

SCOTT BADER SUPPLIER PARTNERSHIP MANUAL

SCOTTBADER.COM

SCOTT BADER

SECURITY

OTT BADER

CONTENTS

1 INTRODUCTION	3
2 SCOPE	6
3 PURPOSE	7
4 QUALITY	8
4.1 Quality management systems	8
4.2 Certificate of analysis	8
4.3 Non-conformance	8
4.4 Change management	8
4.5 Record keeping	8
5 ENVIRONMENT AND ENERGY	9
6 OCCUPATIONAL HEALTH AND	
SAFETY MANAGEMENT	10
7 CHEMICAL CONTROL LEGISLATION	11
8 ETHICS	12
8.1 Child labour	12
8.2 Employment is freely chosen	12
8.3 Non-discrimination	12
8.4 Hours of work	12
8.5 Wages and benefits	13
8.6 Employee treatment	13
8.7 Agency labour	13
8.8 Anti-bribery and corruption	13
8.9 Conflict minerals	13
8.10 Lead free	13
8.11 Sub-contractors	13

14
14
15
15
15
15
16
16

1. INTRODUCTION

Scott Bader Company Limited (SBCL – 'the Company') is a multinational speciality chemical company with a turnover around £200m, employing c.a. 700 people worldwide and is a recognised leader in the manufacture of adhesives, gelcoats, resins and functional polymers.

The Company was formed as a chemicals merchant in 1921 by Ernest Bader. Scott Bader moved to Northamptonshire in 1940 where its headquarters remain today.

In 1951, the Bader family gifted the Company shares to The Scott Bader Commonwealth Limited, an independent company with no external shareholders and a distinct selfgoverning structure 'owned in common' by all who work in it.

Scott Bader has expanded to be a global company with 7 Manufacturing sites and 9 Sales offices around the world.

The founder Ernest Bader wanted to create an environment where profits would be shared amongst the workers, and believed that a business should be:

- Founded on ethical principles
- Organised democratically
- Contribute to the good of society

This vision is highly consistent with the current expectations underpinning the movement on ESG reporting.

Today Scott Bader features in the Employee Ownership Association's (EOA) 2020 Top 50 Report as one of the fifty largest employee-owned companies in the UK. It is a prime example of how a business can be run differently, whilst also being successful. As it cannot be taken over, the Company is able to think and act long term as a business, with colleagues fully involved in both the business strategy and operations.

We continue to maintain the balance between our social purpose and our business needs as we pursue our ambitious 2036 Vision, in a way that lives up to our founder Ernest Bader's vision.













We envision a world where humanity thrives, without compromising the natural systems it depends on. Scott Bader provides essential technologies that address the challenges of our changing society and in doing so is a renowned, trustworthy partner that is globally admired for harnessing the power of chemistry as a force for good.

OUR 7 STRATEGIC GOALS



1 STRIVING FOR EXCELLENCE

We are purpose-driven, fully meeting the expectations of our customers by continuously improving all our processes and products to deliver world-class business performance.



2 PIONEERING THE CIRCULAR ECONOMY

We are a recognised circular economy practitioner, collaborating with our partners to optimise our combined resources for a waste and harm-free, closed-loop value chain.



3 ACTING BEYOND COMPLIANCE

We are a trusted leader, proactively driving a safe, transparent and ethical chemical industry, promoting exemplary conduct to deliver products and processes that safeguard people and planet.



4 DELIVERING VALUE TO SOCIETY

We are advocating sustainability, sharing our know-how, profit and Commonwealth vision, and supplying products and services that provide real value to society.



5 UNLEASHING COLLEAGUES' POTENTIAL

We are driven by the diversity and creativity of our people who are empowered and motivated to make a difference through initiative and innovation at every level of the organisation.



6 PARTNERING FOR SUCCESS

We are at the heart of a global network of mutually-beneficial partnerships with suppliers, customers and world-leading allies who are engaged with our mission and share our vision.



7 PROTECTING OUR ENVIRONMENT

We are a strong ambassador for the transition to a sustainable planet through our responsible use of our natural resources, our stewardship of clean energy and fresh water, and our commitment to zero emissions. The purpose of Scott Bader has been restated recognising that our ability to deliver for our customers depends on empowering our people. To this end the strategy and the steps required to implement the strategy have been summarised, with clear targets for 2025 within each of the three pillars of Humanity, Business, and Ecology as milestones on our journey towards the 2036 Vision.



HUMANITY

PEOPLE AND VALUES

- Integrity and honesty
- Commit and deliver
- Teamwork
- Diversity and Inclusion
- Fairness and equality
- Innovation and empowerment
- Compassion and care

"Be the best we can be"



BUSINESS

APPROACH AND PRINCIPLES

- Safety and wellbeing
- Ethical business
- Sustainability
- Responsible stewardship
- Beyond compliance
- Promote Scott Bader values

"To solve customer problems"



ECOLOGY

IMPACT ON SOCIETY

- Reduced emissions
- Reduced waste
- Sustainable products
- Supplying sustainable industries
- Development of colleagues
- Charity and volunteering
- Investment in local communities

"...and make a positive difference globally..."

OUR 2036 VISION WAS DEVELOPED WITH REFERENCE TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS





This manual describes Scott Bader's Quality and CSR requirements for suppliers and contractors, who provide raw materials, tolled products, additional processing, services and on-site contracting activities.

This manual specifies the Quality and CSR requirements for Scott Bader Suppliers and does not supersede specifications or contractual agreements, which shall be reviewed and agreed, in addition to these requirements.

Suppliers are required to cascade these requirements or equivalent to their own suppliers throughout the supply chain.

Scott Bader may have additional specific requirements beyond the requirements of this manual, these will be issued by the Local Purchasing or QA teams. This may encompass Logistical requirements including booking in and site rules, additional regulatory paperwork and other legal requirements of the site you are supplying.

If in doubt, please contact your Local Scott Bader Purchasing or QA contact.

Scott Bader reserves the right to monitor suppliers, and where applicable, external manufacturer compliance, in line with this Partnership Manual. Suppliers and/ or external manufacturers that are not in compliance with this Partnership Manual are expected to implement corrective action and any future partnerships are at the discretion of Scott Bader.





This manual specifies the Quality and CSR requirements for Scott Bader Suppliers.



These requirements in this manual are designed to support Scott Bader's 2036 Vision, in particular, Acting beyond compliance and Partnering for Success.

The purpose of this manual is to inform Scott Bader's Suppliers of our core expectations regarding their Quality, Safety and Environmental Management, Ethics and Corporate Social Responsibilities. After reviewing this manual, a supplier should have a clear understanding of what is expected of them to ensure that all Scott Bader's requirements and expectations are being met.

We seek to develop long-term partnerships with our suppliers that are mutually beneficial. We work closely with suppliers, that reflect the values of Scott Bader, who develop greener solutions, promote sustainability at every opportunity and who share our commitment to achieve increasing levels of customer satisfaction, quality, safety, sustainability and ethics through continuous improvement and monitoring.

We will conduct our business with the highest level of integrity. We will be honest and responsible in dealing with suppliers and contractors.

Scott Bader expects our suppliers to deliver quality product on time with no defects at a cost that enables both of us to be competitive and viable. We expect our suppliers to be proactive and to alert us of any potential problems, changes in process or products and situations that may arise causing risk to our joint ability to meet our Quality, Regulatory and Ethical contractual obligations to our customers. We seek to develop long-term partnerships with our suppliers that are mutually beneficial.



We expect quality and timely delivery at a cost that is mutually competitive and viable.





4.1 QUALITY MANAGEMENT SYSTEMS

Scott Bader expects all our key suppliers to be certified to, as a minimum, ISO 9001:2015 or actively working towards gaining certification, unless prior approval is obtained by Scott Bader

The supplier shall maintain suitable procedures and work instructions and ensure that all persons including delivery drivers relating to the supplied products or services supplied are suitably trained and competent.

Product must be delivered with appropriate paperwork, in the agreed packaging of good condition to allow for suitable storage and lot/batch numbers must be clearly visible and legible on each individual package.

4.2 CERTIFICATE OF ANALYSIS

Where applicable all products must be delivered with a certificate of analysis, clearly detailing the test results of the delivered product, the batch/lot number and the manufacturing or expiry date of the delivered product in accordance with, where applicable, the agreed Scott Bader Purchasing Specification.

Full traceability must be maintained by the supplier, with the delivered product being traceable back to base materials and equipment used to produce the product.

4.3 NON-CONFORMANCE

In the event that a supplier's product or service does not conform to the agreed specifications then Scott Bader will issue a Non-Conformance/Supplier Complaint.

Once issued the supplier will acknowledge the complaint and commence investigation to the root cause with the expectation (unless agreed otherwise in writing) to fully investigate, complete and close out the Non-Conformance/Complaint including all corrective actions and preventative actions to ensure the issue does not re-occur.

4.4 CHANGE MANAGEMENT

The supplier must inform Scott Bader of any changes to the product formulation, processing equipment (that is not like for like), manufacturing location, specification or packaging.

In the case of a non "force majeure" change then notice of the change must be given at least 3 months before the change is implemented and must allow for continued supply of existing material for 6 months from notification. The supplier must have a change management process in place and this must be clearly communicated to Scott Bader.

4.5 RECORD KEEPING

The supplier shall implement a suitable document control and record keeping process to ensure that records are available for, as a minimum, 36 months beyond the shelf life of the materials supplied to enable full traceability of the supplied product.



Scott Bader expects all our key suppliers to be certified to, as a minimum, ISO 9001:2015

5.0 ENVIRONMENT AND ENERGY

Scott Bader expects all our suppliers to implement an Environmental and Energy Management System and certification to ISO14001:2015 and ISO 50001:2018 is preferred which will lower the risk rating of the supplier.

Suppliers shall obtain, keep current, and comply with all required local Environmental permits.

We aim to work and build partnerships with suppliers who actively seek to secure raw materials using non-crude oil or 'Green/Bio' feed materials and environmentally friendly processes, where possible.

All suppliers should have an active waste reduction plan in place including for internal activities and for products and packaging supplied to Scott Bader.

Suppliers should have a plan to monitor and actively reduce their Energy usage and GHG emissions in order to limit the impact on the environment.

Supplier's facilities shall be suitably controlled as to minimise emissions to air, land or water, this includes odour and noise disruptions in the local area.

External manufacturers will comply with all applicable transportation laws. External manufacturers will have systems in place to ensure safe and secure transportation of materials, and such systems should be considered when: selecting logistics service providers (including warehouses and terminals), inspecting and labelling of transport containers, loading and unloading of transport containers, securing and sealing of transport containers and responding to emergencies.





All suppliers should have an active waste reduction plan for internal activities, products and packaging.

6. OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

Scott Bader expects all our suppliers to implement a Health & Safety Management System, including accident and near miss reporting. Certification to ISO 45001:2018 is preferred which will lower the risk rating of the supplier.

Suppliers shall obtain, keep current, and comply with all required local health and safety permits and relevant regulations.

Suppliers shall provide a safe and healthy environment to prevent workplace accidents and injuries and integrate sound health and safety management practices into their business. Workers shall have the right to refuse unsafe work and to report unhealthy working conditions.

Suppliers shall identify, evaluate, and manage occupational health and safety hazards through a prioritised process of hazard elimination, substitution, engineering controls, administrative controls, and/or personal protective equipment.

Occupational exposure to potential safety hazards and emergency situations shall be controlled through proper design, risk assessment, engineering controls, safe work procedures, emergency plans and response procedures, and mandatory trainings.

Facilities and onsite accommodation for employees must safeguard individuals' dignity, hygiene and safety. Their conditions must comply with national laws and relevant health and safety standards.





Suppliers shall have sound H&S practices to prevent workplace accidents and injuries.

7. CHEMICAL CONTROL LEGISLATION

Scott Bader is a primarily a formulator of chemical mixtures and manufacturer of polymers that may be sold globally. We have obligations to communicate hazard and safe use information to our customers and to inform our suppliers of any additional suspected hazards or new uses of their products that are not covered by existing chemical safety assessments. Therefore, Scott Bader seeks to work closely with suppliers in ensuring both parties are able to comply with chemical control legislation around the world.

Suppliers shall cooperate with Scott Bader in maintaining compliance of their products in the UK and of any Scott Bader products (mixtures or polymers) made using their supplied materials in any relevant market Scott Bader supplies. Communication on chemical inventory status of their materials globally is required and the supplier shall clarify the status of their Registrations (e.g., EU, UK, Turkey REACH), notifications (e.g. TSCA, DSL, AICIS, Japan ISHL/CSCL) as well as any industry declarable substances lists (e.g. GADSL).

It is accepted that not all materials may be able to comply with all regions and the supplier shall clearly communicate their status in each jurisdiction and/or market (including food contact, personal care, automotive etc). The supplier shall work with Scott Bader to clarify, establish or maintain compliance as required and agreed with Scott Bader.

Suppliers shall inform Scott Bader prior to sale if their product contains any controlled or restricted substances (REACH restrictions, RoHS, TSCA Section 6 rulings or Section 5 SNURS etc) that could reasonably be foreseen to affect the use of the substance by Scott Bader in their manufacturing site or in product mixtures sold in or outside of the UK (for example those subject to REACH Restrictions, Authorisation list substances, Candidate List substances, Prior Informed Consent, TSCA Section 12(b), Rotterdam convention, Stockholm Convention, Chemical Weapons Conventions, dual-use regulations etc.).

All products supplied must comply GHS classification and labelling regulations (GB CLP) including provision of extended Safety Data Sheets (eSDS). Changes to product labels or SDS must be communicated to Scott Bader Regulatory Affairs as soon as practicable or within three months of the change occurring. This is to meet our legal obligations in other countries in a timely fashion and ensure we can communicate to our downstream users.

The supplier should also communicate any expected changes in their products regulatory status or hazard classification as soon as possible to enable the supplier and Scott Bader to make any adjustments to processes, packaging or any downstream communication needs.



All products supplied must comply with GHS classification and labelling regulations (GB CLP).



8.1 NO CHILD LABOUR

Child labour is not tolerated in any form. Suppliers shall not directly or indirectly employ children below the minimum age of 15, unless exceptions under ILO Minimum Age Convention No. 138 Article 6-7 apply.

Suppliers should have a child labour policy and a plan for remediation if applicable. If a child is found working at a site associated with a Supplier, all remedial actions taken must be in the best interest of the child. It is of the highest importance to always protect children from being forced into harmful work.

Employees younger than 18 years of age are acceptable, providing that they do not perform work that might jeopardise their health or safety, consistent with ILO Minimum Age Convention No. 138. Suppliers shall not require juvenile workers to work overtime or perform night-time work.

8.2 EMPLOYMENT IS FREELY CHOSEN

There shall be no forced, bonded or involuntary prison labour or any form of human slavery, servitude or human trafficking.

'Human trafficking' means the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.

Scott Bader strictly prohibits any exploitative labour practices or any associated criminal conduct within its supply chain.

Workers shall not be required to lodge "deposits" or their passports / identity papers with their employer and are free to leave their employer after reasonable notice. Where applicable, suppliers must abide by the Modern Slavery Act 2015, or the local equivalent in their country, and be able to demonstrate compliance throughout their entire supply chain.

8.3 NON-DISCRIMINATION

Suppliers shall not negatively discriminate based on race, colour, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, protected genetic information or marital status in hiring and employment practices unless such distinction is required by national law, such as BBBEE in South Africa.

8.4 HOURS OF WORK

Employees should not be required to work more than the maximum regular and overtime hours allowed by the law of the country of operation. No more than 48 hours per week are worked on a regular basis and no more than 12 hours per week overtime on a regular basis.

Overtime must be voluntary and not used to replace regular contracted hours. Workers must be compensated at a premium rate according to national law.

Holidays should be granted in accordance with local laws and employees shall be given, except in extraordinary business circumstances, at least one day off per week.

Child labour is not tolerated in any form, either directly or indirectly.





We strictly prohibit exploitative labour or criminal conduct within our supply chain.



8.5 WAGES AND BENEFITS

Wages and benefits paid for the standard working week must meet, as a minimum, national legal standards.

All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid including any deductions at a rate that is fair and reasonable by local standards and must be lawful and not discriminatory. Ensuring that the deductions from wages as a disciplinary measure shall not be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

8.6 EMPLOYEE TREATMENT

Every employee shall be treated with respect and dignity. Workers shall not be subject to any discrimination either directly or indirectly based on their gender, race, religion disability or any other protected characteristic or any form of physical, sexual or mental harassment or verbal abuse

8.7 AGENCY LABOUR

If workers are sourced from a third party, suppliers must ensure that the third party is reputable and (if required) properly licensed.

Suppliers must take reasonable steps to ensure that all workers supplied have the right to work in the country of operation and are engaged on terms that comply at least the minimum legal requirements in that country.

8.8 ANTI-BRIBERY AND CORRUPTION

Scott Bader does not tolerate any form of bribery and corruption.

We recognise that market practice varies across the territories in which Scott Bader does business and therefore, what is normal and accepted in one place may not be accepted in another. However, we are fully committed to complying with our obligations under all applicable legislation, including the UK's Bribery Act 2010 and ensuring that no bribes or corrupt payments are made, offered, sought or obtained by anyone acting on behalf of Scott Bader, anywhere in the world and expects its supply partners to adhere to the same standards.

8.9 CONFLICT MINERALS

Suppliers must ensure that products and goods supplied to Scott Bader do not contain metals or materials that are derived from minerals originating from conflict regions. Conflict minerals are tantalum, tin, tungsten and gold, also known as 3TG, and their derivatives that directly or indirectly finance or benefit armed groups.

8.10 LEAD FREE

Scott Bader works to a "lead free" policy across the group to ensure the health of all our colleagues, while processing and working with raw materials. All suppliers must ensure that all products supplied to Scott Bader UK are free from lead.

8.11 SUB-CONTRACTORS

Suppliers and contractors for Scott Bader must ensure any sub-contractors are aware of and comply with the requirements of this Supplier Partnership Manual.



Every employee shall be treated with respect and dignity.



Scott Bader does not tolerate any form of bribery and corruption.



8.12 REPORTING MISCONDUCT

An external manufacturer who believes that a Scott Bader employee or anyone acting on behalf of Scott Bader has engaged in illegal or otherwise improper conduct with respect to their business with the supplier should report the matter, in the first instance, to Scott Bader for resolution. Reports may be made through the Scott Bader Whistleblowing Hotline that is operated by an external service provider, Safecall, who can be reached at http://www/safelink.co.uk/report. Any such report of potential misconduct shall not adversely affect the parties relationship.

8.13 SANCTIONED PARTIES

Any supplier and/or shipper shall not use an external manufacturer for services or equipment which: (a) is located in any country subject to United Nations, United States or European Union sanctions (or acting on behalf of persons or entities located in such countries); or (b) appears on lists of restricted or prohibited persons maintained by the United Nations, United States or the European Union or the country of manufacture, origin, destination of the cargo. Where applicable, a shipper shall screen all vessels, containers and other equipment and their owners to ensure compliance with this requirement.

9. SUPPLIER APPROVAL AND MONITORING

9.1 APPROVALS

Scott Bader applies a risk-based process to supplier approval, based on several different criteria including Business Impact to Scott Bader, ISO approvals, single sourcing and CSR activities including Ecovadis score.

All suppliers will be required to complete a Supplier approval questionnaire and agree to the requirements of this Manual prior to approval.

Once the questionnaire has been reviewed a risk score will be allocated and approval can take place. Based on the risk score this approval may involve a full supplier audit, either on site or desk based.

Suppliers must agree to allow a Scott Bader representative on site to carry out a full system/process audit if required.

9.2 ECOVADIS

Scott Bader is committed to working with suppliers whose values are aligned to ours. Scott Bader has signed up to EcoVadis, a world leading provider of business supplier sustainability ratings and improvement tools for global supply chains. We will leverage this platform to reduce risk, encourage innovation and deliver on our commitment to put sustainability and ethics at the core of what we do. EcoVadis support Scott Bader's mission to measure, monitor and improve supplier performance across key sustainability criteria and identify high-performing partners willing to collaborate with us.

It is recommended that all suppliers to Scott Bader are registered on Ecovadis and that their scorecard is shared with us. Completion of this will reduce the risk score of the supplier approval.

Scorecards will be reviewed; minimum category scores may be set and continual improvement of the Ecovadis score may be required to maintain approval as a supplier.

9.3 MONITORING

Key Suppliers will be monitored based OTIF and Quality performance, including complaints and supplier responsiveness.

Suppliers monitored will be listed in the following categories

- Good
- Satisfactory
- Needs Improvement

For Suppliers identified in the "Needs Improvement" category Scott Bader may request an improvement plan and / or surveillance audit and failure to improve their performance may result in approval being revoked.

Suppliers will also be monitored against the CSR requirements of this manual and any breaches which do not fit in with the ethics and values of Scott Bader may also result in approval being revoked.



All suppliers complete a questionnaire and agree to the requirements of this manual prior to approval.



Scott Bader is committed to working with suppliers whose values are aligned to ours.



Any updates to the Supplier Partnership Manual will be posted on the Scott Bader website.

Suppliers shall regularly check the current version they have on hand with the latest version.

All changes to this manual shall be identified on the revision table below.

Scott Bader welcomes any feedback about corrections and suggestions for improvement including suggestions for adding additional information.



10.1 REVISION TABLE

REV	DATE	UPDATES	APPROVED BY
0.1	20/11/2021	Final group draft	D.Black
0.2		Addition of misconduct and sanctions clauses in section 8	D.Black

SCOTT BADER GROUP COMPANIES



Head Office Scott Bader Company Limited Wollaston, England Tel: +44 (0) 1933 663100 Email: enquiries@scottbader.com

Scott Bader France Amiens, France Tel: +33 3 22 66 27 66 Email: info@scottbader.fr

Scott Bader Spain Barcelona, Spain Tel: +34 93 553 1162 Email: diazs@scottbader.es

Scott Bader Germany Weiden, Germany Tel: +49 961 401 84474 Email: composites@scottbader.de

Scott Bader Ireland Dublin, Ireland Tel: +353 1801 5656 Email: composites@scottbader.ie

Scott Bader Scandinavia Falkenberg, Sweden Tel: +46 346 10100 Email: composites@scottbader.se



Scott Bader Eastern Europe s.r.o. Praha 6, Czech Republic Tel: +420 (0) 485 111 253 Email: composites@scottbader.cz

Scott Bader Croatia Zagreb, Croatia Tel: +385 1 240 6440 Email: info@scottbader.hr

Scott Bader North America Stow, OH, USA Tel: +1 330 920 4410 Email: info@scottbader-na.com

Scott Bader North America Mocksville, NC, USA Email: info@scottbader-na.com

Scott Bader ATC Drummondville, Canada Tel: +1 (819) 477 1752 Email: enquiries@scottbader.com

Scott Bader South Africa Hammarsdale, South Africa Tel: +27 31 736 8500 Email: composites@scottbader.co.za

Scott Bader Middle East Dubai, United Arab Emirates Tel: +971 481 50 222 Email: info@scottbader.ae



Scott Bader Asia Pacific Shanghai, China Tel: +86 (21) 5298 7778 Email: info@scottbader.cn

Scott Bader Japan KK Yokohama, Japan Tel: +81 (0) 45 620 3745 Email: enquiries@scottbader.com

Scott Bader Australia Perth, Australia Tel: +61 (08) 9418 4555 Email: info@scottbader.com.au

Saryen Scott Bader Pvt. Ltd Mumbai, India Tel: +91 22 4220 1555 Email: info@satyenpolymers.com

NovaScott Especialidades Químicas Ltda Civit II, Serra, ES 29165-973, Brazil Tel: +55 27 3298 1100 Email: info@novascott.com.br

Scott Bader Italy Emilia Romagna, Italy Tel: +39 3454534391 Email: enquiries@scottbader.com

