



# Westlake

*Enhancing Your Life Every Day®*

## Sustainable *Procurement Policy*



March 1, 2024



## POLICY STATEMENT

*Westlake Corporation (Westlake) is committed to providing high-quality, good-value petrochemicals, plastics, specialty chemicals and building products to our clients. As such, we submit ourselves to an annual social audit, and are committed to reviewing and continually improving our results.*

*This policy is intended to provide guidelines for Westlake procurement practices that support sustainable procurement. This policy is communicated throughout the company and published on our website. It will be monitored on a regular basis to evaluate continued relevance, monitor compliance and drive continuous improvement.*

## PURPOSE

*In this document we commit ourselves to a sustainable procurement agenda and focus on five main areas: the environment, human and labor rights, business ethics, health and safety and quality control.*



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## SCOPE

*This document should be read in conjunction with the Supplier Code of Conduct and any applicable supplier or other relevant contract.*

*References to 'Suppliers' shall include direct or indirect suppliers of goods or services to Westlake. References to 'Supplier Employees' shall include direct employees and contractors of Suppliers.*

## ROLES AND RESPONSIBILITIES

*Westlake's executive leadership has adopted this policy for Westlake and it is reviewed on an annual basis. Westlake will review its adherence to these guidelines through a program of supplier audits, which will include provisions of these guidelines as performance indicators. Westlake is required to report to various statutory agencies on a range of topics, and we expect our suppliers to support Westlake with sufficient and timely data to facilitate such reports.*



# Our Core Principles

## 1. Environment

Westlake recognizes the need to cut carbon emissions and water use. In a resource intensive industry such as chemical processing, we have adopted the following policy aims:

### 1.1 Climate Goals

- As part of our Supplier selection and evaluation criteria, we will consider whether Suppliers are committed to climate action and seek to work with those who are so committed.

### 1.1 Energy Use

- We expect our Suppliers to take all reasonable commercial steps to minimize their energy use and where possible to obtain their energy from renewable or low/zero carbon electricity and sustainable sources, including solar, wind and other forms of green energy.

### 1.3 Raw Materials

- We expect our Suppliers to ensure that all raw material inputs supplied to Westlake are obtained in accordance with internationally agreed responsible sourcing criteria. In particular, any minerals derived from the areas referred to in the Dodd Frank Act [[SEC.gov | FACT SHEET](#)] must comply with the Responsible Minerals Assurance Process (RMAP) Conformant Smelter List or industry equivalent program.
- Westlake follows the due diligence procedures required by the Dodd Frank Act and ensures that all necessary disclosures are made to the US Government.

### 1.4 Circular Economy

- A commitment to the principles of a circular economy is an important element in our collective transition towards a more sustainable world. These principles require new ways of designing, using and reusing products in order to achieve, as far as practicable, a zero-waste output.
- When selecting Suppliers, we will look favorably on those with a commitment to adopting circular economy approaches.





## 1.5 Water Use

- We will favor Suppliers that demonstrate a commitment to reducing their water use footprint and we will likewise seek to reduce the Westlake water use footprint where it is practical and commercially reasonable to do so.

## 1.6 Hazardous Waste

- As a chemical and manufacturing company, we require our Suppliers to ensure that they have in place hazardous waste handling procedures that meet or exceed all applicable laws and national or international frameworks governing safe handling of chemicals and their byproducts to minimize the risk of accidents and safely manage the process of any post-accident clean up.

## 2. Human Rights and Labor Rights

Westlake respects its employees, contractors and partners and treats them in accordance with all relevant laws and policies. Likewise, we expect Suppliers to comply with applicable laws regarding the treatment and working conditions of their Employees and to support the protection of internationally proclaimed human rights including:

- 2.1 Prohibiting child labor anywhere in their supply chains.**
- 2.2 Prohibiting all forms of forced, coerced, bonded, prison, indentured or trafficked labor and taking reasonable measures to ensure that such practices are not present in their operations or supply chains.**
- 2.3 Prohibiting the exploitation and abuse of migrant or other workers.**
- 2.4 Supporting diversity, equity, and inclusion by prohibiting any form of discrimination, harassment, abuse, bullying, or neglect based on race, color, gender, age, nationality, religion, social origin, sexual orientation, disability, identity, marital status, political affiliation, or union membership and establishing meaningful grievance mechanisms to allow employees to raise confidential complaints of harassment, abuse, or discrimination and to take prompt, remedial measures to resolve such complaints.**

- 2.5 Maintaining fair working conditions and working hours that do not exceed the applicable statutory maximums.**

- 2.6 Meeting or exceeding applicable legal requirements regarding employment rights in contracts of employment with employees or when engaging workers.**

- 2.7 Complying with applicable minimum wage laws and not withholding wages from employees except as permitted by law.**

- 2.8 Respecting employees' freedom of association and the right to unionize and engage in a process of collective bargaining or, where these rights are unavailable, establishing grievance or dispute resolution mechanisms.**

- 2.9 Engaging positively with their local communities and local stakeholders.**

## 3. Business Ethics

Suppliers are expected to conduct their business affairs in accordance with local, national and international law and to ensure that their actions meet high standards of business ethics and probity.

### 3.1 Bribery and Corruption

- Suppliers and any agents acting on their behalf, shall refrain from any kind of corrupt behavior, including bribery (defined as the giving or receiving of money or money's worth in return for obtaining or retaining a commercial advantage), money laundering or insider trading.
- In this regard, Suppliers shall be expected to abide by the provisions of the US Foreign Corrupt Practices Act 1977, UK Antibribery Act, and other similar anti- bribery laws and regulations in any country where Westlake conducts business.



### **3.2 Sanctions**

- Suppliers and any agents acting on their behalf must not intentionally or inadvertently breach any international sanctions, trade embargoes or export controls imposed by the United States of America, the applicable country in which we manufacture our product, and the supplier's country. Suppliers may be required to certify sanctions compliance and indemnify Westlake in relation to such compliance.

### **3.3 Competition and Anti-trust**

- Suppliers and their agents shall not engage in any activity that could breach any applicable competition law or anti-trust law.

### **3.4 Gifts and Hospitality**

- Suppliers or their agents shall not offer or make gifts or provide any benefit in kind to any Westlake employee, associate or contractor where the value of that gift or benefit is not reasonable or appropriate. Generally, gifts should not exceed US\$50, or its local currency equivalent, and should comply with Westlake's Gift and Entertainment Policy.

### **3.5 Conflicts of Interest**

- Suppliers or their agents shall not engage in any behavior which could reasonably be construed as to create any commercial conflict of interest involving Westlake.

### **3.6 Commercial Integrity and Fair Practices**

- Suppliers must always act with financial and commercial integrity, payment of all due taxes and other lawful deductions, ensuring that their accounts are up to date and properly audited.

### **3.7 No Subcontracting Without Consent**

- Unless otherwise agreed to in writing by a director of Westlake, Suppliers shall not be permitted to subcontract the provision of goods or services they are supplying to Westlake. If subcontracting is permitted, Westlake may require full visibility of the subcontracted relationship, including the terms on which such arrangements have been reached.

### **3.8 IP Protection and Data Security**

- Suppliers must ensure that any commercially confidential data received by them and relating to Westlake is stored securely and is only used for permitted purposes relating to their work for Westlake. Such data must be swiftly destroyed if demanded by Westlake.
- Any intellectual property shared with a supplier by Westlake remains the property of Westlake and, unless otherwise agreed in advance by a director of Westlake, no right to use or license that intellectual property by a supplier shall be provided.





## 4. Health and Safety

Westlake places great value on the health and safety of all of its employees, contractors and suppliers. As such, we require our Suppliers to provide and maintain safe and healthy working environments for their employees, including but not limited to:

### 4.1 Safe Working Environment

- Suppliers shall provide a safe and healthy working environment, in which the goal is to operate incident and injury free. This should include the provision and maintenance of appropriate personal protective equipment and safe systems of work.

### 4.2 Emergency Systems

- Suppliers shall ensure that there is an effective emergency management system in place in order to respond appropriately in the event of an adverse incident.

### 4.3 Accommodation and Life Support

- Where applicable, Suppliers shall provide safe and clean accommodation, food, water and secure storage facilities for employees' or contractors' personal items whilst they are engaged at the Supplier's premises.

### 4.4 Training

- Suppliers shall ensure that their Employees are regularly and properly informed in a language they understand about health and safety issues. This should include appropriate literature and ongoing training.

## 5. Quality Control and Supplier Selection

### 5.1 Quality Products

- Our primary ambition remains the provision of high-quality petrochemicals, plastics and building products. As such, our principal procurement focus will be on the quality, safety and efficacy of the products and services supplied to us.
- Westlake will only accept products or services from suppliers that meet the high standards required by our values, as set out in this document, the Supplier code of conduct and any applicable contract. We will monitor and assess Supplier performance through our risk management program and reserve the right to refuse products or services that fall below the standards we require, and/or terminate Supplier contracts where necessary and appropriate.



**Westlake**

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