

## UN Global Compact – Communication on Progress – 2023

**Participant:** AOC AG

**Time Period:** February 2023 – January 2024

**Level:** Global Compact Active Level

**Due Date:** 24 January 2023

### Statement

AOC AG is working continuously on improving its performance related to Environmental, Social and Governance (ESG). Our company joined UN Global Compact in November 2016 and ever since has confirmed its support for the ten UN Global Compact principles on human rights, labour, environment and anti-corruption.

As a result of its policies, actions and performance, AOC AG confirmed its EcoVadis Gold rating for its ESG performance in 2022, ranking AOC AG in the top 4% of chemical companies globally rated by EcoVadis). AOC AG is committed to further improve its performance and obtain even stronger external recognition for its efforts.



In this report we describe our progress and newly implemented actions for integrating the UN Global Compact's principles into our business strategy, culture and daily operations. AOC AG is committed to sharing this information with our stakeholders using its primary channels of communication.

I confirm our ongoing commitment to your initiative and am pleased to share with you our updated report.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Theeuwes", is written over a light blue horizontal line.

Franciscus Johannes Petrus Maria Theeuwes  
President of the Board of Directors and VP Finance EMEA

## **AOC Company Summary**

AOC is a leading global supplier of specialty resins and solutions which enable customers to create robust, durable and versatile products and components for applications in Coatings and Protective Barriers, Colorants and Visual Effects, Adhesives and Specialties, and Composite resins. With strong capabilities worldwide in manufacturing and science, AOC works closely with customers to deliver unrivalled quality, service and reliability for today and create innovative solutions for tomorrow.

AOC is a global company with approximately 1,000 employees and 1.5 billion € in turnover, with a strong presence in the Americas, Europe and Asia.

AOC AG is the European subsidiary of the AOC Group of Companies and is dedicated to serving the EMEA region. European headquarters are based in Schaffhausen (Switzerland). AOC operates five manufacturing sites in Europe: Filago (Italy), Compiègne (France), Schoonebeek (Netherlands), Usti nad Labem (Czech Republic) and Haverhill (United Kingdom). In addition, the company has two R&D centres in Zwolle (Netherlands) and in Filago (Italy).

## **Human Rights**

### **UNGC Principle 1**

Businesses should support and respect the protection of internationally proclaimed human rights.

### **UNGC Principle 2**

Businesses should make sure that they are not complicit in human rights abuses.

## **Policy and Commitment**

- AOC ensures its workers are provided safe, suitable and sanitary work facilities.
- Consequently, we provide safe and healthy working conditions by taking measures to eliminate elements that could harm or threaten human life and health during the manufacture or disposal of our products.
- We protect workers from workplace harassment, including physical, sexual, verbal or psychological harassment, abuse or threats.
- AOC ensures non-discrimination in personnel practices; and
- Respects international guidelines and standards.
- AOC understands its customers' markets and business drives. Committed to mutual commercial success, we work together in creating value and materializing composites innovations. We provide excellent service and run our operations in an efficient and controlled manner. We stand for teamwork and collaboration and bring out the best in our people across all functions and regions. We believe in treating others with dignity and respect, encourage open and prompt communication, while taking care of safety and the environment.

- During the recent worldwide pandemic, we provided the possibility to either work from home or with a proper health & safety concept in the office.
- In AOC's staff regulations, AOC covers topics such as anti-bullying, anti-harassment, equality and a general duty of care.
- AOC mandates all its suppliers to follow its Supplier Code of Conduct to ensure the protection of human rights.

### **Implementation**

AOC AG has taken the following measures to prevent human rights violations and to provide a safe working environment for its employees:

- Defining and implementing a clear company culture for all staff, promoting employees to respect each other and to take care of a healthy and safe work environment.
- Putting in place a Code of Business Conduct and associating an annual training for all staff, as well as other regular trainings on ethics, anti-bribery and whistleblower policy.
- Employment engagement to the company culture is reviewed on a regular basis. Since 2017 it is an important part of the yearly Performance and Development Review and linked to specific goals allocated to each and every employee.
- Regular audited safety of operations, regular reviewed safety performance of employees, and dedicated safety reviews to identify potential improvements in processes and behaviours.
- Safety reviews are held regularly across locations and manufacturing plants.
- Putting a GDPR policy in place to protect the data privacy of AOCs employees while maintaining a mailbox dedicated to incident reporting.
- Putting in place a Purchase Code of Business Conduct that suppliers are requested to sign.
- AOC supports its employees to live the company culture continually and to address undesirable situations.
- Putting in place a hotline in The Netherlands for our employees to call in case of any issues, need to talk, including training on e.g. finance.
- Rolled out an EU whistleblower policy mandatory to read for all employees.
- Implementing a preregistration system on AOCs website enabling production site visitors to watch a safety video for properly complying with safety measures and understanding risks.

## Labour

### UNGC Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

### UNGC Principle 4

Businesses should uphold the elimination of all forms of forced and compulsory labour

### UNGC Principle 5

Businesses should uphold the effective abolition of child labour.

### UNGC Principle 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

### Policy and Commitment

- AOC ensures that its operations do not rely on forced labour.
- We ensure that there is no discrimination in the recruitment process, remuneration, hours of work and paid holidays, job assignments, training and opportunities, social security.
- AOC complies with the minimum wage standards and adheres to minimum age provisions of national labour laws and regulations.

### Implementation

AOC AG has taken the following measures to support labour principles in its work locations:

- Allowing for flexible working hours and home office agreements where appropriate.
- Measuring long term illnesses and taking actions to improve on country level.
- Drafting employment contracts in languages easily understood by all employees while clearly stating the termination provisions and procedures that need to be followed.
- Putting in place human resources policies and procedures supporting UN Global Compact's labour principles.
- Preventing discrimination of all kinds.
- Introducing the Myers-Brigg-Type Indicator (MBTI) to allow employees to better assess different personalities and characters for a better cooperation between and within the teams.
- Dedicating employees per site to participate in a first aid course or follow up on a regular basis.
- Establishing health and safety practices for preventing accidents (including definition and roll out of the so-called "12 Life Saving Rules").
- AOC introduced in 2022 new training videos for visitors to its manufacturing sites, explaining the key safety risks at the sites, and the expected behaviours of the visitor.

This will help to ensure health and safety of both the visitor and the AOC host. These training videos can be accessed through the [AOC website](#).

- Providing medical insurance for all employees during business travels.
- Supporting good, fresh and natural food in the office by using a supplier offering daily fresh meals or canteens, and fresh fruit weekly.
- Being 100% compliant with approved working contracts.
- Pursuing AOC's goal to have a high rate of employee satisfaction, low sickness absenteeism and no work accidents.
- In 2022, AOC reached another safety record with the Schoonebeek operation running already 16 years injury free and the Usti operation 6 years injury free.

## Environment

### UNGC Principle 7

Businesses should support a precautionary approach to environmental challenges.

### UNGC Principle 8

Businesses should undertake initiatives to promote greater environmental responsibility.

### UNGC Principle 9

Businesses should encourage the development and diffusion of environmentally friendly technologies.

## Policy and Commitment

AOC ensures its organization, working processes and operations are well managed in order to manufacture high quality products for its customers while minimizing the environmental impact for our planet.

## Implementation

- Avoiding environmental damage through regular maintenance of production processes and environmental protection systems.
- AOC monitors and keeps track of (any) environmental incidents on a continuous basis.
- Ensuring safe handling and storage of chemical and other dangerous substances in line with REACH and application country legislation.
- Putting in place regular audits by an external party in order to improve the quality of AOC's SDSs which has helped AOC to identify areas for further improvement and its customers to better handle its products.
- Developing a Code of Conduct for its operations and products, confirming AOC's commitment to care for the environment and responsible environmental performance.
- Putting in place a dashboard for continuous monitoring of energy usage, water usage, GHG emissions etc.
- Maximizing the reuse of materials on site.
- Optimizing and adapting processes and manufacturing techniques.
- Changing product components for minimizing environmental impact.

- Developing strategic product development project-clusters around environmentally friendly solutions with the intent to improve the environmental quality of AOC's portfolio over time.
- Supporting customers in better understanding health and safety of processing our products, and implementing best working practices and more environmentally preferred product alternatives.
- Implementing all relevant REACH regulations in AOC's procedures and operations. We are on top of 5 REACH dossiers (two as lead registrant) and an active member of the UPR/VE REACH Consortium.
- Preparing in detail all dossiers required for UK-REACH and KKDIK (Turkey) pre-registrations, and successfully pre-registering the substances used in AOC's products.
- In 2022, AOC has been able to renew the ISO 14001 certification for its European manufacturing plants in Filago (Italy), Compiègne (France), Schoonebeek (Netherlands), and Usti nad Labem (Czech Republic).
- Rolling out education tools and HSE training programs as a result of AOC actively participating in and contributing to the Cefic UP/VE Styrene Emissions Survey among the users of UPR and VE resins in Europe in 2021 where input from over 500 downstream users for the full range of UP/VE transformation processes was collected.
- In 2022, as a follow-up of this survey, AOC has actively participated in the development of industry case studies by Cefic UP/VE, demonstrating best industry practices in managing styrene emissions.
- As an active member of the Working Group Sustainability of EuCIA (European Composites Industry Association) we have been promoting solutions for increasing composites recycling and product circularity. In this role, AOC has been speaking in panel discussions about composites recycling at JEC World 2022 and at the EoLIS 2022 (End-of-Life Issues and Strategies) conference organized by WindEurope.
- As AOC Leadership wants to ensure it is prepared for future SEC and CPRD corporate reporting requirements, AOC has worked in 2022 at corporate level to Investigation of relevant global frameworks in order to understand reporting requirements and required policies, progress tracking, incl. alignment with locally ongoing programs.

## Anti-Corruption

### UNGC Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

### Policy and Commitment

- We are compliant with all relevant laws, including laws associated with anti-corruption, anti-bribery and anti-trust.
- Personal information is handled with care and appropriate information security measurements are in place.
- We have our own Code of Business Conduct and a zero tolerance of corruption in any form. Any violations of our anti-bribery and corruption standards are treated seriously and may lead to disciplinary measures, including a reprimand, demotion, forfeiture of bonuses, suspension and/or dismissal.
- We are assessing our suppliers and Distributors on a continuous basis and performing risk assessments and screening.
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- If after several attempts no significant improvements are made by our suppliers/ distributors, the collaboration may be discontinued.

### Implementation

AOC AG has taken the following measures:

- Updating anti-bribery and anti-corruption policies and associated procedures such as a limit on the acceptance of gifts to 100 € (referenced in the staff regulations).
- For tracking purposes, AOC has developed an overview of compliance trainings and policies which are being updated with newest regulations (defining who should do which training at which frequency).
- Endeavouring implementing effective communications channels (e.g. AOC has a Whistleblower Policy in place)
- Supporting recurring training, including an anti-bribery, anti-corruption, anti-competitive practices, and information security.
- Yearly training of most affected employees on Anti-Competition Practices (Antitrust & Competition Law), Anti-Corruption Practices (Bribery & Corruption).
- Bi-yearly training of most affected employees on Information Security (GDPR)
- Bi-yearly training of distributors on Ethics.
- Yearly commitment of most affected employees for adherence to AOC's Code of Conduct.

- AOC has further revised and finalized the implementation of compliance policies and procedures at company and group level. No bribery or corrupt behaviour was reported in 2022.
- AOC has not been involved in any legal cases, rulings or incidents related to bribery, corruption, anti-competition practices in the current period.
- Our books and accounts are subject to statutory external audit annually. These audits are used as one of the methods of identifying suspicious payments that could be related to bribery or corrupt behaviour. There has been no such incident reported in the current period.
- AOC has further implemented a process to apply the Mandatory Disclosure Rules (MDR) and is working together with its tax advisors to report any applicable transaction.