



SHARING VALUE

PARTNERSHIP THAT
MAKES DIFFERENCE

Sharing Value is the new **Oxiten's Supplier Relationship Management** that was created to strengthen partnerships with positive social impact and share the search for innovation and better results, not only for companies but also for everyone.



SUPPLIERS RELATIONSHIP MANAGEMENT

Every day, Oxiteno seeks to fulfill its purpose: **to contribute to the well-being of people through chemistry.** That is how it achieved leadership in the production of chemicals in the Americas.

There were many factors to reach this position, among them, the dedication of qualified professionals, effective management, and the quality of the company's portfolio. Today, this portfolio features more than 700 products and 3 thousand applications, present in different segments.

This is the reason why the company recognizes not only the importance of the business but also its impacts. Thus, the work is **based on the creation of innovative solutions, while valuing the people and the environment cares.**

The **Strategic Sustainability Plan 2030** guides this work. There are eight pillars with objectives and goals that help to overcome the challenges, bearing in mind the **balance between economic prosperity**, the principles of **governance, ethics, attention to people**, protection of the **environment** and focus on **generating value** for all stakeholders.

OUR STRATEGIC SUSTAINABILITY PLAN 2030

Oxitenó's Strategic Sustainability Plan 2030 will contribute to **people's well-being through chemistry**. There are many challenges on this journey and Oxitenó is sure that today's decisions can help build a more sustainable future.

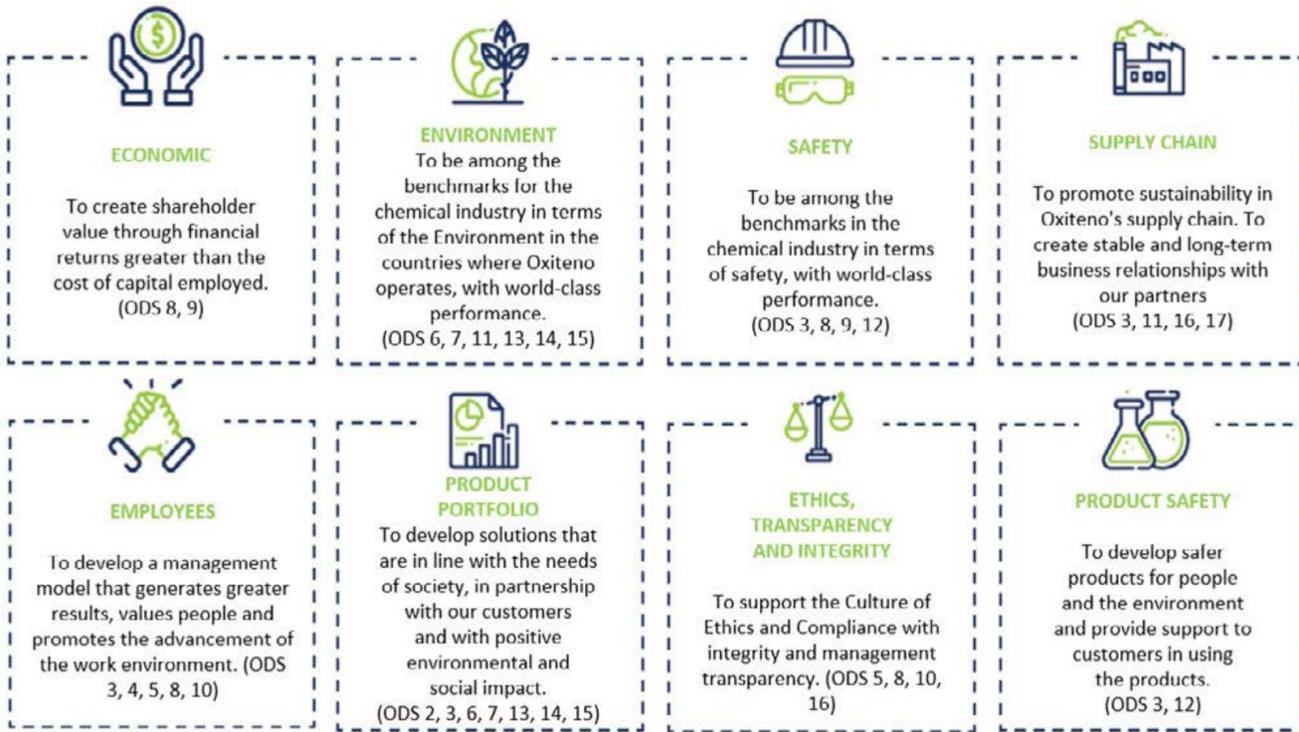
By 2030 there will be more than eight billion people living on the planet and the need for sustainable growth

and development strategy – considering economic, social, and environmental aspects – is urgent. Oxitenó believes that joint work between government, civil society, and private initiative is essential to address this situation. So, in 2019, the Strategic Sustainability Plan 2030 was consolidated, addressing goals that will contribute directly to achieving the United Nations' Sustainable Development Goals (SDGs) and Responsible Care.

SUSTAINABLE DEVELOPMENT GOALS



In an extensive project involving all regions, a new strategy was drawn up that has people at its core. The company's ambitions are based on **eight main pillars**, each with specific quantitative and qualitative goals to ensure the future of the business tied to responsibility for building a more sustainable future:



Aware that Oxiteno's actions for sustainable growth must go far beyond the industry, the focus on eight pillars symbolizes the ambitions and goals to overcome market challenges, balancing economic prosperity and environmental protection, and meeting the needs of society.





SUPPLIERS RELATIONSHIP MANAGEMENT

Strong long-term relationships with our suppliers are the key to achieving success in our operations. For this, the Procurement area has a strategic role, promoting **Sustainability in Oxiteno Supply Chain** and creating stable and long-term **business relationships** with our partners.

In this context, we developed a new Suppliers Relationship Management, establishing a way of working that takes into account not only price or quality as requirements, but also important elements such as **reputation, innovation and sustainability applied throughout the supplying value chain.**

So, all the suppliers who do business with Oxiteno are eligible to take part in this process, being evaluated according to its category in qualitative and quantitative requirements.

OBJECTIVES

Connected to Oxiteno's Strategic Sustainability Plan 2030, the Supplier Relationship Management leverages our suppliers' performance by managing and monitoring their performance and setting out action to improve their processes. In this way we aim for a collaborative concept, streamlining the relationship between Oxiteno and suppliers, contributing to more responsible and sustainable development, fostering the capacity for innovation.

We expect not only a commitment from our suppliers to achieve the goals set, but also proactively propose innovative solutions and sustainable initiatives that could evolve us all.



SUPPLIERS QUALIFICATION, APPROVAL AND MONITORING

Requirements for supplier evaluation, qualification, and monitoring are divided into two parts:

Part 1 - Qualification and Approval

- Responsible Sourcing Policy
- Quality Self-Assessment Questionnaire

Part 2 – Development and Monitoring

Supplier Performance Evaluation (SPE):

- EcoVadis Assessment (EA)
- Supplier Quality Index (SQI)



The Responsible Sourcing Policy and the Quality Self-Assessment Questionnaire are essential to qualify and approve all suppliers, according to the Oxiteno's internal policies, quality requirements, standards and certifications. Those requirements define that suppliers can start and keep doing business with Oxiteno.

The EcoVadis Assessment (EA) and the Supplier Quality Index (SQI) are used to develop and monitor sustainability and performance in the value chain.

The Suppliers Performance Evaluation is measured by the 2 scores (EA + SQI). This will define preferred suppliers and priorities in Oxiteno's acquisition strategies.



RESPONSIBLE SOURCING POLICY

The Responsible Sourcing Policy sets out the ethical, social responsibility, quality, health, environmental, safety and management system applicable to all suppliers. This document is divided into two aspects:

Mandatory Requirements:

All suppliers must meet these requirements. Meeting these requirements is an essential factor for doing business with Oxiteno.

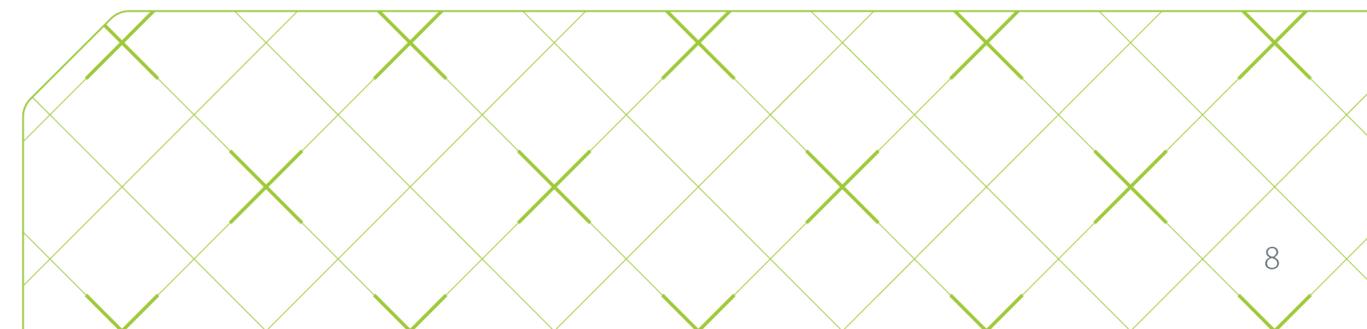
Good Practices:

These are recommendations for appropriate and concrete processes, internationally recognized, which promote continuous improvement of the system and commercial competitiveness. Failure to comply with these requirements does not forbid doing business with Oxiteno, but we recommend that they form part of the medium and long-term objectives and strategic plan, being present in the company's vision.

Oxiteno suppliers must comply with all the Mandatory Requirements in the Responsible Sourcing Policy. The policy will be shared with our suppliers during the qualification and approval process, or according to updates in the document.

To be evaluated in this criterion, the supplier must acknowledge receipt and acceptance of the **Responsible Sourcing Policy**. If for any reason a supplier does not accept the policy, they must provide to Oxiteno their own policy or an equivalent policy, to be evaluated for their qualification and approval process.

A second-party auditing process will be held in order to monitor and evaluate adherence by suppliers to the Responsible Sourcing Policy, based on a checklist. If the audit process concludes that a supplier does not comply with any of the Mandatory Requirements, Oxiteno will take the necessary actions according to Consequences Policy.



QUALITY SELF-ASSESSMENT QUESTIONNAIRES

The Quality Self-Assessment Questionnaires set out the requirements for providing a product or service according to specific standards and certifications, such as ISO 9001, IATF 16949, and RSPO. The questionnaires are standardized according to the following supplier categories:



Suppliers of Raw Materials, Packaging, and Utilities:

All the suppliers in this category will be evaluated according to ISO 9001 requirements. ISO 22716 Good Manufacturing Practices for Cosmetics, IATF 16949 Quality Management system for the automotive industry, and FSSC 22000 Food Safety System Certification will be applied depending on the market segment. Suppliers who do not serve this segment should mark this part of the questionnaire as Not Applicable.

Suppliers of Renewable Derivatives:

All the suppliers in this category will be evaluated according to ISO 9001. The suppliers of Palm Kernel Oil (PKO) or Derivatives will be evaluated according to RSPO (Roundtable on Sustainable Palm Oil) and Responsible Sourcing Policy PKO requisites.

Road Transportation Suppliers:

All the suppliers in this category will be evaluated according to ISO 9001 requirements and good practices for chemical transportation.

Marine Logistics Services, Tolling, Warehouse, Tank Storage and Inspection Services:

All the suppliers in this category will be evaluated according to ISO 9001 requirements and good practices for these segments.

QUALITY SELF-ASSESSMENT QUESTIONNAIRES



The Quality Self-Assessment Questionnaires will be shared with our suppliers during the qualification and approval process, or according to updates in the document.

The score ranges from 0 to 100 points, reflecting the supplier's adherence to the Quality Management Systems. The performance expected is at least 85%. If not achieved, the quality risk associated with the supplier will be evaluated. This risk analysis is essential to continue doing business with Oxiteno.

If the questionnaire is not completed by the supplier, they must provide Oxiteno with their own equivalent questionnaire, for analysis and conclusion of the qualification and approval process.

The reevaluations in relation to the Quality Self-Assessment Questionnaire will be every 3 years or according to updates in the document.

ECOVADIS ASSESSMENT (EA)

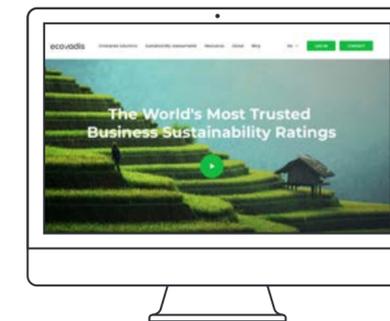
In line with our **Strategic Sustainability Plan 2030**, we also have an initiative to measure and monitor environmental and social performance in our supply chain through the EcoVadis platform. This allows Oxiteno to proactively evaluate and compare its suppliers in the main themes of Corporate Social Responsibility (CSR) – including the **environment, labor practices and human rights, ethics, and sustainable purchases**, in addition to helping improve plans for its processes.

EcoVadis' methodology focuses on 21 sustainability requirements based on globally recognized initiatives, including: the International Labor Organization (ILO), the UN's Global Compact, Global Reporting Initiative (GRI), and ISO 26000. We believe that this collaborative platform will improve our suppliers' performance, being transparent and allowing the sharing of CSR results for other clients, too.



Participation in EcoVadis' sustainability assessment program is recommended for all suppliers, and the result of this assessment will be part of the **Suppliers Performance Evaluation (SPE)**

EcoVadis Assessment is co-financed by suppliers according to company size and number of employees, for more information visit: <http://fees.ecovadis.com>



To be evaluated the supplier will receive an invite and must register on the platform. The evaluation process will take place completely online, according to the deadline.

EcoVadis score goes from 0 to 100 points, reflecting the achievements and evidences shared by suppliers.

ECOVADIS ASSESSMENT (EA)

The minimum expected score of our suppliers is 45 points. If the desired minimum score is not reached, the risk associated with the supplier will be evaluated by Procurement, and this risk analysis is a fundamental factor for the continuity of the business with Oxiteno.

After concluding the evaluation process, the supplier will receive the results reflecting his CSR performance. It will feature in detail its areas for improvement, as well as suggestions for action plans listed in order of priority (high, medium, and low) so that the company can improve its performance. Oxiteno will be able to view the information included as an action plan, but this will not affect the evaluated company's final result. **The results will only be updated after the next evaluation cycle to be carried out by the company.**

The periodicity of revaluations is based on the supplier's score, which may be annual or biennial, according to its associated risk. **It is allowed and recommended to share the score, once the supplier has already carried out the evaluation by its parent company or upon other customers' request.**



SUPPLIER QUALITY INDEX (SQI)

The Supplier Quality Index (SQI) is the monitoring carried out through each delivery or service provided by the supplier. This index is automatically calculated via the system, based on the Purchase Order (PO) or Sales Order (SO) issued by Oxiteno, ranging from 0 to 100 points for all supplier categories.

The calculation of the SQI is carried out monthly, and after the 12-month period, the monthly evaluations are consolidated, thus classifying the supplier with a single index.

For all suppliers, **the minimum expected performance score is 85 points**. If the minimum score is not reached, an action plan will be developed together with the supplier to improve its performance.



SUPPLIER QUALITY INDEX (SQI)

For: Raw Materials, Packaging, Utilities, and Tolling

The SQI considers 3 main indexes for the calculation:

$$IQF = \text{Quality Index} + \text{Service Index} + \text{Delivery Index}$$

Quality Index

- **Non-Conformities evaluation** – Calculated based on the ratio between the number of non-conformities registered for the supplier and the number of deliveries made.
- **Non-Conformity response time evaluation** – All suppliers have within 10 days to submit a root cause analysis and action plan for Non-Conformities assessed as valid. If there is no reply after this period, the supplier is gradually downgraded until the Non-Conformity be finished.
- **Documentation evaluation** – All documentation applicable to the supplier is monitored based on its expiration date. The system automatically notifies the supplier of the documentation needed before it's past due.

Service Index

- **Service evaluation** – It's a half-yearly evaluation based on buyer's perceptions together with stakeholders. Questions such as Competitiveness, Innovation, Proactivity, Focus on the Client, among other requirements will be evaluated, with a score based on the service provided by the supplier.

Delivery Index

- **Lead Time evaluation** – Assertiveness of delivery considering the Purchase Order lead time.
- **Precision evaluation** – Assertiveness of the delivery considering the volume set in the Purchase Order.

SUPPLIER QUALITY INDEX (SQI)

For: Road and Marine
Transportation, Warehouse,
Storage Tank and Inspections
Services

The SQI considers 2 main
indexes for the calculation:

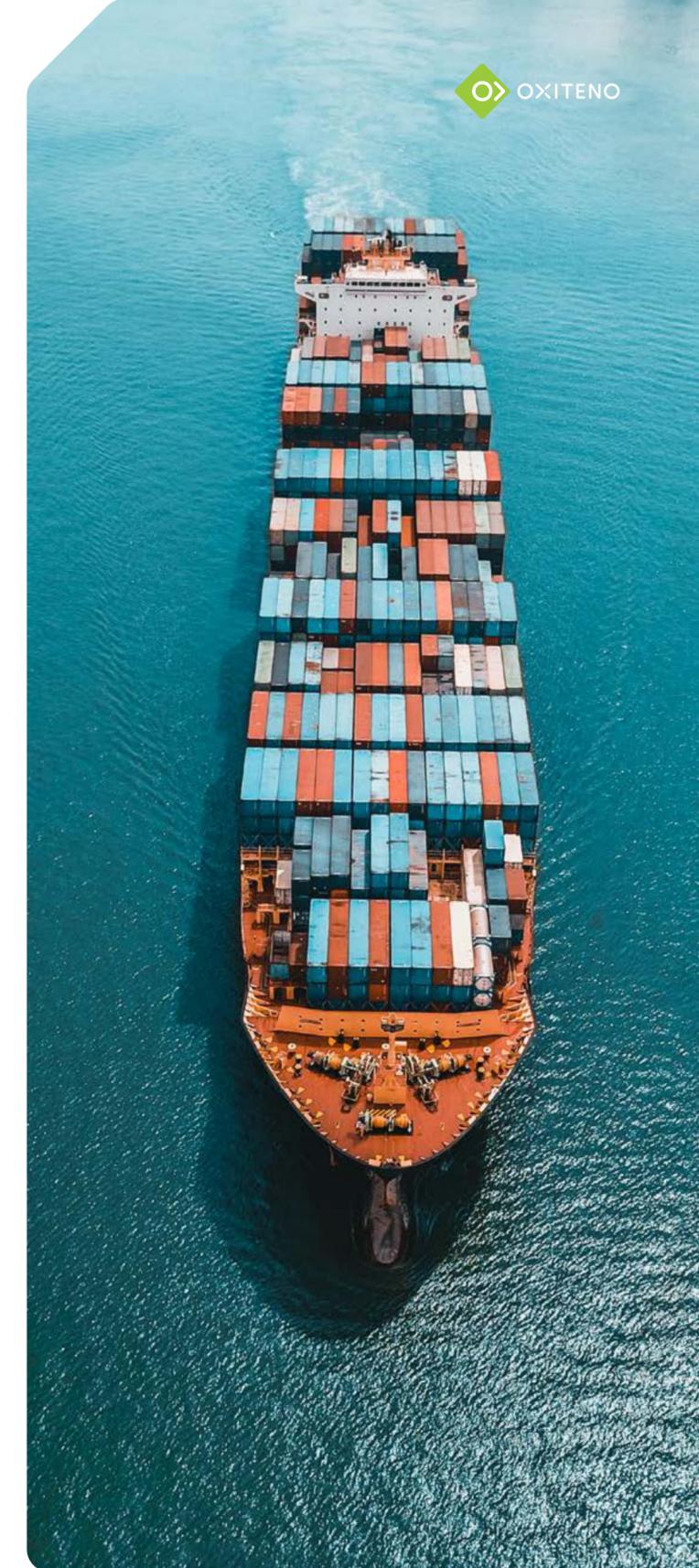
$$IQF = \text{Quality Index} + \text{Service Index}$$

Quality Index

- **Non-Conformities evaluation** – Calculated based on the ratio between the number of non-conformities registered for the supplier and the number of deliveries made.
- **Non-Conformity response time evaluation** – All suppliers have within 10 days to submit a root cause analysis and action plan for Non-Conformities assessed as valid. If there is no reply after this period, the supplier is gradually downgraded until the Non-Conformity be finished.
- **Documentation evaluation** – All documentation applicable to the supplier is monitored based on its expiration date. The system automatically notifies the supplier of the documentation needed before it's past due.

Service Index

- **Service evaluation** – It's a half-yearly evaluation based on buyer's perceptions together with stakeholders. In this evaluation, in addition to the issues of Competitiveness, Innovation, Proactivity, and Customer Focus, the following requisites will also be checked:
 - OTIF (On Time in Full)
 - OTD (On Time Delivery)
 - Receiving process
 - Services performance



SUPPLIER PERFORMANCE EVALUATION (SPE)

The Supplier Performance Evaluation (SPE) will be calculated annually, considering the sum of the Ecovadis Assessment score (weight 30%) and the Supplier Quality Index (Weight 70%).

Oxiteno will annually recognize the suppliers with better score (SPE), considering all efforts made to achieve the goals. This will define preferred suppliers and priorities in Oxiteno's acquisition strategies.

Will be eligible only suppliers who comply with EcoVadis Assessment (AE) and Supplier Quality Index (SQI) metrics. Failure to comply with any established requirement will render the supplier ineligible for awards and preferred supplier status.

Suppliers that have the best and highest SPE score according to their category will be awarded, within the year in which the results are calculated.

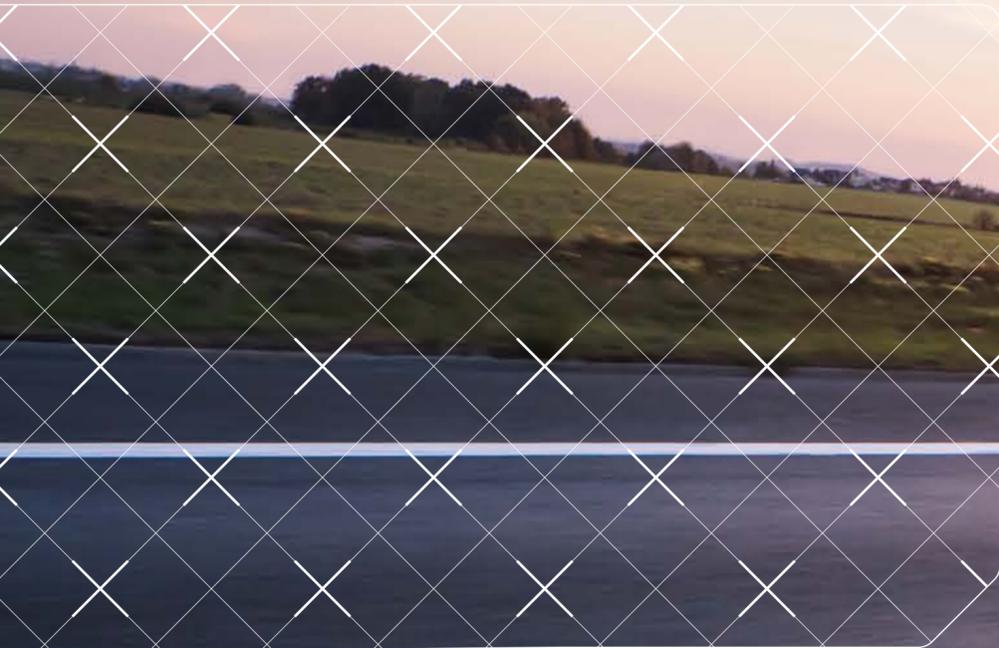
In summary

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| Responsible Sourcing Policy | Policy Acceptance | Adherence by suppliers to mandatory requirements, key for doing business with Oxiteno |
| Quality Self-Assessment Questionnaire | Fulfill the questionnaire | Supplier's assessment of the quality standards applicable to the specific type of supply |
| EcoVadis Assessment (EA) | Adherence to the EcoVadis Assessment | 0 – 100 points (Supplier's final score) |
| Supplier Quality Index (SQI) | Monitoring each product/service provided | 0 - 100 points (Final SQI – score obtained over 1 year) |

SUPPLIER PERFORMANCE EVALUATION (SPE)

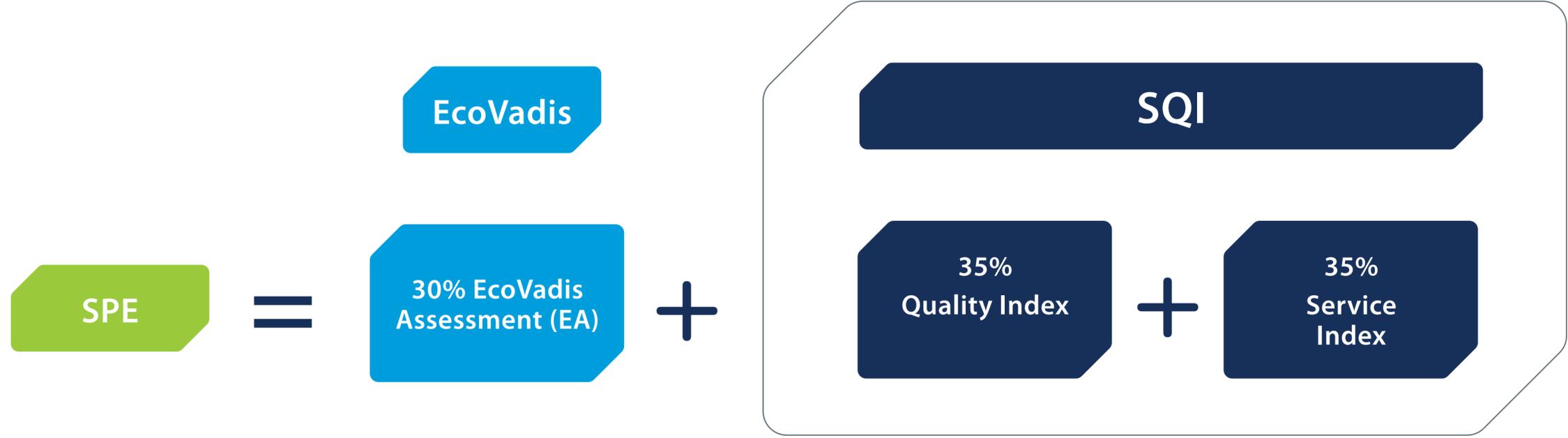
FOR: RAW MATERIALS, PACKAGING, UTILITIES, AND TOLLING





SUPPLIER PERFORMANCE EVALUATION (SPE)

FOR: ROAD AND MARINE TRANSPORTATION, WAREHOUSE, STORAGE TANK AND INSPECTIONS SERVICES





OXITENO INVITES YOU TO ENGAGE IN A JOURNEY OF SUSTAINABILITY AND RESPONSIBILITY IN THE VALUE CHAIN.

TOGETHER, WE WILL SHARE VALUE IN THE SEARCH FOR INNOVATION AND EVOLUTION OF OUR PROCESSES, ACHIEVING BETTER RESULTS FOR COMPANIES AND ALSO FOR EVERYONE.



Evolution by chemistry