



allnex

Allnex Norway AS –
Account for due diligence assessments

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1. Introduction

Allnex Norway AS is covered by the Norwegian Act on enterprises' transparency and work with fundamental human rights and decent working conditions (Transparency Act).

The Transparency Act requires businesses to conduct a due diligence process in accordance with the OECD Due Diligence Guidance For Responsible Business Conduct.

The process consists of 6 measures

1. Embed responsible business conduct into the enterprise's policies

2. Identify and assess actual and potential adverse impacts on fundamental human rights and decent working conditions that the enterprise has either caused or contributed toward, or that are directly linked with the enterprise's operations, products or services via the supply chain or business partners

3. Implement suitable measures to cease, prevent or mitigate adverse impacts based on the enterprise's prioritizations and assessments pursuant to (2)

4. Track the implementation and results of measures pursuant to (3)

5. Communicate with affected stakeholders and rights-holders regarding how adverse impacts are addressed pursuant to (3) and (4)

6. Provide for or co-operate in remediation and compensation where this is required.

The act specifies

“Due diligence shall be carried out regularly and in proportion to the size of the enterprise, the nature of the enterprise, the context of its operations, and the severity and probability of adverse impacts on fundamental human rights and decent working conditions.”

In line with the purpose of promoting greater transparency about risks to human rights and decent working condition, covered businesses are required to publish an account for due diligence. This must at least contain the following:

1. A general description of the enterprise's structure, area of operations, guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions
2. Information regarding actual adverse impacts and significant risks of adverse impacts that the enterprise has identified through its due diligence
3. Information regarding measures the enterprise has implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results of these measures.

This document has been prepared to fulfill Allnex Norway AS's obligation account for our due diligence process. The document will be updated and published annually by June 30th. It will also be updated in the event of significant changes in the business risk assessments.



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NLE/lov/2021-06-18-99](https://lovdata.no/dokument/NLE/lov/2021-06-18-99)



2. Reporting Entity



Allnex Norway AS is a Norwegian limited liability company. Its parent company, Allnex Belgium, is managing and overseeing the global operation of Allnex Group. Allnex Norway AS is part of Allnex Group (“Allnex Group”) a global company. Allnex Norway AS and other allnex companies in the Allnex Group’s global structure operate under the same policies.

Allnex Norway AS is committed to doing business ethically and responsibly and is striving to consciously improve its implementation of the Transparency Act with the ultimate objective of preventing violation of human rights and decent working conditions.

Allnex Norway AS employs 81 employees (YE 2023) and operates in Lillestrøm, Norway. Allnex Group is the leading Industrial Coatings Resins company globally.

Our key technologies and segments are:

KEY TECHNOLOGIES

LIQUID RESINS & ADDITIVES	PERFORMANCE RESINS		
	Radiation Curable Resins	Powder Coating Resins	Crosslinkers
Waterborne	Specialty Acrylated Resins	Polyester Resins <i>Hybrid, standard durable, super durable</i>	Amino Crosslinkers
Solventborne	Specialty Oligomers	UV Powder Resins	Phenolic Crosslinkers
Additives	Water-based UV-curable Resins	Acrylics	Technical Phenolic Resins
Urethane Specialties	Glass Lamination	Additives	Acid Catalysts
Composites/Gelcoats	Acrylics		

KEY SEGMENTS

Auto OEM and Refinish	Inks & Overprint Varnishes	Architectural Extrusions	Metal Packaging
Industrial Metal	Industrial Wood	Domestic Appliances	Coil
Industrial Wood	Industrial Metal	ACE	Automotive OEM
Marine & Protective	Electronics	General Metal	Tires & Rubber Products
Decorative	Plastic		Industrial Metal
Auto and Industrial Plastics			Industrial Wood

The majority of **Allnex Norway AS operations** are in the **Crosslinkers division**. We operate one manufacturing site located in Lillestrøm, Norway.

3. Supply Chain

Allnex Group has achieved again an Ecovadis Platinum Green rating, this is putting allnex in the top 1% of chemical companies globally. Allnex Group is also a member of Together for Sustainability (TfS), an international member-driven initiative raising CSR standards throughout the chemical industry.

The procurement strategy in allnex Norway is developed in consultation with the Allnex Group's Global Procurement Team with the aim of seeking long-term relationships with respected producers and distributors.

Allnex Group manages supplier performance at both the local and global level. allnex conducts an annual review of supplier performance with all raw material suppliers. Assessing the risks of human rights within the supplier and its supply chain forms part of that review, together with our global Corporate Social Responsibility (CSR) evaluation.

3.1 POLICIES AND PROCEDURES

Allnex Group operates a comprehensive global corporate compliance program in order to guide its decision-making and to promote ethical, legally compliant and socially responsible business conduct. The Allnex Group has a range of policies which contribute to Allnex Norway's (and indeed the Allnex Group's) commitment to respecting human rights and which support and assist in reducing and, where possible, eliminating human risks.

Allnex Norway AS works for equality and against discrimination on the grounds of gender, pregnancy, parental leave or adoption, care tasks, ethnicity, religion, outlook on life, disability, sexual orientation, gender identity and gender expression and combinations of these principles. This is also enshrined in the company's [Global Code of Conduct](#). The Code of Conduct contains general guidelines for ethical behavior, fair competition, secure working conditions and employees' rights, as well as external business relations. The document is available on the company's website. All employees are trained on the Code of Conduct on an annual basis.

POLICY/PROCEDURE	OBJECTIVE AND PURPOSE
Code of Conduct	Builds on company values and formulates guidelines for daily activities; the code is not only applicable to all our employees, but also to contractors and consultants.
Supplier Code of Conduct	Outlines how suppliers of goods and services are expected to respect and adhere to required principles of lawful and ethical business.
Labor and Human Rights Policy	Communicates expectations with respect to human rights and labor practices and the high standard of conduct expected of our employees worldwide.
Hotline to report compliance violations	Confidential reporting of any known or suspected violation of the Code of Conduct via a hotline.
Anti-Bribery; Anti-Corruption Policy; and Export Controls	Compliance with the laws of the countries in which it operates, particularly with respect to laws covering corruption and anti-competitive behavior. This applies whether Allnex Group entity is acting directly in a country through employees, or indirectly through agents, distributors or other intermediaries.
Procurement Sustainability Manual	Outlines the increasing efforts of Allnex Group and allnex resins to uncover sustainable market offerings in terms of raw materials, goods and services, as well as best practice sustainable procurement principles to mitigate risks in its supply chain.
Responsible Sourcing of Minerals	Compliance with the existing conflict minerals regulations and also ethical and responsible sourcing of minerals globally.



Allnex Group operates a comprehensive global corporate compliance program in order to guide its decision-making and to promote ethical, legally compliant and socially responsible business conduct. Amongst others, the policies set out below, contribute to Allnex Norway AS's (an indeed the Allnex Group's) commitment to respect of human rights and address violation of human rights.

The **Supplier Code of Conduct** is incorporated into Allnex Norway AS's general terms of purchase and in respective purchase agreements for existing suppliers. The Supplier Code of Conduct explicitly mentions: Suppliers must treat and employ its workers with respect for Human Rights, including the United Nations Universal Declaration of Human Rights, the Fundamental International Labor Organization (ILO) Conventions as well as complying with local regulatory requirements in connection with human trafficking and slavery. Currently the Supplier Code of Conduct does not contain reference to living wages. The Allnex Group is in the process of updating the group's supplier code of conduct. Moreover, Allnex Norway AS reserve the right to terminate any agreement with any supplier that cannot demonstrate compliance with the Supplier Code of Conduct.

allnex encourages everyone to report in good faith any known or suspected violation of our Code of Conduct. If you see something that you think is not right, please speak up. Information about how to report/contact the company regarding compliance, is available at the homepage at www.allnex.com. allnex can be contacted directly by using the "contact us" link **Allnex – The Coating Resins Company - allnex** where you can choose from several types of enquiries or the hotline to report compliance violations can be used **Allnex Compliance | Laws, Regulations And Code Of Conduct - allnex**. The allegations are sent to our Head of Compliance, who in consultation with the allnex Compliance Committee, decides on the type of investigation to be conducted.

The polices can be found at **Allnex Compliance | Laws, Regulations And Code Of Conduct - allnex**.

3.2 RISK ASSESSMENT AND DUE DILIGENCE

Allnex Group depends on its supply chain to obtain thousands of different raw materials from a large number of suppliers. The strategic importance of procurement is therefore also a lever to drive social and environmental improvement across our supply chain. This growing focus on CSR translates in many ways into our procurement practices. We are committed to continuous improvement in our responsible procurement practices. We regularly review and update our procurement policies and procedures to incorporate best practice and evolving sustainability practice.

An important milestone in our continuous improvement journey was at the end of 2022, when allnex joined the chemical industry initiatives 'Together for Sustainability' (TfS). The member-driven initiatives which consist in October 2023 of 50 member companies represent a global turnover in the chemical industry of over €800 billion and a global spend of over €500 billion. A main focus in the concept of TfS is the development and implementation of a global supplier engagement process to assess and improve sustainability practices within the supply chains of chemical companies. The program is based on the UN Global Compact and Responsible Care®. The standardized approach of TfS assessments and audits is measuring suppliers' performance in key areas such as environmental, labor and human rights, ethical and sustainable procurement. The sustainability assessments are performed by EcoVadis.

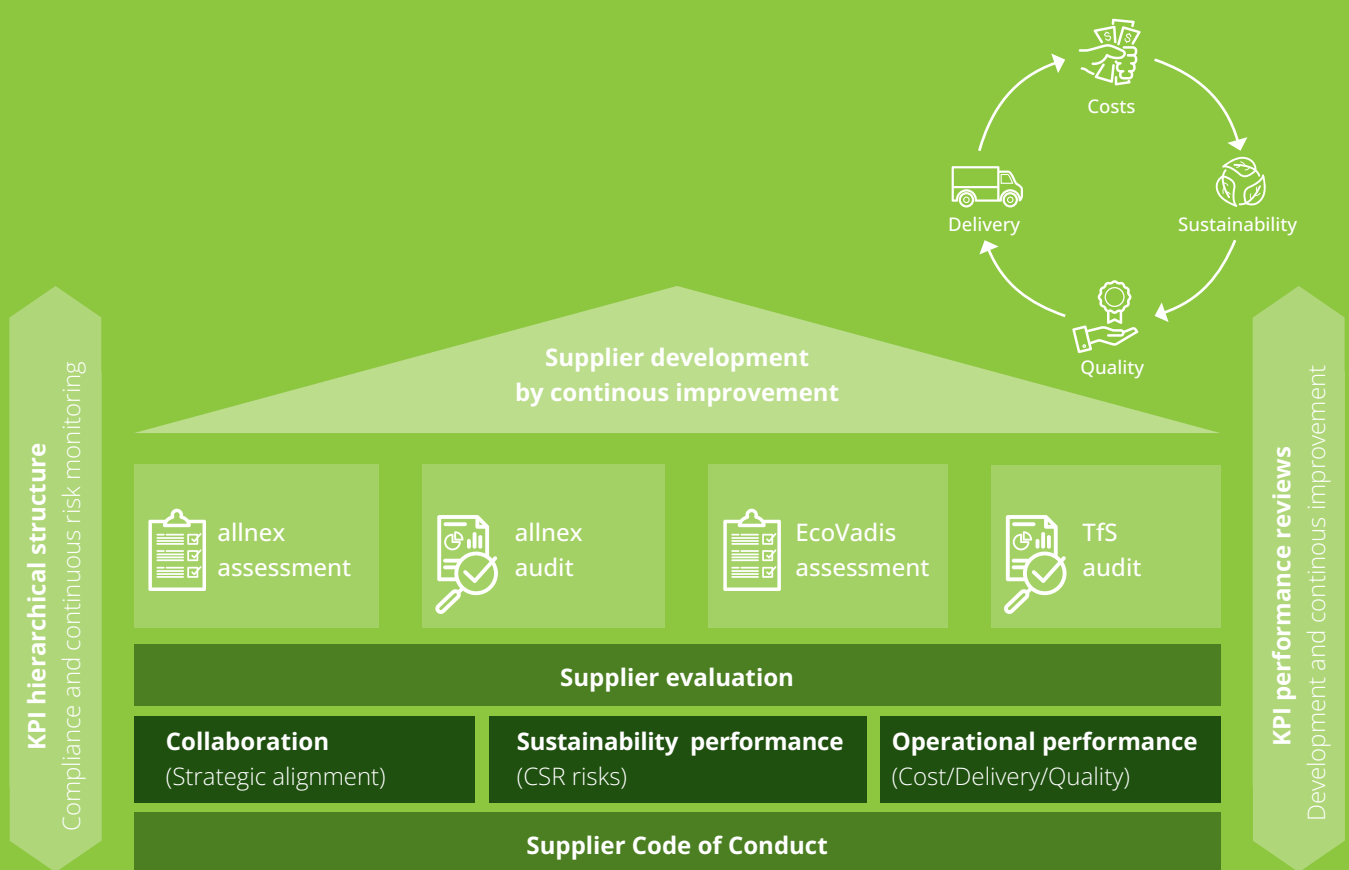


Through the TfS academy, we provide trainings to our suppliers on sustainability topics. The TfS academy is offering more than 390 courses in 11 languages. In 2023, 492 audits and 11421 online assessments have been conducted by the TfS members.

Allnex Norway AS strictly implements Allnex Group's sustainable strategy, and ensures that our terms and Supplier Code of Conduct is clearly communicated to our suppliers to ensure responsibility throughout our supply chain. Through these standardized and mandatory documents and procedures, we make sure that expectations and terms are clearly communicated and understood by our suppliers in order for them to conduct their business in compliance with applicable laws, regulations, industry standards and high sustainability standards. In addition, the prevention of violation of fundamental human rights are clearly communicated and understood by our suppliers.

allnex strives to establish positive long-term relationships with its suppliers and to foster a culture of true transparency, effective communication and continuous improvement in our procurement practices. In 2023 Allnex Group further developed the supplier performance evaluation framework to gain comprehensive insights into the commercial, environmental and social impacts of our suppliers.

SUPPLIER PERFORMANCE EVALUATION FRAMEWORK



The evaluation of the sustainability performance of our suppliers includes corporate, environmental, social and governmental drivers that impact the final scoring. We make use of self-assessment questionnaires, certificates (eg Ecovadis), the existence of a CoC and/or sustainability report, as well as external sources of risk assessment via the Ecovadis IQ Docscans or ratings from auditors, internal sustainability programs, etc. The weight of such social and environmental criteria will continue to grow in importance in our supplier evaluation process and the final rank of suppliers supports us to create transparency amongst suppliers so we can take action in a focused way for those suppliers with higher risk scores.

For the 2023 group's supplier evaluation assessment, allnex has assessed more than 1000 suppliers following the above mentioned Supplier Performance Evaluation Framework. The focus has been on suppliers shipping us raw materials that are required to produce our finished products. Out of a total of 1135 global material vendors, 444 vendors have a linked sustainability score and associated risk assessment. allnex is hence on track to risk-asses 80% of all our key vendors by 2025.

Depending on the results, the suppliers are assigned to different sustainability risk classes that lead to several actions being taken. Examples of actions are the filling out of self-assessment questionnaires, participating in an allnex-led or TFS-led audit or in worst case if no improvement is visible after a certain time complete stop of business needs to be considered. The results of the assessment and audits will be shared with respective suppliers and Corrective Action Plans (CAP) will be created.

We actively engage with suppliers to address any instances of non-compliance and work collaboratively to implement corrective actions. In 2023, 29 supplier audits were undertaken by Allnex Group.

The risk assessment will be further developed and the scope will be adjusted to cover larger part of our vendors. Monitoring and measuring the vendors will increase their awareness and by increased awareness the risk of violation of human rights is expected to be reduced.

4. Implementation

Allnex Norway AS implements its duties on fundamental human rights in accordance with OECD Due Diligence Guidance for Responsible Business Conduct as listed in the Transparency Act.

This implies:

- The accountability lies with the company's management and board.
- The commitment and related policy are anchored in the company's management and routines.
- The procurement department is aware of our obligations and its role in contributing to the implementation.
- We organize trainings for our procurement department on CSR in the supply chain.
- We carry out due diligence assessments for our supply chain and require the same from our suppliers.
- We establish routines for regular due diligence assessments and reporting in line with the Transparency Act.
- The responsibility for carrying out the due diligence assessments lies with allnex procurement organization.
- We follow up on information regarding negative consequences and significant risks for employees and others affected by our operations.
- Our policies on basic human rights and decent working conditions are reviewed bi-annually.

4.1 NEGATIVE CONSEQUENCES AND SIGNIFICANT RISKS

Allnex Norway AS produces amino resins which are used in the coatings industry in Europe, Asia and America. At the end of 2023 the company had 81 employees and a continuous 6 shift system. Allnex Norway AS places high demands on the health, environment and safety of its employees, and must always, as a minimum, comply with applicable laws and regulations.

In 2023, allnex procurement further developed the supplier performance assessment process to gain comprehensive insights into the commercial, environmental and social performance of our suppliers. This new due diligence process allows us to assess the risks for both, our own business and our supply chain.

In connection with our due diligence process, we have assessed risks for both our own business and our supply chain. We have not uncovered any actual negative consequences when undertaking our risk assessments for 2023 and the beginning of 2024.

4.2 RISK-AREAS IN OUR OWN OPERATIONS, AND MEASURES TO LIMIT RISK

Allnex Norway AS produces chemicals and is obliged to follow the regulations on control of major accident hazards involving dangerous substances. We are audited on this on a regular basis. Allnex Norway AS strives to comply with all Norwegian regulations regarding employment and safe working environment. Based on the above, allnex finds that our main risk of negative impacts on individual's lives, safety, health, well-being and dignity in our business are potential injuries in connection with production, maintenance and warehousing.

All risks on site are identified through our Overall Risk Analysis, which is updated when needed, or at least every 5th year. This analysis is also the basis of 'the Safety Report' required by the Norwegian Directorate for Civil Protection (DSB), the 'Explosion Protection Document' required by the Norwegian Labour Inspection Authority and 'the Environmental Risk Analysis' required by the Norwegian Environment Agency. All reports were updated in 2022. The 'Safety Report' revisited in 2023, as security risks (deluded actions, terror) as DSB required new evaluation. 'Terror at site' was evaluated and became classified as not likely, but anyhow catastrophic if it should happen – eg in 'yellow area'.

In 2007 we started out with evaluating 17 different risks and gradually we have extended the list.

Today 57 risks are on our list:

- None are classified as combination probable & critical worse (eg. in 'red area')
- 10 are in category less likely but critical (eg. in 'yellow area')
- The rest are classified as acceptable risks (in 'green area')

An external risk consultant has provided input to the report, input was provided by allnex personnel including employee's participation.

We produce, store, and handle flammable liquids on site. Our most critical risk is fire.

Of the 10 'yellow risks' 5 concern the risk for fire in the production area, at drumming stations and in workshops.

Consequently, our main focus is on mitigating the risk of ignition and prioritize actions that will reduce risk for escalation and domino effects if ignition should occur. This is systematically done through improvement projects, process monitoring, continuous focus on improving of our procedures and awareness training, all to ensure and maintain our safe working conditions.



3 of the 'yellow risk' are directly related to personnel injury risk, and categorized as fall from height and confined space entry. Personnel chemical exposure is classified with acceptable risk provided proper equipment is used, which means that for some operation respiratory protection is required. Strict routines follow these activities.

We work continuously and systematically work to prevent any injury to occur, through risk assessment and equipment improvements, combined with awareness training, communication, employee participation, routines, and work instructions. We have trained first aid personnel on site, fire brigade and smoke divers at every shift as part of our emergency response team. The team train regularly to ensure they know the correct response required.

Reporting accidents, incidents and near misses through our internal reporting system actively help us to improve our performance and preparation.

Personal protective equipment (PPE) is important when working in our environment. It is required to use PPE in according to our PPE matrix which all must confirm they have read and understood annually. The minimum requirement for outside and in production area is a safety helmet, face shield or tight safety goggles, safety shoes, protective clothing that covers arms and legs and a hearing protection in noisy zones.

What we do is described in more details in our HSE manual. Deviations and near-misses are registered and followed up. We place high demands on health, environment and safety for our employees, and as a minimum, we comply with applicable laws and regulations.

4.3 RISK AREAS SUPPLIERS AND MEASURES TO LIMIT RISKS

Allnex Norway AS has in 2023 carried out a risk assessments of our suppliers (approx. 35 raw material/packing suppliers, 55 logistic suppliers and approx. 230 other vendors). The vendors have been categorized and risk assessed based on the criteria's below:

- **Industry**
- **Geographical location**
- **Individual engagement**

Since the end of 2023, the company has had access to the "EcoVadis IQ platform" and Allnex Norway AS has risk assessed the suppliers with the "EcoVadis risk rating" via the "EcoVadis IQ platform". 90% of the vendors mentioned about, was covered by the EcoVadis risk assessment. "EcoVadis rating" covers a wide range of non-financial data, including the environment, labor and human rights, ethics and sustainable procurement. The companies are assessed according to the company's size, location and industry. In this assessment, two suppliers have been classified as "high" risk. Both are located in Asia. allnex follows up the companies that do not have a satisfactory score in the current assessment.

Our main supplier that is located at Lillestrøm in Norway, and is providing utilities, raw-material and other services, and the supplier is within the scope of the Transparency Act. They also have an overall Ecovadis score 63/100 that is within 84th percentile in its industry.



This account for due diligence assessments was approved on the date shown on the below electronic signatures by
The board of Allnex Norway AS

Duncan Taylor (Jun 24, 2024 16:39 GMT+2)

Duncan Taylor
Chairman

Roger Søråsdekkan
Board member

Kristine Kronstad
Board member

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