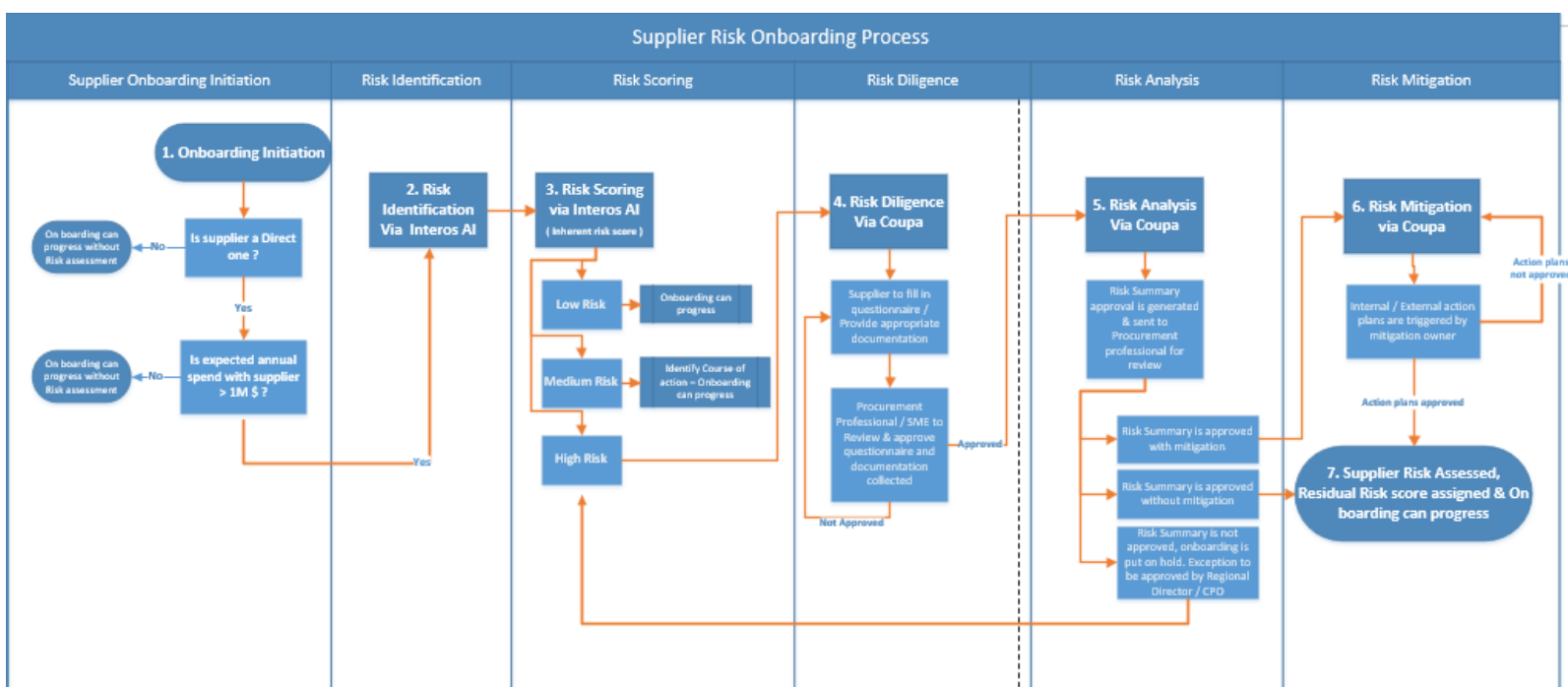


Figure 4: Risk assessment process for onboarding new Suppliers in scope

Below are the details of each step of the Supplier Risk Assessment onboarding process for new Suppliers in scope:

Steps	Risk Process Pointers
1. Supplier onboarding Initiation	New Supplier request is initiated by Procurement Professionals via Coupa Supplier Portal (CSP).
2. Risk Identification	If the New Supplier is a Direct Supplier with an expected annual spend >\$1M, the Supplier is enrolled into Interos for risk identification and screening.

3. Risk Screening	Screening process assigns a risk score (inherent risk score) to Suppliers in scope, which is calculated by combining scores of risk domains in scope and country risks. a) If all risk domains show as low risk, no further steps are required, and onboarding can progress without any additional risk due diligence.
	b) If all risk domains show as medium risk, appropriate actions will be identified and implemented in due course, following a thorough evaluation, including the relevance of the Supplier for Solenis business. In the meanwhile, onboarding can progress without any additional risk due diligence.
	c) If any of the risk domains show as high or extreme risk, additional Supplier due diligence is automatically triggered by Solenis risk management platform, and the Supplier is flagged as “New Supplier – Diligence required”.
	Regardless of the risk screening outcome, all Direct Suppliers located in critical or high-risk countries (as defined in Appendix C), operating in high-risk industries (as defined in Appendix C), or classified as Strategic Chemical suppliers, will be subject to an ESG due diligence review every 12 months, or sooner if there are significant business changes as outlined in Section 8.
4. Risk Diligence	Suppliers fill in questionnaires, and Procurement professionals / SMEs will review and approve / reject them to ensure the appropriate required information / documentation is collected, providing a recommendation for mitigation if necessary.
	For more details on Roles & Responsibilities, please refer to section 6.
	For more details on Diligences, please refer to Appendix D
5. Risk Analysis	Once all the questionnaires for a specific Supplier are completed and approved, Solenis’ Risk Management platform Coupa generates a Risk Summary Approval that is sent to a Procurement Professional (Supplier Owner) for review.
	a) If the Risk Summary is approved without mitigation, the residual risk is calculated by the platform, onboarding continues, the flag is removed, and the Supplier is included in the ongoing due diligence process.
	b) If the Risk Summary is approved with mitigation, a notification is sent to the Risk Mitigation Owner (as defined in the responsibility matrix in Figure 3, section 6) to initiate it.
	c) If the Risk Summary is not approved, Supplier onboarding is put on hold, and the risk Exceptions need to be approved in writing by the Regional Category Director and / or Chief Procurement Officer.
6. Risk Mitigation	Risk Mitigation Owner triggers internal or external action plans to manage the risk, using Coupa. Once mitigation plans are completed and approved, a health score (composite risk score) is assigned to the Supplier and onboarding can successfully progress. In parallel, the flag is removed, and Supplier is included in the ongoing due diligence process.

Supplier Noncompliance

If any Supplier in scope fails to comply with the corrective action plans or otherwise fails to address action plans within agreed timelines, Suppliers can be put on “New Business Hold”. Procurement Professionals might also decide, after accurate evaluation, to identify alternative sources and stop the business relationship with Suppliers from meeting minimum requirements. In cases where the Supplier demonstrates persistent noncompliance, refuses to cooperate, or is involved in a material breach of Solenis policies, Solenis reserves the right to cancel outstanding orders, suspend future orders, and / or terminate the main Supplier contract.

Human Rights - secondary level of due diligence

Any Supplier(s) that is identified with a potential risk of Human Rights violations during the initial screening or diligence process will prompt a detailed investigation through Kharon.

This additional assessment enables Solenis to assess Tier 1 Supplier risks as well as risks within the extended supply chain. This assessment occurs in two steps:

- a. **Isolating Key Pathways:** The first step involves identifying the key pathways from each source of risk. These pathways represent the connections and relationships that link an entity or individual to a particular risk.
- b. **Weighting Relationships:** Once the key pathways are isolated, the relationships within those pathways are weighted. This weighting process considers various factors such as:
 - Relationship Type: nature of the connection (e.g., ownership, control, financial transactions).
 - Direction of the relationship (e.g., direct or indirect involvement).
 - Distance: proximity of the relationship (e.g., first-degree connections versus more distant connections).

After weighting the relationships, an aggregate score is generated to reflect the overall exposure to a specific source of risk. Scoring methodology ranges from 0 to 100. Higher scores reflect stronger risk exposure, featuring direct and significant connections such as ownership and control. Lower scores reflect more moderate or indirect risk exposure.

If a Supplier has a score > 60, the Supplier will be contacted to gather additional details and evidence for a thorough risk assessment.

Where elevated risks remain unresolved or desk-based diligence is unable to verify Supplier practices, an on-site assessment or targeted engagement with the Supplier may be initiated to support further validation.

Where necessary, a dedicated mitigation risk management plan will be developed and implemented to address the identified risk(s). Should the Supplier fail to comply with the mitigation risk management plan, Solenis reserves the right to suspend the allocation of new business until the issue is fully resolved.

Overall Grade	Overall Score
Low Risk (Best in Class)	>80 and ≤100
Medium Risk (Trusted)	> 20 and ≤80
High Risk	≤20

8. Periodic Risk Assessments and Ongoing Monitoring

A Supplier's risk profile may change over time due to numerous external factors. Solenis Supplier Risk Management Program continuously monitors existing Suppliers' risks and performance with the aim of ensuring their compliance with applicable regulations and internal policies, creating a resilient supply chain.

Scope: This section applies to all direct Suppliers classified as Strategic or Critical as part of Solenis' Supplier Relationship program.

Ongoing Monitoring process description

- Inherent Risk Scores are continuously monitored through Interos .
- Due diligence is initiated through risk-based automated workflows in Coupa under prescribed intervals for periodic reviews, but as a general rule, Suppliers will not go through the same diligence more than once a year.
- The ongoing monitoring process follows the same steps from 2 to 5 as shown in the 'New Supplier Risk Assessment Onboarding Process' (Figure 4).
- If any Supplier in scope fails to comply with the corrective action plans or otherwise fails to address action plans within the agreed time, Suppliers will be put on a new business hold. Procurement Professionals might also decide, after evaluation, to identify alternative sources of supply. For action plans related to ESG and human rights risks, if suppliers do not demonstrate progress towards their action plans within 45 days, Solenis will take escalatory steps and may decide to place the supplier on a new business hold or identify alternative sources of supply.
- For Human Rights due diligence, the same approach reported in section 7 is followed for Suppliers in scope.

Annual Third-party Verification

Solenis will engage an independent third-party service provider to conduct an annual verification of Supplier screening data. This verification will assess the accuracy, completeness, and consistency of risk scoring inputs and outputs. The results will be reviewed by Procurement Excellence and incorporated into continuous improvement efforts within the Supplier Risk Management Program.

Additional Risk Assessment as Necessary

Additional periodic assessments are considered under the following circumstances:

- Significant changes in a Supplier's business practices, financial position, reputation, or similar
- Increased reliance on the Supplier and its services
- Changes in applicable law or regulations impacting the Supplier's product
- Increased media attention, negative publicity, or industry scrutiny related to the Supplier
- Regulatory enforcement actions or industry-related guidance impacting the Supplier relationship
- Known instances of complaints or whistleblower reports from Supplier workers or community stakeholders.

9. Reactive Risk Management

While the primary goal of the Solenis Supplier Risk Program is to proactively manage risks and minimize operational impact, we recognize that certain events cannot be fully anticipated. Reactive risk management addresses unforeseen disruptions such as force majeure, supplier

bankruptcy, poor supplier delivery / quality performances, unplanned extraordinary maintenance, or natural disasters occurring in regions with historically low catastrophic risk.

To effectively mitigate these risks, Solenis aims to standardize the threat management and reporting process and evaluate supplier performance based on their readiness and responsiveness to such events, ensuring that suppliers are assessed not only on their ability to prevent disruptions but also on how effectively they respond when they occur.

The Procurement team is responsible for reporting incidents and managing mitigation action plans in close collaboration with internal stakeholders and suppliers. Coupa supports this process by enabling structured threat tracking, generating reactive risk reports, and deploying targeted supplier diligence questionnaires to assess preparedness and response capabilities. This ensures that even in reactive scenarios, Solenis maintains operational continuity and informed decision-making.

10. Use and maintenance of this protocol

This protocol is applicable for all Solenis' employees, independent contractors, and consultants. This protocol will be reviewed at least once per year by the Procurement Excellence team.

Solenis Leadership Council is responsible for oversight of Solenis' ESG strategy, including Supplier-related risks. This includes reviewing the effectiveness of the Supplier Risk Management Program in identifying and mitigating ESG risks across the supply chain and ensuring alignment with Solenis' sustainability commitments and policies.

11. Owner

Procurement Excellence Director - Global Procurement

12. Revision History

This is a history of notable changes to this protocol

Effective date	Section	Description of change
May 06, 2024	All	Document Creation
Dec 16, 2024	7; 8	Added deep dive on Human Rights Risk Due Diligence
Dec 3, 2025	All	Document revision following new risk program

Appendix A – Definitions

Continuous Monitoring	The practice of regularly tracking Supplier performance, risk indicators, regulatory changes, and media alerts to detect emerging issues in real time
Supplier	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)
Country Risk	Evaluation of the potential adverse impacts on individuals, business operations, or supply chains resulting from the political, legal, social, economic, environmental or human rights conditions of a specific country. This includes risks associated with the locations where the Supplier or its sub-suppliers operate.
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)
Industry risk	Evaluation of the inherent risk level associated with the industry in which the Supplier operates, based on recognized international frameworks.
SMEs (Subject Matter Experts)	Individuals with in-depth expertise in a particular area (e.g., InfoSec, Legal, Compliance) who lead / support Supplier Diligence evaluations and mitigation plan execution.

Appendix B – Supplier Risk Assessment Process Flow Details

Risk Process	Definition	Outcome	Correction Action Plan
1. Risk Identification	<p>Solenis employs a continuous, proactive process to identify and document potential risks that may affect Supplier performance or disrupt the supply chain. This process leverages Interos AI platform to monitor news sources and aggregate risk data from external risk scoring providers, enabling early detection and mitigation of vulnerabilities before they escalate.</p>	-	-
2. Risk Screening	<p>Solenis evaluates the nature and potential severity of risks to categorize Suppliers based on their inherent risk levels. Each in-scope Supplier is assigned a numerical score and classified into one of the following categories:</p> <ul style="list-style-type: none"> - Extreme Risk – High-impact threats requiring action - High Risk – Significant vulnerabilities that must be addressed - Medium to Low Risk – Managed risks requiring ongoing monitoring. <p>The screening is based on a proprietary methodology developed by Interos and reflects each Supplier’s inherent risk profile.</p> <p>Regardless of the risk screening outcome, all Direct Suppliers located in critical or high-risk countries (as defined in Appendix C), operating in high-risk industries (as defined in Appendix C), or classified as Strategic Chemical suppliers, will be subject to an ESG due diligence review every 12 months, or sooner if there are significant business changes as outlined in Section 8.</p>	<p>Risk Screening Outcome: All Suppliers within scope are assigned an overall inherent risk score through Solenis’ risk screening platform, Interos. In addition to the aggregate score, Suppliers receive individual scores across specific risk domains, enabling a more granular assessment of potential vulnerabilities.</p>	<p>Corrective Action Plan: When a Supplier receives a high or extreme risk score in any specific domain, a targeted due diligence process is automatically triggered through the Solenis Risk Management platform, Coupa.</p> <p>Each risk domain is supported by pre-built, domain-specific questionnaires, which are collaboratively developed by Category Leads, the Supplier Risk team, and Subject Matter Experts (SMEs). This tailored diligence ensures that elevated risks are thoroughly investigated and addressed.</p>
3. Risk Diligence	<p>To further assess identified inherent risks, Suppliers are required to complete pre-built questionnaires tailored to specific risk domains. These questionnaires are designed to collect detailed information and support deeper analysis.</p>	<p>Risk Diligence Outcome: Suppliers are required to complete domain-specific questionnaires by providing detailed responses and uploading relevant supporting documentation, such as ISO certifications and evidence of regulatory compliance, as specified within each risk domain.</p> <p>All submissions are reviewed and approved in accordance with the responsibility matrix outlined in Figure 3, section 6. Completed questionnaires and supporting documents are securely stored within Solenis’ technology platform, serving as a documented record of compliance and due diligence.</p>	<p>Corrective Action Plan: To ensure the timely completion of required assessments, automated reminders are sent to Suppliers until all domain-specific questionnaires are fully completed.</p> <p>Subject Matter Experts (SMEs) are responsible for reviewing submissions and have the authority to reject any questionnaire if the information provided is incomplete, inconsistent, or does not meet the specified requirements. Rejected submissions are returned to Suppliers for revision and resubmission, ensuring that all data meets Solenis’ compliance and quality standards.</p>

		<p>This step is entirely managed in Coupa.</p>	
<p>4. Risk Evaluation</p>	<p>Once diligences have been analyzed and approved, risks are evaluated to determine whether mitigation actions are required. This evaluation is conducted through a risk summary approval, which is automatically generated by Coupa.</p> <p>The assessment ensures that appropriate measures are taken based on the severity and potential impact of each identified risk, supporting proactive risk management and alignment with Solenis' compliance standards.</p>	<p>Risk Evaluation Outcome: The designated Risk Evaluator—as defined in the responsibility matrix in Figure 3, section 6—is responsible for determining the appropriate outcome of the Supplier risk summary. This decision is made in consultation with Subject Matter Experts (SMEs) and considers multiple factors, including Supplier segmentation, geographic location, risk type, and the evidence collected during due diligence.</p> <p>Based on this evaluation, one of the following outcomes is assigned:</p> <ul style="list-style-type: none"> • Approved without Mitigation – No further action required • Approved with Mitigation – Mitigation measures must be implemented • Not Approved – Risk summary is rejected and requires further action <p>Upon completion, the technology platform calculates the residual risk using predefined criteria aligned with Solenis' risk appetite.</p> <p>This step is entirely managed in Coupa.</p>	<p>Corrective Action Plan: If the risk summary is approved with mitigation, the Category Lead (CL) or SME will initiate a mitigation plan and define a dedicated action plan within the technology platform.</p> <p>If the risk summary is not approved, the Supplier will be formally notified and placed under a new business hold, meaning no new business can be awarded until the risk is mitigated.</p>
<p>5. Risk Mitigation</p>	<p>Solenis develops and implements targeted strategies to reduce the likelihood or impact of key risks. These mitigation plans are designed to address specific vulnerabilities and ensure continuity and resilience across the supply chain.</p>	<p>The designated Risk Mitigation Owner (as defined in the responsibility matrix in Figure 3, section 6), in consultation with SMEs, selects the appropriate mitigation strategy based on the “4Ts” framework and provides a business justification for the decision:</p> <ul style="list-style-type: none"> - Transfer – Shift the risk through contracts or insurance - Tolerate – Accept and monitor low-priority risks - Terminate – Eliminate the source of the risk - Treat – Apply controls or actions to reduce risk impact 	<p>Corrective Action Plan: Detailed action plans are assigned to relevant internal and external stakeholders, including Suppliers, with defined completion dates based on the severity of the risk identified. Automated reminders are issued through Solenis' technology platform, and all action plans are retained within the system as evidence of compliance. For action plans related to ESG and human rights risks, if suppliers do not demonstrate progress towards their action plans within 45 days, Solenis will take escalatory steps and might decide to place the supplier on a new business hold or</p>

		<p>A mitigation playbook is available to guide decision-making.</p> <p>This step is entirely managed in Coupa.</p>	<p>identify alternative sources of supply.</p>
<p>6. Continuous Monitoring</p>	<p>Solenis continuously monitors key risk indicators and Supplier performance criteria to ensure timely identification of emerging risks and to maintain alignment with performance expectations.</p>	<p>Outcome: Solenis employees have continuous visibility into both the inherent and residual risk scores of all Suppliers enrolled in the program. Email alerts can be activated to notify users of any increase in a Supplier's inherent risk posture.</p> <p>Recurring due diligence is automatically triggered for Solenis' direct strategic Suppliers and for indirect Suppliers subject to Environmental, Health, and Safety (EHS) compliance requirements.</p>	<p>Corrective Action Plan: Risk-based due diligence and mitigation plans can be manually triggered through the technology platform to ensure that contracted engagements align with Solenis' strategic and financial objectives, data security and privacy standards, and operational and contractual requirements.</p>

Appendix C – Country & Industry Risk Classification

Country Risk Classification

This classification is based on multiple international standards, guidance, and legislation to assess countries' exposure to human rights, labor, and supply chain risks. These sources include:

- OECD Conflict-Affected and High-Risk Areas
- Swedish National Agency for Public Procurement's Hållbar Upphandling risk assessment tools
- UK Foreign, Commonwealth & Development Office Human Rights Priority Countries List
- Global Rights Index by the International Trade Union Confederation (ITUC)

These sources are reviewed to identify patterns of concern across countries. Countries are grouped into the following categories:

Critical Risk Countries:

Countries consistently flagged across multiple sources for severe human rights violations, conflict involvement, and systemic governance issues. These countries pose significant risks for supply chain operations and require the highest level of due diligence.

High Risk Countries:

Countries with elevated risk across several issue areas and sectors. Suppliers operating in these countries require enhanced due diligence and ongoing monitoring.

Medium Risk Countries:

Countries with moderate levels of risk, where concerns may be sector-specific, emerging, or inconsistently reported. Suppliers operating in these countries warrant targeted due diligence.

Low Risk Countries

Countries are not flagged in any of the listed sources, suggesting minimal risk exposure under current assessments. These countries are typically considered safe for sourcing and operations, though ESG compliance and reputational risks should still be managed.

The Overall Risk Level provided in the table below reflects a consolidated view of each country's risk profile, as of October 2025.

Country	OECD CAHRAs Risk	Hallbar Upphandling Risk	UK FCDO Priority Country	ITUC Rating (2024)	Overall Risk Level
Afghanistan	✔ High	✔ High	✔ Listed	5+	🔴 Critical
Myanmar	✔ High	✔ High	✔ Listed	5+	🔴 Critical
North Korea	✔ High	✔ High	✔ Listed	5+	🔴 Critical
Iran	✔ High	✔ High	✔ Listed	5+	🔴 Critical
Venezuela	✔ High	✔ High	✔ Listed	5	🔴 Critical
Russia	✔ High	✔ High	✔ Listed	5	🔴 Critical
China	✔ High	✔ High	✔ Listed	5	🔴 Critical
Nigeria	✔ High	✔ High	✔ Listed	4	🔴 Critical
Pakistan	⚠ Moderate	✔ High	✔ Listed	4	🟠 High
Saudi Arabia	⚠ Moderate	✔ High	✔ Listed	4	🟠 High
Bangladesh	⚠ Moderate	✔ High	✔ Listed	5	🟠 High
Egypt	⚠ Moderate	✔ High	✔ Listed	5	🟠 High
Turkey	⚠ Moderate	✔ High	✔ Listed	3	🟠 High
Cambodia	⚠ Moderate	✔ High	⚠ Not Listed	4	🟠 High
Vietnam	⚠ Moderate	✔ High	⚠ Not Listed	4	🟠 High
Ethiopia	✔ High	✔ High	⚠ Not Listed	5	🟠 High
Ukraine	✔ High	✔ High	✔ Listed	4	🟠 High
India	⚠ Moderate	⚠ Medium	⚠ Not Listed	2	🟡 Medium
Indonesia	⚠ Moderate	⚠ Medium	⚠ Not Listed	3	🟡 Medium
Brazil	⚠ Moderate	⚠ Medium	⚠ Not Listed	4	🟡 Medium
Mexico	⚠ Moderate	⚠ Medium	⚠ Not Listed	4	🟡 Medium
South Africa	⚠ Moderate	⚠ Medium	⚠ Not Listed	3	🟡 Medium
United States	✘ Not Listed	⚠ Medium	✘ Not Listed	2	🟡 Medium
Philippines	⚠ Moderate	⚠ Medium	✔ Listed	4	🟡 Medium
Thailand	⚠ Moderate	⚠ Medium	⚠ Not Listed	4	🟡 Medium
Colombia	⚠ Moderate	⚠ Medium	✔ Listed	4	🟡 Medium
Kenya	⚠ Moderate	⚠ Medium	✔ Listed	4	🟡 Medium
Italy	✘ Not Listed	✘ Low	✘ Not Listed	1	🟢 Low
Sweden	✘ Not Listed	✘ Low	✘ Not Listed	1	🟢 Low
Norway	✘ Not Listed	✘ Low	✘ Not Listed	1	🟢 Low
Canada	✘ Not Listed	✘ Low	✘ Not Listed	1	🟢 Low
Finland	✘ Not Listed	✘ Low	✘ Not Listed	1	🟢 Low
Germany	✘ Not Listed	✘ Low	✘ Not Listed	1	🟢 Low
Netherlands	✘ Not Listed	✘ Low	✘ Not Listed	1	🟢 Low
Japan	✘ Not Listed	✘ Low	✘ Not Listed	1	🟢 Low
Australia	✘ Not Listed	✘ Low	✘ Not Listed	1	🟢 Low

✔ = Explicitly flagged by the framework

⚠ = Moderate concern or partial listing

✘ = Not flagged

🔴 Critical Risk = Flagged by all sources and high index score

🟠 High Risk = Flagged by most sources or index score 60–79

🟡 Medium Risk = Moderate concern or index score 40–59

🟢 Low Risk = Strong human rights performance, index score <40

Industry Risk Classification

This classification provides a comparative analysis of industry-based risks informed by international standards, guidance, and legislation. These sources include:

- OECD Conflict-Affected and High-Risk Areas
- Swedish National Agency for Public Procurement's Hållbar Upphandling risk assessment tools
- UK Modern Slavery Act guidance
- ILO Standards
- German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG)

Each industry is assessed against these sources, culminating in a Unified Sector Risk Score, expressed on a scale from 0 to 100. This score reflects the overall risk exposure of each industry in relation to human rights, labor practices, and supply chain vulnerabilities.

High-Risk Industries (Unified Score > 85):

These industries consistently score high across all standards, indicating elevated risk levels due to factors such as complex global supply chains, labor exploitation, and environmental impact.

Moderate-Risk Industries (Unified Score 65–85):

These industries show moderate risk, often due to technological complexity, subcontracting, or exposure to vulnerable labor markets. These industries still face challenges, particularly in logistics and service delivery.

Low-Risk Industries (Unified Score < 65):

These industries are considered lower risk but may still face scrutiny under specific standards or in certain jurisdictions.

Industries	OECD CAHRAs	Hållbar Upphandling	UK Modern Slavery act guidance	ILO	German Supply Chain Act	Unified Sector Risk Score
Extractives (Mining, Oil & Gas)	95	90	90	95	90	92
Apparel & Textiles	85	90	90	95	85	89
Agriculture & Food	85	90	90	95	85	89
Electronics & ICT	85	75	70	85	80	79
Construction & Infrastructure	75	85	70	95	80	81
Chemical Industry	75	70	75	80	75	75
Transportation & Logistics	65	70	70	80	70	71
Tourism & Hospitality	65	70	70	80	70	71
Healthcare & Pharma	60	70	65	60	65	64
Technology Platforms	50	40	60	60	60	54
Finance & Insurance	40	40	40	40	40	40

Appendix D – Abstract of ESG Risk Assessment Questionnaire

ESG Risk Assessment Questionnaire		
Component	Component Summary of Questions	Weight %
General Information and Sustainability	<p>ESG Components covered here help identify Sustainability certifications and requirements of Suppliers (EcoVadis, Carbon Disclosure Program [CDP], S&P Global ESG Score, CSRD, Responsible Purchasing policy are some of the major questions covered through this component.</p> <p>Sustainability Components prompts the Supplier to answer about their alignment with UN Global Compact Principles, any statement or commitment for Corporate Social Responsibility and if they have published a Sustainability report to track ESG progress achieved so far.</p>	20%
Occupational Health & Safety (OH&S)	<p>OH&S Component outlines key practices related to occupational health and safety across operations, products, and services. It covers the existence of formal OH&S policies, communication in local languages, regular assessments and improvements, employee risk evaluations, and monitoring of health metrics. It also addresses training programs, provision of personal protective equipment (PPE), ISO 45001 certification, and any reported breaches within the last three years.</p>	10%
Environment	<p>The environment component outlines the organization’s commitment to environmental responsibility across key areas, including waste disposal, recycling, energy use, transportation, deforestation, biodiversity, packaging, emissions, water management, resource and chemical use, and ozone-depleting substances. It also addresses the use of Environmental Management Systems (EMS), relevant certifications (e.g., ISO 14001, ISO 50001, FSC, RSPO), and Supplier environmental evaluations. Additionally, it highlights the importance of transparency in the supply chain, adherence to environmental legislation, and collaboration opportunities to reduce environmental impact and carbon footprint.</p>	15%
Labor Standards & Human Rights	<p>The Labor Standards & Human Rights component outlines the organization’s commitment to upholding international labor standards and human rights. It includes policies on working conditions, prohibition of child and forced labor, freedom of association, fair wages, and decent work environments, as well as grievance and feedback mechanisms for workers and affected stakeholders. It also addresses Supplier risk assessments, training and support for sustainable practices, conflict minerals, and relevant certifications such as SA 8000. The organization ensures compliance through documented processes, transparency, and continuous improvement across its operations and supply chain.</p>	20%

Equity & Diversity	<p>Equity & Diversity component outlines the organization's commitment to promoting a diverse, inclusive, and respectful workplace. It includes procedures to prevent discrimination and harassment, measures to monitor workforce diversity, and initiatives to support underrepresented groups through training, development programs, and inclusive networks. These efforts aim to foster an equitable environment for all employees.</p>	2%
Supplier Diversity Program	<p>Supplier Diversity Component highlights the need to gain awareness into Supplier efforts of including Diverse Suppliers in their portfolio and if they have an ongoing Supplier Diversity program within their organization.</p>	2%
Supply Chain and Supplier Code of Conduct	<p>Supply Chain component outlines the organization's expectations for Suppliers regarding ethical labor practices, non-discrimination, health and safety, and sustainability. It includes adherence to a formal Supplier Code of Conduct, Supplier compliance monitoring, sustainability performance assessments, and on-site audits. The organization also supports diverse Supplier engagement and requires confirmation of no direct or indirect business ties to entities operating in countries or regions with geopolitical risks.</p>	20%
Community	<p>Community Component outlines the organization's commitment to charitable initiatives and community engagement. It includes support for employee volunteering during work hours and openness to collaborating with partners on social impact programs.</p>	1%
Business Conduct	<p>Business Conduct component outlines the organization's commitment to ethical business practices, including the implementation of a formal Code of Conduct, a whistleblowing mechanism for stakeholders, a clear stance on political donations, and responsible management of proprietary information and intellectual property.</p>	10%

Appendix E – Risk Scoring overview

Solenis evaluates supplier risk using a composite Supplier Health Score generated through the Coupa risk management platform. This score integrates three key criteria: inherent risk, the residual risk, and performance KPIs associated with each Supplier (Figure 5).

$$\text{Supplier Health score} = \text{Inherent Risk Score} + \text{Residual Risk Score} + \text{Supplier Performance KPIs}$$

Figure 5 : Solenis Risk Scoring Overview

The **Supplier Health Score** reflects the risk that remains after due diligence, risk mitigation measures, and controls have been applied. It is continuously monitored and calculated through the Coupa risk management platform using 4 factors:

- Supplier Inherent Risk Score
- Supplier Diligence / Mitigation Scoring
- Supplier Performance Score
- Coupa Community Score

The Supplier Health Score integrates both qualitative and quantitative factors to ensure a balanced, consistent approach that aligns with Solenis' risk appetite.

Overall Grade	Overall Score
Low Risk (Best in Class)	>80 and ≤100
Medium Risk (Trusted)	>20 and ≤80
High Risk	≥0 and ≤20

Inherent risk represents the level of exposure stemming from a Supplier's role, geography, industry, or service type before any mitigating controls are considered. It provides a baseline understanding of potential vulnerabilities. The Inherent Risk Score is continuously monitored and calculated through Interos, Solenis' risk scoring platform, which owns the calculation methodology. Risk level definition is applicable to the overall score (I-score) and to single risk domains. Risk Level scoring is aligned to the following methodology and visible under each Supplier profile, within both the Interos and Coupa platforms.

Overall Grade	Overall Score
Low Risk	>70 and ≤100
Medium Risk	>55 and ≤70
High Risk	>20 and ≤55
Extreme Risk	≤20

Residual risk represents the level of risk that remains after a Supplier has completed all required due diligence activities, SMEs have reviewed and approved the submissions, and the

Procurement team has validated the Supplier Risk Summary. Residual risk is automatically calculated by Coupa based on the information provided during the risk assessment.

- Each risk domain (e.g., financial, ESG, compliance) is evaluated through a diligence score.
- These scores are then combined using a weighted system, where each domain contributes differently to the overall risk profile.
- The result is a residual risk score, which reflects the remaining level of risk after considering all the available data.

Each Supplier's risk level is scored according to a standardized methodology, which ensures consistency and transparency across evaluations. The resulting score is visible within the Supplier's profile in the Coupa platform, enabling stakeholders to make informed decisions based on the Supplier's risk posture.

Overall Grade	Overall Score
Low Risk	≥0 and ≤30
Medium Risk	>30 and ≤45
High Risk	>45 and ≤80
Extreme Risk	≥80 to ≤100

Supplier Performance KPIs (Key Performance Indicators) are continuously monitored using key indicators that assess reliability, responsiveness, and consistency. A primary metric utilized is **On-Time In-Full (OTIF)**, which measures the percentage of deliveries that are received both on the agreed delivery date and in the correct quantity.

OTIF performance is reviewed monthly and benchmarked against predefined thresholds to proactively identify potential risks within the supply chain. The resulting risk level is scored using a standardized methodology, consistent with the approach outlined in Solenis' **Supplier Relationship Management program** (refer to the **Global Procurement and Responsible Sourcing Policy**)

Overall Grade	OTIF %
Extremely Low Risk	100%
Low Risk	<100% and ≥98%
Medium Risk	<98% and ≥95%
High Risk	<95% and ≥90%
Extreme Risk	<90%

For more details on definitions of Risks Domain in scope refer to section 2.

Appendix F – Point of contact

Stakeholder	Name	Contact Email
Procurement Excellence	Solenis Supplier Risk Team	Supplerrisk@Solenis.com