

# **MODERN SLAVERY ACT STATEMENT**

**For the Financial Year 2021**

# Semperit AG: Modern Slavery Act Statement 2021

Issued pursuant to Section 54 of  
the Modern Slavery Act 2015



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## Introduction

The UK Modern Slavery Act 2015 (the 'Act') requires businesses to state the actions they have taken during any given financial year to ensure modern slavery is not taking place in their operations and supply chains. Semperit is fully committed to playing its part in eradicating modern slavery and human trafficking and firmly advocates transparency and collaboration to eliminate related risks throughout the value chain. Semperit takes responsibility for individuals that work with and for Semperit.

This Modern Slavery Act Statement sets out the actions Semperit has taken during the financial year 2021 to ensure that its corporate activities and supply chains are free from modern slavery.

## Semperit - a brief portrait

Publicly listed company Semperit AG Holding has been a global supplier of quality products made from natural and synthetic rubber or polymer materials for almost 200 years. The international group of companies develops, produces and markets products in over 100 countries for the Industrial and Medical Sectors.

The roots of the Semperit Group date back to 1824. At the end of 2021, the Group employed around 6,900 people. Semperit operates 15 production sites and markets its products in the B2B space through its own sales network in Europe, Asia, North and South America, and Australia. The most important product groups are hydraulic and industrial hoses, conveyor belts, escalator handrails, window and door profiles, cable car rings, ski foils, products for railway superstructures, examination and protective gloves, as well as surgical gloves.

## Semperit Corporate Values



We collaborate and appreciate each other no matter who we are and where we come from. We are loyal, communicate openly and respectfully. Being reliable on our actions and learning from mistakes, we build trust.



We develop smart and innovative processes and products that match our customers' needs. We add value by designing solutions - for today and the future. We encourage and embrace change.



We take responsibility and are dedicated to our tasks. We stand up for our common beliefs and have high expectations of our results. Passion drives us to make the difference



It all begins with our customers. Our thinking starts from their point of view. We listen. And we deliver upon promised solutions and products. We are strong partners - internally and externally.

# Semperit's commitment to the ten principles of the UN Global Compact

The United Nations Global Compact (UNGC) is a global initiative for responsible corporate governance. The vision of the UNGC is an inclusive and sustainable global economy based on the ten universal principles. The goal of the worldwide movement of economy, politics, and civil society: to make

globalisation more social and ecological. The central pillar of the UNGC is composed of the ten universal principles and supports the 17 Sustainable Development Goals (SDGs). In 2020, Semperit decided to join the network and contribute to the promotion of and compliance with these ten principles.

## THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

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### HUMAN RIGHTS

01

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

02

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

### WORKING STANDARDS

03

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

04

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

05

Businesses should uphold the effective abolition of child labour.

06

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

### PROTECTION OF THE ENVIRONMENT

07

Businesses should support a precautionary approach to environmental challenges.

08

Businesses should undertake initiatives to promote greater environmental responsibility.

09

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

### ANTI-CORRUPTION

10

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

# Semperit and the Sustainable Development Goals (SDGs)

In 2015, the "Agenda 2030 for Sustainable Development" was adopted at the summit meeting of the United Nations (UN). All 193 member states of the United Nations committed themselves to work towards implementing Agenda 2030 with its 17 Sustainable Development Goals (SDGs) on a na-

tional, regional, and international level by 2030. Semperit has analysed the 17 sustainable development goals in terms of their significance for its business activities. The goals on which Semperit has the greatest influence are presented below.



## **SDG 3** **GOOD HEALTH AND WELL-BEING**

Semperit makes a significant contribution to SDG 3 on a wide variety of levels. Health and safety of employees have top priority for the company. With the help of a comprehensive catalogue of services and measures, the occupational health and safety of employees is constantly being improved across all processes, from the storage of raw materials and handling of hazardous substances and chemicals to the operation of machinery. Training courses, information offers, and a raft of other services and measures are designed to prevent accidents of any kind and ensure maximum safety for employees. In addition, by producing examination and surgical gloves, Semperit contributes directly to the supply of medical products and thus to the protection of society.



## **SDG 12** **RESPONSIBLE CONSUMPTION AND PRODUCTION**

Semperit attaches great importance to research and development and is characterised by its high level of innovation and high quality standards. This not only satisfies customer needs, but also makes a significant contribution to issues such as resource efficiency, the circular economy, and long product life cycles. In addition, Semperit strives to optimise the use of secondary materials to keep material waste as low as possible and the internal recycling rate as high as possible within production.



## **SDG 5** **GENDER EQUALITY**

Diversity and equal opportunity are important components of successful employee management. For Semperit, diversity and respect are integral and indispensable components of the corporate culture, and are taken into account when filling all positions, among other things. Over the past three years, Semperit has made step-by-step progress towards its goal of steadily increasing the percentage of women. In addition to promoting diversity and equality, Semperit works hard to avoid all forms of discrimination.



## **SDG 13** **CLIMATE ACTION**

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## **SDG 8** **DECENT WORK AND ECONOMIC GROWTH**

The Semperit Group works continuously on optimising its production processes. The associated activities aim at using resources more efficiently, promoting the use of clean and environmentally friendly technologies, and constantly promoting innovation. The focus here is on energy and emissions, material use, and avoidance of waste. The "Energy Excellence" programme implemented in 2021 is dedicated exclusively to the topic of energy, with the aim of creating greater awareness and sustainably improving the energy efficiency of production processes.



## **SDG 16** **PEACE, JUSTICE AND STRONG INSTITUTIONS**

Integrity and compliance are the prerequisite and basis for success and sustainable cooperation. Internal compliance mechanisms ensure that there is no place for corruption and bribery. In addition, Semperit is aware of its responsibility in the supply chain and constantly works to align it with environmental and social criteria.

# Core elements of human rights due diligence

A systematic approach is required to fulfil the corporate duty of due diligence to respect and uphold human rights. The [OECD Due Diligence Guidance for Responsible Business Conduct](#) recommends the following six steps. In line with this recommendation, the Semperit Group is taking measures to

prevent violations and is developing appropriate activities to raise awareness and transfer information. The specific measures taken by Semperit in connection with the individual steps are listed in bold.

## 1. EMBEDDING AND PUBLIC COMMITMENT

The relevant principles are defined and embedded into the corporate policy (**Code of Conduct, policies, Modern Slavery Act Statement, confirmation of compliance with UNGC principles, etc.**) and the management systems.

## 2. IDENTIFICATION AND ASSESSMENT

Actual or potential negative impacts from direct or indirect business activities are identified and assessed (**part of the annual ESG risk process as well as traditional risk management**).

## 3. INTEGRATION, ELIMINATION, AVOIDANCE, OR MITIGATION

The findings of impact assessments are incorporated into all relevant business processes and appropriate action is taken according to involvement in the impacts (**provision of information, training, whistleblower hotline, etc.**).

## 4. MONITORING

Effectiveness of measures and procedures to address negative impacts is tracked (**internal and external audits (BSCI), rating by EcoVadis, etc.**).

## 5. COMMUNICATION

Regarding measures taken and their impact (**Modern Slavery Act Statement, Sustainability Report, progress report within the context of the UNGC, internal and external communication measures, etc.**).

## 6. TAKING RESPONSIBILITY

Development or participation in remedial actions where needed (**cooperating with relevant organisations and initiatives such as Tfs**).



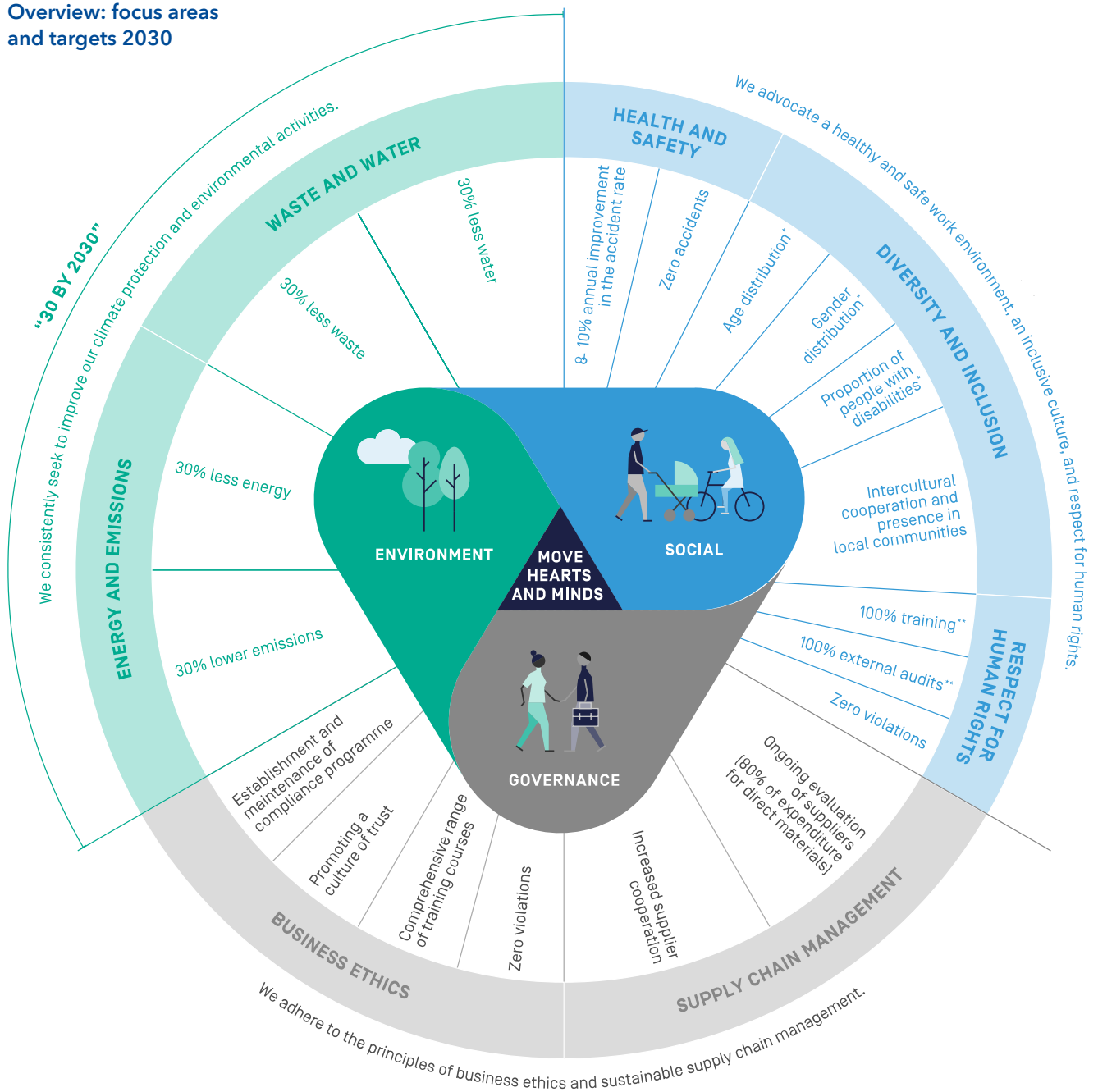
# Semperit Sustainability Strategy 2030

## "Move hearts and minds"

In 2021, Semperit developed its Group-wide sustainability strategy. The Semperit Sustainability Strategy 2030 "Move hearts and minds" aims to improve existing processes within the framework of the current business model in order to meet the industry standard and prevent or minimise negative

environmental and social impacts as far as possible. Creating awareness and commitment is one of the most important tasks of the Sustainability Strategy 2030. The goals can only be achieved if internal and external stakeholders can be involved and if everyone pulls together.

### Overview: focus areas and targets 2030



\* distribution according to relevant labour markets

\*\* for employees and sites that are characterised by a relevant risk

# Overview of the objectives of “Respecting Human Rights” within the framework of the sustainability strategy 2030

Measures to safeguard and respect human rights can be as wide-ranging as the various aspects of human rights (30 articles in the Human Rights Charter) and can range from addressing the issue proactively by setting adequate measures, to risk assessments and cooperation with partners to solve specific tasks. Within this area, Semperit primarily focuses on training and monitoring. In the coming years, employees working in potentially sensitive areas of human rights will be trained through e-learning courses and workshops. Managers at the headquarters and in relevant management positions at the sites will also attend these training courses. In addition

to employee training, there is also a need for appropriate monitoring. Sites with a higher risk of human rights violations due to local conditions should be regularly audited by external experts. This is intended to ensure and demonstrate that Semperit upholds human rights and other high social standards. Semperit furthermore plans to fulfil its human rights due diligence obligations in the supply chain more broadly and in-depth than previously. To this end, the company focuses on cooperation with the members of the “Together for Sustainability” initiative. Especially in supply chains, it is advantageous to join forces in order to create a sustainable impact.

## Targets 2030



- 100% training\*
- 100% external audits\*
- Zero violations



\* for employees and sites that are characterised by a relevant risk



# Human rights and social standards

Without exception, Semperit opposes child and forced labour and stands for fair wages as well as freedom of assembly and freedom of expression. We do not tolerate discrimination, harassment, and violations of corporate principles, regardless of where in the value chain they occur. Information, training, and corrective actions will be used to ensure that the highest social standards we aim for are practised everywhere and that respect for and protection of human rights is a top priority at all times.

The principles and internal guidelines of the Semperit Group for respecting human rights and for interacting with one another as well as the applicable social standards are defined in the Code of Conduct as well as in the People Policy and the Supplier Policy, which are publicly available on the [Semperit website](#). The revised [Semperit Code of Conduct](#) was published in 2021 and must be signed by members of management. By signing, they confirm that they have understood and acknowledge the Code and that they will duly report all possible incidents. The principles and guidelines of the Semperit Group apply not only to employees but also to suppliers and other business partners. They are a precondition for establishing and continuing business relationships. All business activities must be conducted in accordance with the UN Guiding

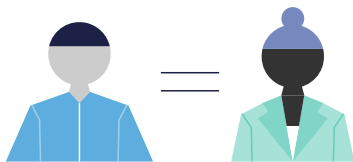
Principles on Business and Human Rights and the core labour standards of the International Labour Organization (ILO), as well as in strict compliance with local laws.

The whistle-blower platform "[SemperLine](#)", launched in 2018, ensures that reports can also be submitted anonymously. The Compliance Board must review all reports and determine appropriate measures. In addition, the company's human rights requirements are integrated in the Group-wide compliance management system to ensure compliance at all sites. Semperit's goal is to act with integrity and fairness at all times and to be perceived as an entrepreneurial role model.

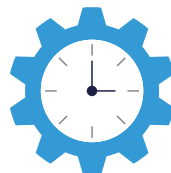
Semperit stands for the protection of human rights and for compliance with the highest social standards. This is not only the core of the corporate culture but also an important component when it comes to retaining existing employees and attracting new ones. Everything is subject to change - including the requirements of employees. Factors that may have been decisive in choosing an employer in the past no longer hold the same importance today. Instead, other aspects such as flexibility and a sustainable corporate strategic focus are gaining in importance.

## THE SEMPERIT PRINCIPLES

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**Discrimination** of employees is not tolerated. Semperit provides equal opportunities.



Local laws regarding maximum acceptable **working hours** are observed.



Employees are hired based on written **employment contracts** and documented employment relationships in accordance with the law.



Care is taken to ensure appropriate and fair **remuneration** under consideration of local market conditions.



**Child labour** and other forms of **exploitation** of human beings are not tolerated.



The employees' right of **free formation of opinion** and expression is respected.

## Awareness raising, communication and training

The education and training of all employees is an important feature on the way to fight modern slavery. In 2020, the Compliance department analysed whether Semperit covered all the topics that modern compliance management should encompass and in particular, whether the training provided on some topics should be improved. Based on this analysis, several existing training courses were adapted and others were developed again from scratch. The new catalogue of training courses includes courses on general compliance issues that are relevant to the whole Group as well as others that provide information on specific situations and problems. The training courses can be held either online or in the form of face-to-face events. The training course format depends on the topic, language, and attendees. Most of the courses on the list are available to Semperit employees online via the e-learning platform.

The type of training courses that employees are required to complete depends on their position and operating area. Basic training courses are mandatory for all employees. Numerous training courses have to be completed each year as a regular refresher of the course content. Training course content must be acknowledged in writing. Further down the line, employees are assigned advanced training courses and e-learning programmes based on their job responsibilities. These must be completed within a certain period of time.

The training provided will be continuously expanded in terms of topics, but also in terms of available languages. The language barrier in particular must be taken into account in the area of compliance. Offering key content in the most common Semperit languages is crucial from Semperit's point of view when it comes to conveying knowledge successfully. This is the only way to subsequently ensure compliance with the guidelines and values and achieve broad involvement.

### Overview of employees trained by topic area

Training focus	Number*	
	2021	2020
Corruption and bribery	50	581
Competition law	42	404
Identification and prevention of fraud	316	1,279
Export control	-	145
Conflicts of interest	1,398	148
Harassment and misconduct	1,388	60
General compliance training	227	243
Gifts	56	510
Code of Conduct	1,167	41
Data Protection Regulation update	1,136	4
Sustainable procurement (sustainability in the supply chain)	-	14
Data security	923	40
Total number of trained employees	1,448	1,398

\* The topic-specific change in the number of employees trained from year to year is caused by the fact that some of the trainings are held every two years only. This enables Semperit to cover a wide range of topics over a longer time period and to set different focal points annually.

## Working conditions in the glove industry

Due to the pandemic and the resulting sharp rise in global demand for gloves, the working conditions in the glove industry were examined more closely by various stakeholders including NGOs, the media, and public procurement institutions. As a consequence, the focus fell on Malaysia, where the largest glove producers in the world can be found and the local working conditions for workers from countries such as Nepal, Myanmar, or Bangladesh call for critical scrutiny. So-called “recruitment fees” have proven to be particularly problematic. These are fees workers must pay to various third parties such as employment agencies in order to obtain an employment contract, forcing them into a “bonded labour” relationship. This practice is contrary to international treaties. Semperit itself has never demanded this type of fee.

To investigate this issue and obtain a detailed picture of the situation in the source countries, Semperit initiated a project with an internationally recognised consultancy specialising in human rights even before the pandemic in 2019. The aim was to create transparency and clarity as to whether there are any weaknesses and where they occur along the supply chain. The project’s results provided the basis for generating the relevant knowledge to optimise internal processes and draft appropriate guidelines (Zero Recruitment Fee Policy), as well as to implement the necessary due diligence processes.

In a second step initiated in 2020, the employees impacted by bonded labour were reimbursed by Semperit for the fees they had to pay to recruitment agencies or other bodies in their countries of origin. The process required for this was also supported externally.

## External auditing

To ensure compliance with Group-wide social standards as well as the efficacy of the measures taken in the context of the due diligence process described above, Semperit has relied for many years on external audits of its production sites in accordance with the principles of the amfori Business Social Compliance Initiative (BSCI). This primarily relates to the Kamunting and Sopron sites from the medical segment, to which the largest plant of the Semperit Group belongs. The focus of the BSCI audits is on promoting fair working conditions and respect for human rights.

With the external audits, approximately 14% of the production sites and just under 43% of Semperit employees were audited externally in 2021 according to the requirements of the amfori BSCI.

### 2019

Implementation of the Zero Recruitment Fee Policy

### 2020–2021

Repayment of recruitment fees to over 1,500 employees in Malaysia

# Semperit and the supply chain

A systematic process for selecting and evaluating suppliers as well as a close cooperation with suppliers ensure compliance with the standards defined by Semperit. The guidelines and standards regarding social, ethical and environmental criteria are described in the [Group-wide Supplier Policy](#) and follow international guidelines, such as the principles of the UN Global Compact, the International Chamber of Commerce (ICC) Charter for Long-term Sustainable Development and the relevant Conventions of the United Nations International Labour Organization (ILO).

Semperit expects its suppliers to comply with these standards and encourages them to take this responsibility into their respective supply chains. The Supplier Policy is routinely sent to suppliers with a purchasing volume of over EUR 100,000 with a request for signature. Furthermore, new suppliers are subjected to a Business Partner Check by the Compliance department in order to identify any risks in advance.

## Cooperation for supply chain responsibility

SDG 17 "Partnerships for the Goals" makes it clear that in some areas it takes the combined effort and collaboration of multiple stakeholders to make a big difference. With this in mind, Semperit joined the "Together for Sustainability" (TfS) initiative in 2021. More than 30 well-known and internationally active chemical companies have joined forces in this initiative with the aim of making the global supply chains of the chemical industry more sustainable. TfS evaluates the sustain-

ability performance of suppliers with the help of expert opinions and audits, the results of which are made available to all members. The TfS initiative follows the principles of the UN Global Compact and Responsible Care and in addition, seeks to continuously improve the ecological, social, and ethical orientation of suppliers. TfS is a global organisation supported by regional working groups in Asia and North and South America. As a unique, member-driven organisation, the TfS member companies are shaping the future of the chemical industry together. In order to proceed in the most structured and efficient manner possible, TfS works closely with the EcoVadis supplier evaluation platform, which has gained importance across all industries in recent years. In addition to the supplier evaluations, TfS works with recognised auditing firms to conduct audits based on an audit standard developed especially for the chemical industry. Following the introduction of TfS and the EcoVadis platform, Semperit began assessing selected suppliers via EcoVadis in 2021. It is planned to gradually increase the share of assessed suppliers in the coming years.

Suppliers with which Semperit does business in excess of EUR 500,000 per annum and which are unwilling to undergo an EcoVadis evaluation can be evaluated using an online self-disclosure tool developed by Semperit. The self-disclosure covers information such as on environmental performance, compliance with human rights, social standards, and working conditions, health and safety.



# ESG (environment, social and governance) risk management

In order to be able to make a statement as to where and in what form the business activities (including corresponding business relationships) and products of the Semperit Group could have an effect along the value chain, Semperit conducts an ESG (environment, social and governance) risk assessment on an annual basis.

Within a comprehensive process, main risks are identified and assessed by Group Sustainability Management in conjunction with Group Risk Management. In addition to potential risks,

opportunities and the relevant measures to mitigate risk and utilise opportunities are discussed and documented.

The following table lists the material ESG risks identified by Semperit in 2021 that could have a potentially high negative impact on non-financial concerns in accordance with the Sustainability and Diversity Improvement Act or on Semperit's business activities. Countermeasures and possible opportunities are also listed in the overview.

MATERIAL RISKS	MEASURES	OPPORTUNITIES	PRIMARY SPHERE OF ACTION	FUTURE IMPACT	CONCERNS ACCORDING TO NADIVEG
<b>Little consideration of sustainability aspects in corporate and innovation strategy [transition risks]</b>	Linking sustainability strategy with corporate and innovation strategy, consideration and integration of ESG aspects into R&D activities	Image enhancement, improvement of market position, responsible business partner	All	Increasing	All NaDiVeG concerns
<b>No low-carbon products in the range that meet the current EU taxonomy requirements [transition risk]</b>	Definition of sustainability criteria in R&D, awareness raising, cooperation with research institutions, customers and suppliers, expansion of the product portfolio	Competitive advantage, attractiveness for financial market, expansion of product range, opening up of new markets	All	Increasing	Environmental concerns
<b>Lack of consideration of ecological criteria when selecting raw materials [transition risks]</b>	Definition of sustainability criteria in purchasing, awareness raising, cooperation with suppliers, customers and other organisations, creation of a carbon footprint model	Competitive advantage, attractiveness for financial market, expansion of product range, opening up of new markets	All	Increasing	Environmental concerns, social concerns, employee concerns
<b>Greenhouse gas-intensive production [transition risks]</b>	ISO 14001, ISO 9001, ISO 50001, compliance with guidelines and threshold values, policies, internal and external audits, projects to increase efficiency and effectiveness, closing of material cycles	Environmental and climate protection, cost benefit, employee retention	Within the company	Increasing	Environmental concerns, social concerns, employee concerns

<b>Lack of attractiveness for the sustainable financial market [transition risks]</b>	Definition of sustainability goals, awareness raising, efficiency in production, improvement of relevant ratings through targeted measures	Access to sustainably oriented finance flows, competitive advantage	Within the company	Increasing	Social concerns, employee concerns
<b>Climate-relevant external effects such as new regulations and changing market requirements in the context of combating climate change [transition risks]</b>	Projects to increase efficiency and effectiveness, calculation of Corporate Carbon Footprint, energy targets, efficiency in material use, raw material selection, sustainable waste management system, ISO 14001, ISO 9001, ISO 50001, instruction and awareness training	Environmental and climate protection, cost benefit, employee retention	All	Increasing	Environmental concerns, social concerns, employee concerns
<b>Violation of human rights</b>	Code of Conduct, People Policy, internal and external audits, increased cooperation with suppliers and customers, internal instruction and training	Image enhancement, improvement of market position, responsible business partner	Upstream, within the company	Consistent	Respect for human rights, social concerns, employee concerns
<b>Lack of attractiveness for key personnel due to lack of sustainable corporate orientation [transition risk]</b>	Adoption of a sustainability strategy and definition of appropriate goals, clear positioning of the company in the area of ESG, development of non-financial compensation opportunities and offerings	Image enhancement in the labour market, employee retention, increased attractiveness for skilled workers, skills development, talent development	Within the company	Increasing	Social concerns, employee concerns

OTHER RISKS	MEASURES	OPPORTUNITIES	PRIMARY SPHERE OF ACTION	FUTURE IMPACT	CONCERNS ACCORDING TO NADIVEG
<b>Accident and health risks</b>	HSEQ policy, ISO 45001, ISO 9001, personal protective equipment, broad provision of training and information, raising employee awareness	More attractive and more responsible employer, employee motivation, low turnover, image enhancement	Within the company	Consistent	Environmental concerns, employee concerns, social concerns
<b>Corruption and non-compliance with laws</b>	Code of Conduct, Compliance Management System, capital market compliance, Compliance Board, whistleblower hotline, policies, training and instruction, value system	Industry role model, image enhancement, responsible business partner, competitive advantage	All	Increasing	Fight against corruption

# Semperit compliance policies dealing with human rights

Semperit informs all its counterparts about integrity in business. Agents, customers, suppliers and other partners are reminded about ethical business through our internal policies. All suppliers are required to comply with the Semperit Supplier Policy, which summarises the core values, principles, and standards for suppliers concerning the production and delivery of goods and services according to recognised, globally applicable principles. Semperit encourages its business partners to communicate these guidelines to their employees as well as to their suppliers. Customers are asked to get acquainted with the Code of Conduct. The principles of the Code of Conduct are applicable to all our business partners. Furthermore, business partners should share their efforts in the fight against corruption, bribery, in respecting human rights and labour standards, and in business integrity and ethics. With sharing the Code of Conduct they are informed about the whistleblowing system [SemperLine](#).

Business partners are required to comply with Semperit's policies and with business area specific ethical policies and standards, which require them to:

- Provide employees with good working conditions, fair treatment and reasonable rates of pay;


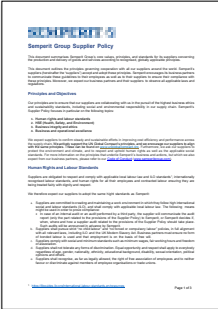



- Respect workers' human rights and labour standards and comply fully with all applicable laws;
- Implement safety, health, and environment standards;
- Ensure transparency in the supply chain;
- Act with business integrity and ethics;
- Comply with local and international anti-corruption and bribery laws;
- Commit to data protection and privacy.

Mitigation of corruption risks in value chains is important to Semperit. Corruption enables flourishing environment for modern slavery and modern slavery allows corruption to thrive. Semperit has "zero tolerance" for bribery and corruption. Consistent and robust efforts are taken to eliminate corruption, including comprehensive ongoing training for staff, transparency in business, and effective internal controls.

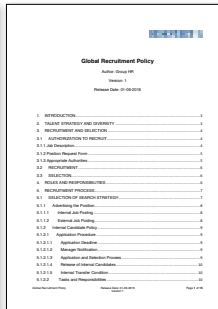
Anyone, including suppliers and customers, can report any wrongdoing on the publicly available whistler-blower platform [SemperLine](#). Semperit is fully engaged in preventing and fighting against human rights abuse both inside the organization and inside its business partners' organizations.

The following documents contain the main requirements, both for internal employees and for Semperit business partners:

## Documents published on Semperit website

					
Semperit People Policy	Semperit Supplier Policy	Semperit Sustainability Innovation Policy	Semperit Health & Safety, Environment, Energy and Quality Policy	Guideline for the whistleblowing system "SemperLine"	Code of Business Conduct

## Internal documents

		
Anti-Bribery and Anti-Corruption Policy	Global Recruitment Policy	Privacy Policy

# Ethics and integrity in business

The Semperit Code of Conduct guides employees in their daily business and specifies, clearly and simply, what is expected of them and external business partners and how leaders behave in return. It serves as a foundation for Semperit policies, procedures and guidelines which provide additional guidance on expected behaviors working across our businesses globally.

## Words, behaviours and actions matter.

Misconduct of any business and of any kind will not be tolerated and Semperit expects all our stakeholders to adhere to national and international laws and act according to comparable guidelines, ethics and compliance principles.

## Semperit is committed to integrity.

It is everyone's responsibility to understand the rules of this [Code of Conduct](#) and to comply with them in the course of business activities for Semperit.

The Code of conduct is available online, for further information you can contact [compliance@semperitgroup.com](mailto:compliance@semperitgroup.com).

The Semperit whistleblowing system enables anyone to report wrongdoing through different channels.

Employees can post a letter using SEMPERbox, which is located in production sites, email [compliance@semperitgroup.com](mailto:compliance@semperitgroup.com), telephone the dedicated whistleblowing hotline, or get in touch via the online platform "SemperLine".

This special communications platform is managed by an external partner and guarantees that the information provided will be processed securely and confidentially. [SemperLine](#) is available 24/7 in different languages and therefore plays an active role in ensuring proper conduct within the Semperit Group. Semperit protects anyone who speaks up in good faith from any retaliation measures, including informal pressure.

If anyone is aware or has knowledge of any form of harassment, bullying, discrimination, malpractice, corruption, fraud, waste, abuse, misconduct or allegations of mismanagement they can [contact us!](#)





# Due diligence process

Semperit is part of a complex network of various types of business partners – from suppliers to agents and customers.

Semperit is aware of the regulatory and reputational risks to which a supplier, customer, partner or other third party can expose the company to. To prevent any risks from contracting with business partners that are subject of human rights breach, modern slavery, corruption, bribery and/or any other international provisions, Semperit has a standardized Business Partner Check (BPC) in place. It enables Semperit to manage business partner relationships and associated risks effectively. This third party risk management and due diligence platform creates transparency, minimizes compliance risks and supports the company in making informed decisions. Semperit performs background-checks in the BPC tool, which provide the required information on the business partner and offer the possibility to engage business partners' responsibility by answering external due diligence questionnaires.

The Semperit Business Partner Check includes a background check, screening, and monitoring of the supplier, customer, sales agent or other third party, and – if applicable – end-user (including its shareholders/beneficial owners) within the following areas:

- bribery and corruption,
- sanctions exposure,
- modern slavery and supply chain integrity,
- adverse media, and
- status of the company and owners and relationship with potential risk counterparts for managing reputational risk.

**Continuous and periodical checks with a comprehensive risk-based approach** supports Semperit in identifying risks and enables the company to increase in the level of due diligence and mitigating actions. The tool also enables the documentation of decision making and due diligence conducted.

## Initial check

### New business partner



## Periodical review

### Checked business partners



- Alerts are automatically set in case of a status change.
- Finance has to review the existing alerts on a monthly basis.

- Manual review minimum every 36 months.
- Including existing business partners in the BPC tool.
- Group Compliance may propose a shorter review period for selected business partners.

# Definition of terms

Topic area	Major risks
<b>Slavery</b>	The status or condition of a person over whom all or any of the powers attached to the right of ownership are exercised. Since legal 'ownership' of a person is not possible, the key element of slavery is the behavior on the part of the offender as if he/ she did own the person, which deprives the victim of their freedom. (in accordance with the 1926 Slavery Convention)
<b>Servitude</b>	The obligation to provide services that is imposed using coercion and includes the obligation for a 'serf' to live on another person's property and the impossibility of changing his or her condition.
<b>Forced or Compulsory Labour</b>	It involves coercion, either direct threats of violence or more subtle forms of compulsion. The key elements are that work, or service is exacted from any person under the menace of any penalty and for which the person has not offered him/her self voluntarily. (ILO's Forced Labour Convention 29 and Protocol)
<b>Human Trafficking</b>	An offence of human trafficking requires that a person arranges or facilitates the travel of another person with a view to that person being exploited. The offence can be committed even where the victim consents to the travel. This reflects the fact that a victim may be deceived by the promise of a better life or job or may be a child who is influenced to travel by an adult. In addition, the exploitation of the potential victim does not need to have taken place for the offence to be committed. It means that the arranging or facilitating of the movement of the individual was with a view to exploiting them for sexual exploitation or non-sexual exploitation.
<b>Exploitation</b>	A person is exploited only if one or more of the following subsections apply in relation to the person: slavery, servitude and forced or compulsory labour; sexual exploitation; removal of organs etc. while securing these services etc. by force, threats or deceptions or securing services etc. from children and vulnerable persons.
<b>Child Labour</b>	Children below 12 years working in any economic activities, those aged 12 - 14 engaged in more than light work, and all children engaged in the worst forms of child labour (ILO). The work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. Whether or not particular forms of "work" can be called "child labour" depends on the child's age, the type and hours of work performed, the conditions under which it is performed, and the objectives pursued by individual countries. As children are vulnerable to exploitation, Semperit will analyze if the children in question are being exploited in such a way as to constitute slavery, servitude and forced or compulsory labour or human trafficking. For example, it is possible for children to undertake some 'light work' which would not necessarily constitute modern slavery. 'Light work' is defined by article 7 of ILO Convention No. 138.
<b>Bonded Labour</b>	Bonded labour, also known as debt bondage or peonage, happens when people give themselves into slavery as security against a loan or when they inherit a debt from a relative. It can be made to look like an employment agreement, however, where the worker starts with a debt to repay - usually in brutal conditions - only to find that repayment of the loan is impossible. Then, their enslavement becomes permanent.

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Corruption	Corruption is the deliberate abuse of entrusted power for private gain. It includes any unlawful, unethical, or improper action or breach of trust undertaken for the purpose of personal, commercial, or financial gain. Corruption includes activities such as: bribery, embezzlement, antitrust violations, influence peddling, cronyism, nepotism, graft and others. <i>"Bribery is a criminal and corrupt practice where an entity offers something of value to a corporate or public official in exchange for their cooperation in influencing a decision-making process, committing or allowing fraud against the official's organization, or otherwise violating their official duties"</i> (GAN Integrity). Corruption reduces chances for ethical business, violates human rights and freedom, and erodes company's reputation. Semperit has a strict zero tolerance for bribery, facilitation payments, and corruption in any form, whether direct or through third parties.
Bribery	Bribery is a criminal and corrupt practice. It occurs when a person offers something of value to another person in order to receive something in return. Employees of Semperit or their counterparts must never offer, pay, make, seek or accept a benefit (not even a minor one) in exchange for the performance or omission of an act, a favorable treatment or personal gain. It is strictly prohibited to offer, pay, make, seek or accept cash payments or small bribes (facilitation payments that speed up a routine process or necessary actions).
Third-Party Risk Management	<i>"Organizations must be aware of the regulatory and reputational risks to which a supplier, customer, partner or other third party can expose them to"</i> (Dow Jones). With policies in place and regular, periodical checks, Semperit ensures the third parties we work with are conducting business legally and ethically. Semperit business partners are checked for bribery and corruption risks, sanctions exposure, modern slavery, and supply chain integrity among others. These important checks prevent damage to Semperit's reputation, possible loss of order, termination of business relations or even freezing of assets as a result of impending legal action.
Whistleblowing	<i>"Whistleblowing is one of the most effective ways to detect and prevent corruption and other malpractice. A whistleblower discloses information about corruption or other wrongdoing being committed in or by an organisation to individuals or entities believed to be able to effect action - the organisation itself, the relevant authorities, or the public. Protecting whistleblowers from unfair treatment, including retaliation, discrimination or disadvantage, can embolden people to report wrongdoing and increase the likelihood that wrongdoing is uncovered and penalised"</i> (Transparency International). Semperit has a whistleblowing system in place called Speak up!. Anyone can report harassment, bullying, discrimination, malpractice, corruption, fraud, waste, abuse, misconduct or allegations of mismanagement. Semperit handles reported cases with the utmost care, preserving confidentiality and if requested, anonymity. Reports can be made in numerous languages via the online system SemperLine, by dropping a physical letter into a SEMPERbox located in production sites, or via the Compliance email <a href="mailto:compliance@semperitgroup.com">compliance@semperitgroup.com</a> . Semperit protects anyone who speaks up in good faith, from any retaliation measures including informal pressure.

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