

California Transparency in Supply Chains Act

This page serves as SABIC Innovative Plastics US LLC's disclosure under the California Transparency in Supply Chains Act.

SABIC's commitment to a strong compliance culture is fundamental to the Company's continued growth as a world leader. Here you will find our policies and procedures aimed at eradicating slavery and human trafficking from our supply chain of the goods offered for sale in the State of California.

1. Verification of product supply chains to evaluate and address risks of human trafficking and slavery

All direct material suppliers who, according to our risk assessment criteria, are deemed high and medium risk, are required to complete a questionnaire which includes questions that evaluate and address risks of human trafficking and slavery. We then evaluate from their answering of this checklist whether we need to do an on-site audit (for high risk, we do an audit automatically).

The pertinent questions are directly pulled out of our supplier questionnaire and pasted below.

Do you provide housing for any employees? If Yes, for how many employees? ___

If you provide housing, are drinking water, toilets and showers provided? ___

Are there any food preparation services provided at manufacturing location or provided housing? If Yes, explain and verify all legal permits required for this service are current. ___

What is the minimum age for all full & part time employees & trainees at this facility? ___

What is the legal minimum hourly wage (please provide currency) required at the facility? ___ Are all employees paid at or above this wage? If No, explain: ___

How often are employees paid? ___

Do you pay for overtime? If Yes, how are overtime wages calculated? ___

What is the maximum number of hours worked per day? ___ Per week? ___

Do all employees receive at least one day off per week? ___

How are employee's hours worked recorded? ___

Do you restrict hiring of employees by race, color, religion, national origin, gender, sexual orientation, age disability, veteran status or other characteristic (including pregnancy)? If Yes, explain: ___

Do you employ any indentured, forced or prison labor? If Yes, explain: ___

Does company observe all applicable labor and employment laws governing Freedom of Association, privacy and the right of employees to engage in collective bargaining? If No, explain: ___

Are all employees free to leave the facility and dormitory premises at any time?.

2. Audits of suppliers

High risk suppliers are subject to an on-site audit. The audit checklist contains several elements related to workers' ages, pay, living conditions, etc. Examples follow:

1.30	Does the site have a process for staying in compliance with local labor law requirements?	At a minimum, the site should retain an identified trained human resource expert who understands the applicable labor and employment regulations; is responsible for ensuring wage and hour compliance and has the authority to ensure worker safety rules are complied with. There should be postings or other means of communication such that employees are made aware of basic wage and hour, worker safety, and other labor and employment rights or standards.
2.1	Do the employees look to be above the minimum local legal age limit? (In no case <16)	If you answer no, STOP and obtain legal advice!
2.2	Do the employees appear to be present voluntarily (e.g. not an unusual number of security guards present in and around the facility)	If you answer no, STOP and obtain legal advice!
2.3	Can employees freely exit facility when they are not working? (e.g. doors are not locked or blocked to prevent employees leaving before the end of shift)	If you answer no, STOP and obtain legal advice!

3.1	Are employees allowed to live outside company provided housing?	
3.2	Can employees freely enter or leave the housing at all times of the day or night?	
3.3	Is the housing clean, especially in the common areas such as hallways, toilets and bathing facilities?	
3.4	Is there an alarm system to notify employees of an emergency situation?	
3.5	Are there fire extinguishers in the facilities?	
3.6	Are there at least 2 routes of exit from every floor?	
3.16	Aside from any issues identified by one of the other questions, do activities in the housing appear to be conducted in a safe manner? If you see any conditions you think are unsafe, please answer "No" and provide details.	
4.1	Has the supplier given assurances that it does not employ vocational school students under the age of 16? If not, please explain circumstances in the section provided below.	Identify vocational students, if any, that work on SABIC products.
4.2	Did all of the employment records you reviewed show payments at or above the minimum wage? If any of the employment records you reviewed showed payments below the minimum wage please answer "No" and provide details.	
4.3	Did all of the employment records you reviewed show hours of service at or below the maximum allowable overtime? If any of the employment records you reviewed showed hours of service above the maximum allowable overtime please answer "No" and provide details.	
4.4	Did all of the employment records you reviewed show payment of the required premium wages for overtime work? If any of the employment records you reviewed showed a failure to pay the required premium wages for overtime work please answer "No" and provide details.	

4.5	Did all of the employment records you reviewed confirm that there are no excessive deductions from wages? If any of the employment records you reviewed showed excessive deductions from wages please answer "No" and provide details.	
4.6	Did review of wage payment records reveal that employees are paid on a current basis or paid not more than one payroll cycle in arrears?	
4.7	Are employees allowed to retain their employment and other relevant documents (e.g.. ID card, etc.) after initial review by the supplier?	
4.8	Did The Amount Paid To Each Employee As Per Payroll Records Match The Cash/Bank Records For The Money Transfer?	This can be verified by employee interviews.
4.9	Did The Working Hours Declared In The Payroll Records Match The Timesheet For The Workshop?	
4.10	Did all of the employment records you reviewed show that employees were at or above the minimum working age? If any of the employment records you reviewed showed employees below the minimum working age please answer "No" and provide details.	
4.11	If the supplier uses vocational students, did review of their employment records confirm they were above age 16?	
4.12	If the supplier uses vocational students, does the payment documentation (either by the employer or the school) confirm the students were paid at least the minimum wage?	Confirm through employee interviews that the amount actually received by the student was at least the minimum wage.

3. Requirement of direct supplies to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the countries in which they are doing business

Each purchase order for products and services used in the manufacture of SABIC Innovative Plastics US LLC's goods offered for sale in the State of California contains the following language:

(vi) no products transferred under the Purchase Agreement (1) have been or will be produced utilizing forced, indentured or convict labor or utilizing the labor of persons in violation of the laws governing minimum working age, minimum wage, hours of service, and overtime in the country of manufacture

4. Accountability standards and procedures for employees or contractors that fail to meet company standards regarding slavery and human trafficking

The SABIC Code of Ethics provides the foundation for our business culture and underscores our commitment to performance with integrity. The Code of Ethics provides guidelines for employee behavior and affirms our commitment to uphold our core values such as our commitment to our employees, standards for doing business, and our relationship with our communities. We embrace the SABIC Code of Ethics, every day and in every business dealing across the globe.

Our Code of Ethics Policy on Third Party Business Dealings contains the following provisions:

Our Responsibility

FOLLOW APPLICABLE LAWS AND OUR POLICIES and require any supplier or third party who works with SABIC to comply with applicable laws and our policies. Consult Company legal counsel for the appropriate language to use in all contracts with suppliers and third parties.

Concerns to Look Out For

UNSAFE CONDITIONS, DISREGARD OF ENVIRONMENTAL STANDARDS OR UNDERAGE EMPLOYMENT at supplier or other third party facilities.

Questions & Answers

Q: A new low-cost supplier offers good quality and reliable delivery at very competitive prices. You are concerned about the working conditions it provides its workers. Do you award business to this supplier?

A: Our reputation requires us to do business only with suppliers that deal responsibly with their workers and local environments. In light of your concerns, you should consult with your manager and Company legal counsel to determine appropriate steps to determine the suitability of the supplier.

The full SABIC Code of Ethics can be found at

http://www.sabic.com/americas/en/images/Code_of%20Ethics_%20August_2013_tcm15-495.pdf

If we discover evidence of slavery or human trafficking with one of our suppliers, this supplier will be identified in our Nature of Supply Arrangement digital system as "Rejected" with the reasons for rejection in the comments section to avoid future arrangements/relationships.

5. Employee and management training on slavery and human trafficking

All SABIC employees receive training on the Code of Ethics. Employees can seek compliance guidance from their managers, Legal Affairs, Human Resources and over 65 Compliance Helpline Leaders worldwide. Trained personnel investigate all incidents in a timely manner. We

investigate all credible reports of suspected misconduct. Confirmed violations are addressed with corrective actions, including employee discipline or dismissal.

In addition, within our Procurement function, training which includes employment practices such as, minimum age, forced labor, wages, overtime has been provided in the past and given to our auditors as well.