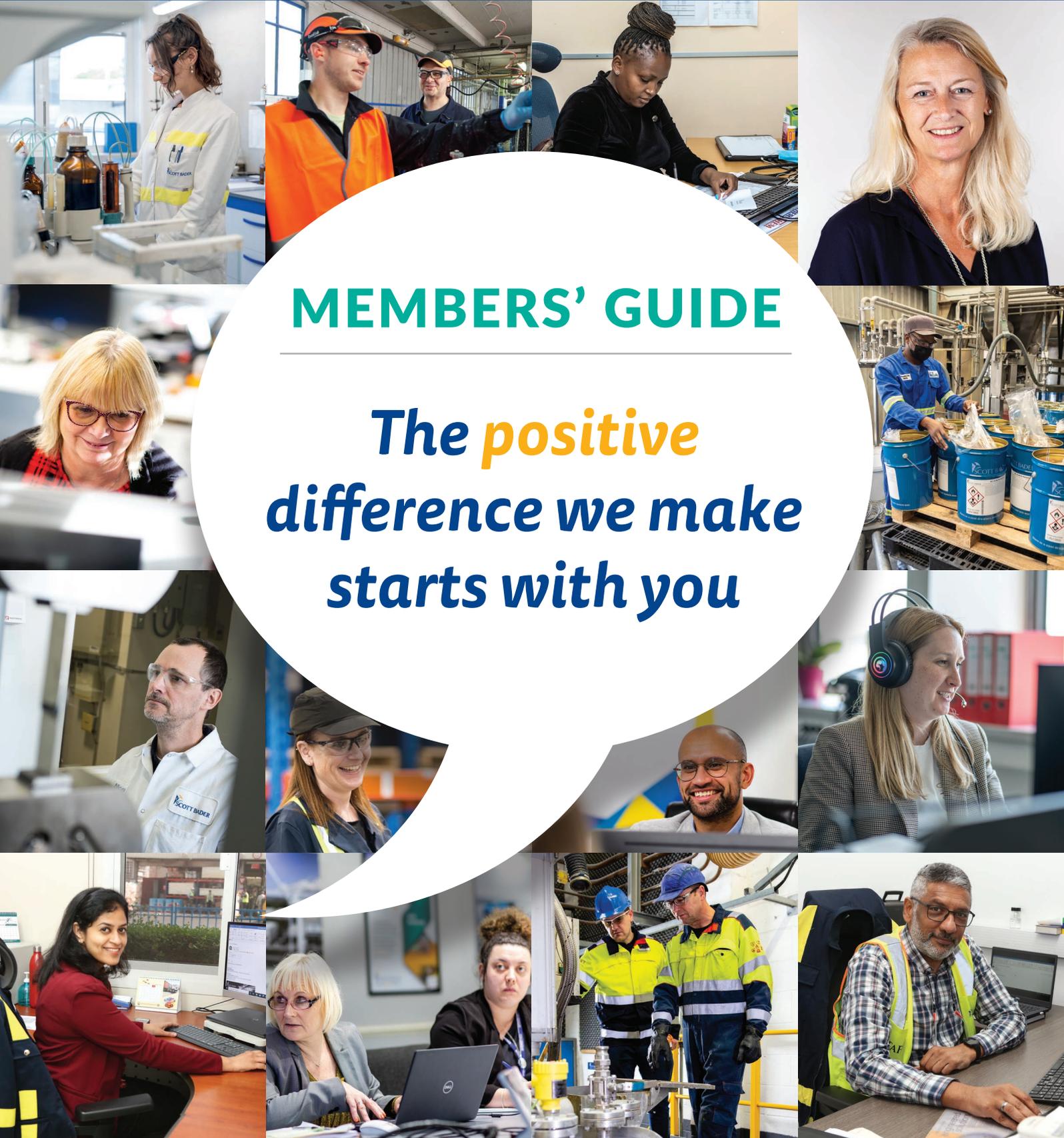




THE SCOTT BADER CONSTITUTION

PRINCIPLES | PERFORMANCE | VOICE



MEMBERS' GUIDE

*The positive
difference we make
starts with you*

We have been ahead of our time since 1951



As a Scott Bader colleague, you are part of an employee-owned organisation that does business differently.

We were the original champions of Employee, Environment, Social and Governance (EESG) over 70 years ago, and we have been leading the way ever since. We have our founder, Ernest Bader, to thank for that.

Ernest wanted to distribute the capital of the company in a way where all colleagues could have a real voice within the business. He realised the best way to ensure the wellbeing of his company was

to entrust it to you, the colleagues who make it what it is.

He also pioneered what it meant to be a socially responsible business, long before it was fashionable to do so. A man of deep integrity and a passionate believer in equality, he understood what mattered most to people, and as a consequence the Scott Bader Commonwealth (SBCW) was formed.



Ernest's vision is now in your hands. Help us not only keep it alive, but strengthen it for the generations of colleagues ahead.

What it means to be a part of Scott Bader

At the heart of Scott Bader is our Constitution.

This is our manifesto of fairness, inclusion and responsibility; a charter that brings us all together and guides us in becoming the best versions of ourselves while enriching the lives of others in our communities.

This Members' Guide sets out what the Constitution means to us all, and ensures we never lose sight of the strength that comes with being an inclusive company. It also looks at how we're governed and run in line with Ernest's forward-thinking philosophies.

Business with a conscience

We started as a family business, built on the beliefs of a visionary

Ernest Bader was a true pioneer.
For him, no company should exist purely to generate wealth.



He wanted to break the mould and create a responsible business where people come first. One where any profit generated was shared amongst those who helped create it, and those who needed it most in society. And one that looked beyond its factory walls and its own interests to positively contribute to the world outside.

He saw common trusteeship (generally known as employee ownership) as being key to achieving this.
And he was right.



By placing our shares under the stewardship of 'The Commonwealth' – a company limited by guarantee and a registered charity – we have been able to fiercely protect our independence, and remain masters of our own destiny to this day.

We are proof that it is possible to do business the right way, and do good whilst we're on the journey

To ensure his vision could be realised, and that we could all prosper, Ernest created a set of principles and today we live these out through our Guiding Principles, Code of Practice and Core Values.

They define how we operate, they ensure we share our success widely, and they keep us grounded each and every day.

A future to be excited about

Today, many companies have followed Ernest's approach. It is exciting to be a part of something bigger than any one individual, and we hope you will embrace the possibilities of what is next.



"70 years ago, Ernest gifted the company in a way that nobody could take it over.

That will never change."

Hansi Manning,
Ernest Bader's Granddaughter and family nominated Guardian Trustee

When we live by our Constitution, we leave a positive legacy



Our Constitution is our DNA.

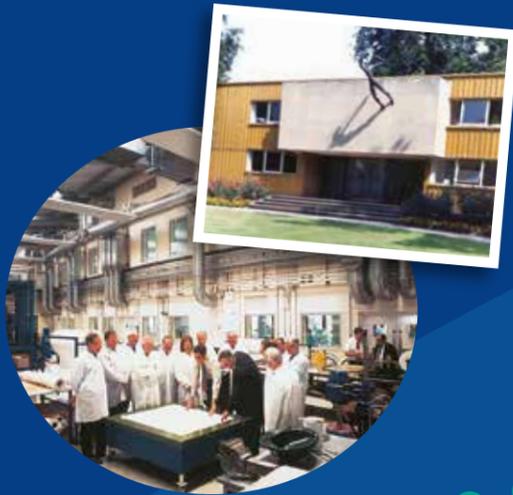
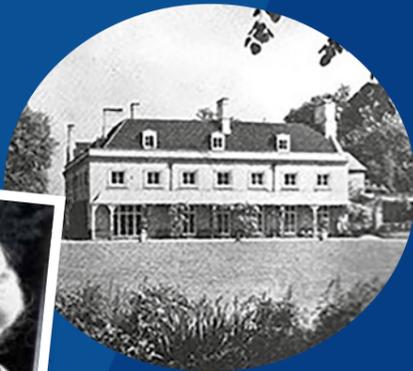
It is a constant reminder of what we stand for.

Our Guiding Principles - which are as relevant today as the day they were written - show us what it means to be unmistakably Scott Bader in everything we do.

Your positive actions matter.

When those are mirrored by every colleague, real change happens.

1921



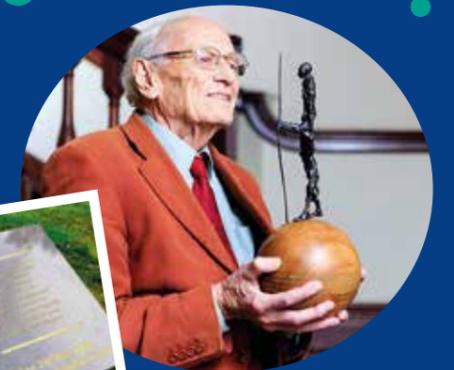
First UK company to be awarded a Common Ownership certificate

1976



1951

Creation of the Scott Bader Commonwealth Ltd



Today

The Guiding Principles that bind us

Resilience and longevity

To develop the overall strength of the Scott Bader Group, and to act as stewards of its resources in order to ensure its long-term sustainability and prosperity through effective, accountable management and efficiency to ensure those working in the Scott Bader Group can be economically secure and will not need to strive for personal advancement at the cost of others.

Fair trading

To produce goods beneficial to customers of the Scott Bader Group at a fair price and of as high a quality as possible, and as far as possible to source raw materials and supplies ethically.

Environmental sustainability

To ensure that the Scott Bader Group's activities have the minimum possible adverse impact on the natural environment, and that it strives for responsible use of natural resources in support of the transition to a sustainable planet.

Responsible innovation

To provide a learning environment to unleash colleagues' potential and to conduct research and enable innovation directly and through long-term partnerships and to provide education in fields relevant to the Scott Bader Group both now and in the future.

Developing partnerships

To develop mutually beneficial internal and external long-term partnerships with colleagues, customers, suppliers and collaborators based on fairness, honesty, integrity and openness.

International presence

To promote the concept of employee ownership both within the Scott Bader Group and in a wider context and to contribute towards the general welfare of society in the Scott Bader Group's immediate communities, as well as nationally and internationally.

Ethical business

At all times to be a role model for the ethical approach to successful business; so that the Scott Bader Group's approach to wealth creation and use is clearly seen to be sustained by its guiding principles and common trusteeship nature.

Diversity, inclusion and mutual respect

To provide an inclusive, diverse and mutually respectful culture and environment where everyone is treated equally and given equal opportunities regardless of their race, age, gender, sexuality, disability, culture or individual differences.

Safety and wellbeing

To provide a safe working environment and culture to ensure that the health, safety and wellbeing of all colleagues is a priority and where all colleagues have the right to challenge unsafe behaviours for the safety of themselves and each other.



Code of Practice for colleagues

This Code of Practice sets out the behaviours expected of all our colleagues.

Within Scott Bader, we support and commit to the Guiding Principles (as set out in the Articles of SBCW) and we will do our best to live these out in both our working and private lives.

This Code of Practice may be amended from time to time by the SBCW Board following representation from the Global Members' Board (GMB) and communicated to all colleagues within the Scott Bader Group.

- A.** We are a business community, and it is our basic attitude and approach to our work and fellow colleagues that gives life and purpose to SBCW. All colleagues have a right to apply for membership of SBCW.
- B.** As a worldwide community we realise that the long-term health of the Scott Bader Group requires attention to four aspects of the business
 - active democratic involvement
 - social cohesion
 - strong research and development
 - financial growth

The practical working out of a balance between the four tasks is a continuing responsibility for the colleagues as a whole.

- C.** It is our common responsibility to work together, locally and internationally in such a way that;
 - We treat each other with respect and dignity.
 - Working for the Scott Bader Group has meaning and is fulfilling and we feel valued for our contribution.
 - Everyone is treated fairly and given equal opportunities regardless of their race, age, gender, sexuality, disability, culture or individual differences.

- D.** Being in a position of authority, leaders and managers must:
 - Manage and be accountable to colleagues for their actions.
 - Manage in a style that is participative and consultative.
 - Facilitate change and improvement and encourage others to do the same.

- E.** Our company operates through mutual collaboration; therefore, as colleagues we must accept responsibility for our actions through:
 - A willingness to learn, develop and grow as individuals.
 - Improved communication between each other and between groups and departments.
 - Being understanding and patient towards problems encountered.
 - Recognising and encouraging contributions made by others, both locally and internationally.
 - A willingness to attend meetings and to participate in the affairs of our local and international community.

- F.** We must:
 - Be open, honest and respectful in our relationships with each other.
 - Face difficulties directly rather than avoid them.
 - Solve problems by discussion and agreement rather than through a mediator.

- G.** In the event of a downturn in trade we will consider whether circumstances make it desirable or practical to share all remaining work rather than expect any of our fellow colleagues to be deprived of employment, even if this requires a reduction in earnings.
 - However, should a study of our business reveal that it would be

in its best interest to reduce or eliminate certain jobs, we will do this in the fairest and most objective way. In particular, we will wherever possible offer colleagues alternative work.

- H.** We are encouraged as colleagues to volunteer and support the local and wider community.

- I.** Our responsibility also extends to
 - Only using our products in applications beneficial to the community. Explicitly, we exclude applications used in manufacturing weapons of war and we do not support directly or indirectly products and/or services primarily intended for manufacturing weapons of war.
 - Reducing any harmful effects our work has on the natural environment.
 - Constantly working towards reducing activities that waste the earth's natural resources.

- J.** As members of SBCW, we are encouraged to be fully engaged in our industrial democracy model. Members are also encouraged fully to support our governance bodies by voting in elections, Annual General Meetings and, when given the opportunity, standing for election to ensure the continued strength of the members' voice is maintained.

Use the privilege that Ernest afforded us all.

Living our Core Values

We each take personal responsibility in how we work to do the best for Scott Bader.



Commitment & Delivery

We are committed to the principles of common trusteeship and making Scott Bader a successful and resilient organisation with longevity.



Responsibility & Empowerment

We work co-operatively and in collaboration with colleagues, customers and suppliers to deliver excellence.

Making a positive difference



Team Working & Innovation

We are fair, honest, and ethical in how we work with others, how we are treated and how we treat others at Scott Bader.



Fairness & Compassion

Commitment & Delivery

We are committed to the principles of common trusteeship and making Scott Bader a successful and resilient organisation with longevity.

What this means in practice:

- Working safely and in line with our operating procedures, to keep ourselves and our company safe
- Looking out for the health and safety of others and challenging unsafe behaviours
- Consider and reduce our environmental impact in all that we do
- Being a positive ambassador for Scott Bader, acting ethically, respectfully and with honesty and integrity at all times
- Keeping the promises we make
- Using our values to guide our actions and decisions to create an inclusive culture
- Taking everyday situations as an opportunity to learn and improve

Fairness & Compassion

We are fair, honest, and ethical in how we work with others, how we are treated and how we treat others at Scott Bader.

What this means in practice:

- Respecting and embracing differences, treating others based on their need and creating an environment where everyone feels like they belong
- Recognising that being inclusive and creating diversity is vital to our success
- We are ethical in all our business dealings and strive to go beyond compliance
- Ensuring that we truly are objective and impartial and create equal opportunities for everyone
- Listening to and valuing the opinions of others and taking account of these when we make decisions
- We treat each other with compassion and utilise support and advice available to ensure our own and colleagues health and wellbeing

Responsibility & Empowerment

We each take personal responsibility in how we work to do the best for Scott Bader.

What this means in practice:

- Taking responsibility for doing what is best for Scott Bader
- Being accountable for the delivery of exceptional service to both our internal and external customers
- Demonstrating maturity, dependability, reliability, and care in how we go about our work
- Acting responsibly when things go wrong and working to find solutions
- Being a responsible neighbour – minimising our environmental impact
- Taking personal responsibility for our own behaviour and for our personal development to be the best we can be
- Making the best possible use of our time
- Challenging behaviour that undermines our values
- Being open and honest in all our interactions
- To actively engage with personal development opportunities and help others to learn and develop themselves

Team Working & Innovation

We work co-operatively and in collaboration with colleagues, customers and suppliers to deliver excellence.

What this means in practice:

- Driving responsible innovation and building on ideas to continuously improve what we do in all areas of the business
- Supporting others and working towards being the best we can be for the whole organisation
- Collaborating with internal and external partnerships across functional and geographical boundaries in support of company goals and priorities
- Working towards consensus while respecting differences in opinion and accepting that we sometimes need to compromise
- Completing actions on time so that others are not delayed
- Freely sharing information



When we work together, everyone wins

We do business differently with **quality, innovation, ethics, sustainability and reliability.**

Through our commercial, community and charitable activities, we translate our good intentions into tangible actions that make a difference.

How we are governed

Like any business, we need people to lead and offer direction. This is done through three boards; our Commonwealth Board (SBCW), our Global Members' Board (GMB) and our Group Board (SBCL). Each has a clear purpose, but come together to ensure we uphold the principles that are so dear to us.

As a Commonwealth Member, you can vote to elect colleagues to these boards and stand for election. Having a say in who represents you on the different boards is another huge benefit of working for a company that does business differently.

Participate in industrial democracy

Your actions matter and you always have a voice. Join a Governance body to directly influence the policies and direction of the Group!

This is how Scott Bader ensures your voice is heard

 **SCOTT BADER MEMBERS**

 **COMMONWEALTH BOARD**

 **GROUP BOARD**

 **GLOBAL MEMBERS' BOARD**

 **GROUP LEADERSHIP TEAM**

 **REGIONAL FORUMS**

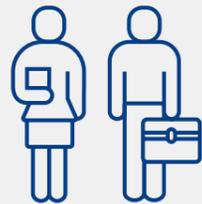
 **SCOTT BADER SITES**

 **LOCAL COUNCILS**

COMMONWEALTH BOARD

The Commonwealth Board (SBCW) is the guardian of our Core Values and Guiding Principles. It ensures our business is conducted in line with them and promotes the long-term sustainable success of the Scott Bader Group. It generates value for all stakeholders and contributes to wider society. Although not involved in the day-to-day running of the business, the Commonwealth Board approves topics such as future business strategies, acquisitions and the distribution of profits.

Who sits on this Board:

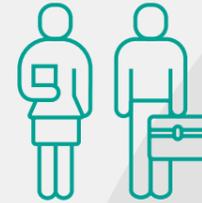


- 3** Internally Elected Directors
- 5** Guardian Trustees
- 1** Chair of SBCL (Company Member)

GLOBAL MEMBERS' BOARD

The Global Members' Board (GMB) leads our international and industrial democracy. It gives Members a voice and is a diverse and inclusive body that fairly represents everyone's interests. **SBCW and the GMB hold the other boards to account**, ensuring that they put in place strategies that follow our guiding principles. The Chair of the Group Board (SBCL) is a member of the GMB.

Who sits on this Board:



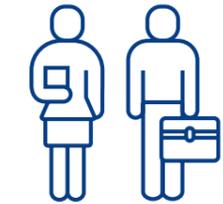
- 12-14** Elected Representatives

SBCW and the GMB hold the other boards to account

GROUP BOARD

The Group Board's (SBCL) purpose is to ensure our prosperity by collectively directing its affairs in line with our values. Through a clear strategy, strong stewardship and effective controls, it meets the expectations and interests of shareholders and key stakeholders and is answerable to the GMB.

Who sits on this Board:



- 3** Internally appointed Executive Directors:
 - 1** Group CEO
 - 1** Group CFO
 - 1** Member of the GLT
- 3** Externally elected Non-Executive Directors including the Chair
- 3** Internally elected Member Directors, including the GMB Chair representing membership worldwide.

GROUP LEADERSHIP TEAM

The purpose of the Group Leadership Team (GLT) is to enable our customers to supply effective and more sustainable products using innovative polymer solutions and to empower our people to live by our values.



REGIONAL FORUMS

The Regional Forums (RF) are a Global Members' Board designated Forum with the strategic intent of increasing industrial democracy by engaging with all colleagues to ensure their voices are heard by the relevant governance groups.

LOCAL COUNCILS

The Local Councils are councils established by a local operating company of the Scott Bader Group, with more than 50 colleagues in its local country, to represent the interests of colleagues within that country.



SCOTT BADER SITES

The Scott Bader sites deliver Scott Bader's strategic objectives under the leadership and direction of the Group Leadership Team.



Why you should join a Scott Bader Board or Body

On becoming a Commonwealth Member, you have the opportunity to stand for election and join one of our Boards or Bodies.

By joining a board you will benefit from:

- Increased exposure to other areas of the business
- Additional training
- Grow your professional network
- A deeper understanding of our unique structure
- Potential opportunities to visit other Scott Bader sites
- Opportunities to develop skills outside of your day-to-day role

All we ask is that you represent your colleagues honestly and to the best of your ability.



Your route to Commonwealth Membership

Immediately upon appointment colleagues are an Associate Member of the Commonwealth which means they can;

- Benefit from support and mentoring from colleagues
- Right to:
 - Be represented
 - Ask questions
 - Company information e.g. policies; briefing notes;
- Opportunity to:
 - Vote on local council elections - subject to local guidelines
 - Participate in the Group Matched Funding and Volunteering scheme
- Be included in:
 - Group Staff Bonus scheme - subject to guidelines
 - Variable pay scheme (PPP)
 - Local democracy
- Participate in social activities
- Access to support services

After 12 months - colleagues can apply to become a full Member of the Commonwealth which means they can;

- Vote in elections for group governing body positions
- Vote at the AGM and other formal company meetings in company and charity issues
- Stand for election to group governing bodies
- Stand for election to local councils where they exist
- Be a 'shareholder in trust' for Scott Bader
- Participate in charity nomination schemes in locations where they exist

Your rights as a Scott Bader Commonwealth Member

An important right of the Commonwealth Members is the power to call a general meeting.

A petition/written request signed by 10% of the total number of Commonwealth Members in the Scott Bader Group can insist that a general meeting is called if they feel strongly enough and/or have evidence that a matter has not been handled correctly as required in accordance with the documents contained in the Constitution.

The purpose for calling the meeting and any resolution that Commonwealth Members are being asked to vote on would need to be clearly explained.

However, at Scott Bader it is hoped that such action should never be necessary because of the commitment that all Commonwealth Members make to abide by the Guiding Principles of the Commonwealth.



Further information can be found here:



We are everything with transparency and accountability

We live the idea of industrial democracy.

This means having the freedom to constructively express your opinion on everything from the direction of the company, to how we treat our people and engage with our customers.

Ernest knew that giving Members a strong voice was the key to bringing about positive change, holding others to account where necessary, and encouraging full colleague engagement. Without this, industrial democracy simply does not work.



We all share in the rewards

There are many benefits that come with us all pulling in the same direction. Firstly, you have a say in those areas of the business that you feel require more attention and investment. If there is a way for us to do better, use your voice and tell us.

Helping direct how our boards work also promotes good governance, which protects us all, helps us plan effectively as a business, and ensures our stability.

Being employee-owned also means we all share in the financial success of the company. With no shareholders to pay, we are free to make a real difference in the world through our social and charitable work.

Here's just one of the ways we make a positive difference to our members:



Group Staff Bonus

Group Staff Bonus (GSB) is similar to a dividend, given to members to ensure we all share in the financial success of the company.

The allocation of the GSB shall be decided by the Global Members' Board, subject to the approval of Members in General Meeting.



Always play your part

As a member, we ask that you commit to uphold our Guiding Principles and Core Values, as expressed through our Code of Practice. Scott Bader is set up in such a way that your actions matter, and **you always have a voice.**

Every individual can make a difference.



You do not have to wait to step up, speak up, and play your part - you already have permission.

Embrace the opportunities to give something back through the many volunteering initiatives we support. Where your input would be beneficial, enjoy the freedom of being able to share your opinion.

And when called on to vote – the action on which our industrial democracy is built.

Volunteering

Use the privilege that Ernest afforded us all and volunteer to help your local community, whilst still being paid!

Pay it forward

Every Member is written into our history.

There's pride in being part of a business with a conscience and we are all custodians of something special.

We want you to feel invested in Scott Bader, personally, financially and emotionally. We all have a shared responsibility to not only protect the company we are today, but to find ways to leave it in a stronger position for future generations.

Now,
it is over
to you...

