SABIC DUE DILIGENCE PROGRAMME

Supplier FAQ

Version 1.0

Contents

ABOUT THE SABIC SUPPLIER DUE DILIGENCE PROGRAMME 4
Why are we introducing the Supplier Due Diligence Programme? 4
What are the aims of the Programme for SABIC? 4
How does the Programme enable us to monitor supplier compliance? 4
How will the Programme facilitate efficiency improvements for our suppliers? 5
How does the Programme support our strategic goal to be the preferred world leader in chemicals? 5
How does the Programme protect the business of SABIC and our suppliers? 5
REGISTRATION REQUIREMENTS AND RULES 5
Who is required to register? 5
How will suppliers be notified of the requirement to register? 6
Registration requirements 6
SABIC business rules related to registration 7
Why is it important for you to register in the Programme? 7
THE REGISTRATION PROCESS 8
How do I know which stages I am required to undertake? 8
What are the due diligence stages? 8
Stage 1 8
Stage 2 8
How is the Stage 2 fee determined, and how do I make a payment? 9
What currency can I pay in? 9
What does the Stage 2 fee cover? 9
Stage 3 9
What determines the cost of an audit? 9
How will I be notified of an audit requirement? 10
What happens during and after the Audit? 10
I already have a current audit certificate; do I still need Stage 3? 10
Fast-track process 10
QUESTIONS ABOUT REGISTRATION 11
How can I register as a potential supplier? 11
We always worked for SABIC, why should we register with the Programme? 11
What happens if I do not complete the registration process within the required timeframes? 12

What happens if I do not complete the full registration process in line with SABIC's requirements? 12
SUPPLIER INFORMATION, DATA MANAGEMENT AND CONFIDENTIALITY 12
Who has access to my information? 12
PROGRAMME SUPPORT 13
What information do I need to provide in order to complete registration? 13
What is a Product/Service Code? 13
How many Product/Service Codes do I need to enter? 13
What happens if I register incorrect products and/or services? 13
What languages is the Programme available in? 13
How do I make changes to my questionnaire? 13
How often do I need to update my information? 14
What happens if I can't login? 14
How many users can have login details? 14
How do I attach a document? 14
I can't find the states covered by the Gulf Cooperation Council (GCC) in the Regions of Potential Supply section of the Stage 2 questionnaire. What do I do? 14
I don't have all of the information requested, what do I do? 14
What happens if my questionnaire is rejected during the data checking process? 14
What is the role of Achilles? 15
Where can I find more information related to the Programme? 15
How can I contact Achilles for support with the Programme? 15

ABOUT THE SABIC SUPPLIER DUE DILIGENCE PROGRAMME

Why are we introducing the Supplier Due Diligence Programme?

We are introducing the Supplier Due Diligence Programme in order to be able to confidently demonstrate sustainable business practices throughout the supply chain to both internal and external stakeholders, as well as our customers. This is vital to commercial success, and is an essential requirement of winning and retaining business – this applies to SABIC as well as our valued suppliers.

Having confidence in the sustainability of our supply chain requires reliable intelligence on our business partners. For this reason, SABIC has worked with Achilles to develop a Supplier Due Diligence Programme (the "Programme") that meets the needs of our global business. This Programme will deliver the supplier intelligence we need to advance responsible sourcing practices across our business, ensure a compliant supply chain and make sure we continue to invest in the right suppliers.

The Due Diligence Programme furthermore supports our strategic objective of being the preferred world leader in chemicals by 2025, by allowing us to build a solid foundation from which we can continue to grow and develop with our valued suppliers.

What are the aims of the Programme for SABIC?

The Programme will:

- Confirm that our suppliers are committed to the principles articulated in the SABIC Supplier Code of Conduct;
- Check the compliance status of every supplier consistently against key legislative and regulatory requirements, including norms for sustainability;
- Confirm our suppliers operate to the highest ethical, safety, security, environmental and labour standards and adhere to anti-corruption principles and thereby operate sustainable business practices;
- Give SABIC buyers access to standardised supplier data to support an objective supplier evaluation process.

How does the Programme enable us to monitor supplier compliance?

Registration commences with a simple online application that determines the risk profile of a supplier, and which stages of the due diligence process the supplier will be required to complete. Factors used to determine risk have been pre-determined by SABIC, and will be consistently applied across our global supply base.

Suppliers will be asked to complete at least one due diligence questionnaire (basic or advanced) and will be notified of their due diligence questionnaire requirements via the Achilles online portal as part of the registration process. Some suppliers, who are asked to complete the advanced due diligence questionnaire, may also be asked to undergo an audit. If an audit requirement prevails, this will be communicated separately.

The Programme ensures that all suppliers are scrutinised across the same key business and compliance aspects in line with defined due diligence requirements. The Programme will enable SABIC to create a standardised central repository of supply chain information that has been checked by Achilles and can be used globally to monitor supplier compliance and support our procurement activities.

How will the Programme facilitate efficiency improvements for our suppliers?

The Programme provides suppliers with a simplified and streamlined mechanism for registering with SABIC, as well as a single point of data entry for key compliance information that can be accessed by all SABIC buyers globally.

The information in the Programme is accessible 24/7, whereby suppliers can view and update the data they provide at their own convenience.

How does the Programme support our strategic goal to be the preferred world leader in chemicals?

The Programme will support this strategic goal in two ways:

1. It will deliver valuable insight into supplier capabilities to support business growth;
2. It will help SABIC to win new business by demonstrating to our customers that we operate sustainable supply chain practices.

How does the Programme protect the business of SABIC and our suppliers?

By enabling supply chain transparency, the Programme helps SABIC to mitigate potential supply or reputational disruptions caused by supplier non-compliance and avoid liability claims as a result of major supplier non-compliances. Both factors serve to ensure optimal continuation of service to our customers and protect our business and that of our suppliers.

REGISTRATION REQUIREMENTS AND RULES

Who is required to register?

Under the Programme, all SABIC vendors globally (current and prospective) will need to register in the Achilles online portal. Current suppliers will be invited to register – prospective suppliers can ask to register via SABIC's website.

Any subsidiary or affiliated supplier, which contracts individually with SABIC to supply goods and/or services has to have its own registration profile. This ensures that the risk is assigned correctly, e.g. a supplier providing equipment only may be considered low risk, but an affiliate of the same supplier installing equipment on a SABIC site may be considered a higher risk.

- Please note that this rule does not apply to subsidiary or affiliated organisations that are supplying to SABIC under a Global/Regional Framework Agreement as long as the parent company has registered with Achilles. In this case, there is no requirement for the subsidiary or affiliated suppliers to register separately.

How will suppliers be notified of the requirement to register?

Starting in September 2016, SABIC will be informing suppliers of their requirement to register. At point of invitation, Achilles will send you email instructions on how to complete the registration process.

Due to the scale of our supply chain, a phased approach will be deployed to implement the Programme; however, we are aiming to invite all suppliers within 12 months from launch.

If you don't receive an invitation immediately, there is no need for concern.

If you do not already supply products or services to SABIC, but want to complete the registration process, please see the section 'How can I register as a potential supplier to SABIC?'

Registration requirements

- The registration requirement applies to all direct and indirect suppliers supplying to SABIC in all regions globally, as well as any subsidiary or affiliate organisation, which contracts individually with SABIC to supply goods or services.
- Prospective suppliers will be asked to complete the same registration process as current suppliers.
- Stage 1 registration is free-of-charge and must be completed within 10 working days from receipt of invitation.*
- If the application process determines that a paid Stage 2 registration is required, this must be completed within 1 calendar month following completion of the online application process.*
- The information you provide to the Programme must be kept up-to-date, and as a minimum refreshed once each year via the annual renewals process. Suppliers are expected to make adjustments throughout the year as required e.g. updating certificates following expiration.
- Supplier due diligence requirements are re-evaluated as part of the renewals process – subscription levels will be adjusted up or down accordingly.
- Stage 2 subscription fees are due at point of registration, and then annually. Achilles audit fees are due prior to audit scheduling, and then annually - however, this interval may be extended depending on the outcome of the previous audit.

**Note exception to the above timescales*: If you are required to register in the Programme as part of a specific tender, a fast-track process with shortened timescales will apply. Please see the section titled 'Fast-track process' for more information.

SABIC business rules related to registration

- New suppliers cannot be set up as SABIC vendors until a validated Achilles registration is on file.
- Registering at the correct level in line with the due diligence requirements of SABIC allows a supplier to become eligible for business with SABIC.
- Current contracts will not be affected by non-registration.
- Existing suppliers will be ineligible for a new contract award or contract renewal prior to completion of Achilles registration (unless contract award / renewal occurs prior to the invitation into the Achilles system for the first time), while a new supplier will not be eligible for business with SABIC if it fails to register and qualify with Achilles.
- In case of fast-track, as explained above, separate timeframes for completion apply, but the basic principle remains that each supplier will need to register with Achilles for business with SABIC.
- Suppliers can be included in an RFI (Request for Information) and RFP (Request for Proposal) process without a valid/current registration in the Achilles System; however, a Purchase Order (PO) cannot be issued to a supplier without a current/valid registration in the Achilles System at the correct level based on pre-determined registration criteria.
- Registration in alternative Achilles communities does not exclude a supplier from registration process for the SABIC Supplier Due Diligence Programme.

Why is it important for you to register in the Programme?

Registration at the required level in the Programme provides several benefits for you as a SABIC supplier, including:

- Become eligible for business with SABIC and qualify for contract awards and renewals*;
- Benefit from the opportunity to grow your business with SABIC by showcasing your full capability to SABIC buyers globally;
- Help us to demonstrate to our customers that we operate sustainable business practices;
- Provide due diligence information that can be accessed by all SABIC buyers;
- Benchmark your compliance practices against SABIC's requirements;
- Evidence your compliance status, demonstrate sustainable business practices, and strengthen and protect your business relationship with SABIC.

*Please note: registration does not guarantee your organisation business with SABIC.

THE REGISTRATION PROCESS

How do I know which stages I am required to undertake?

Registration commences with a simple online application process that determines the risk profile of a supplier, and which stages of the due diligence process the supplier will be required to complete in order to be enrolled in the Programme. Factors used to determine risk have been pre-determined by SABIC.

Suppliers will be notified of their due diligence questionnaire requirements via the Achilles online portal as part of the registration process. If an audit requirement prevails, this will be communicated separately.

What are the due diligence stages?

Stage 1

Stage 1: SABIC Supplier Registration System questionnaire* requests data related to the following:

- Basic company information such as contact details;
- Capability to supply to SABIC;
- Willingness to adhere to principles in SABIC Supplier Code of Conduct;
- Watchlist screening;
- Local legal requirements such as company incorporation and tax payments.

Stage 1 is free of charge.

Stage 2

Stage 2: Chemicals & Allied Industries Community questionnaire* requests the same information as Stage 1, plus more detailed input related to key compliance aspects such as anti-corruption, environment, health, safety and security (EHSS), corporate social responsibility, quality management, sustainability and labour. A fee is payable for Stage 2.

*Suppliers will be asked to complete at least one online questionnaire (Stage 1 or Stage 2). In some instances, they may be required to complete both.

Annual Stage 2 fees are payable directly to Achilles, and are as follows:

Number of Product/Service Codes	**1 to 5**	**6 to 10**	**11 to 21**	**22+**
Annual Fee ($ USD)	**$920**	**$1,350**	**$1,770**	**$2,200**

How is the Stage 2 fee determined, and how do I make a payment?

The fee is determined according to the number of products and/or services that you enter in the application process based on product codes. (See 'What is a Product/Service Code?')

Once the fee is determined, you will be asked to make a payment. You can choose to **Pay Now** or **Pay Later:**

- **Pay Now** requires immediate online payment by credit or debit card. This option enables instant access to the Stage 2 questionnaire;
- **Pay Later** requires payment over the phone by credit or debit card or via Electronic Bank Transfer (i.e. the electronic exchange of money from one account to another based on an invoice) based on your own terms and conditions of payment. *(Please note, the link to the Stage 2 questionnaire can only be sent to you when payment is received by Achilles).*

What currency can I pay in?

You can pay in Euros (€); American Dollars (USD$); and British Pounds (GBP£). The invoice generated will automatically be calculated in the currency you have selected based on current exchange rates.

What does the Stage 2 fee cover?

The subscription fee is payable directly to Achilles and covers:

- Checking and verification of your company information by an independent third party for completeness and accuracy;
- Automatic alerts to remind you when important certification data is due to expire;
- 24/7 access to your data;
- Capability to update your company information quickly and easily in a secure online environment;
- An efficient online process to submit information to SABIC;
- Live questionnaire support in local language.

Stage 3

Stage 3: An On-site Audit, if required based on the higher risk profile of the supplier, will serve to independently verify that the supplier's processes meet best practice of the chemicals industry as well as the specific requirements of SABIC. In particular, it will check for compliance with recognised standards for EHSS; local legislation requirements; and appropriate standards for social and ethical behaviour.

Stage 3 fees are charged separately and are not included in the Stage 2 fee.

What determines the cost of an audit?

Audit prices are based on the number of days required and the country location of the supplying organisation. An audit for a medium-sized organisation will take 1 day; an audit for a large organisation will take 2 days. In addition to the standard day rate charged per country location, supplying organisations will be required to cover any expenses incurred by the auditor. Expenses may apply for flights, accommodation, travel, subsistence or mileage. A full quotation of expected costs will be provided to you prior to booking the audit.

How will I be notified of an audit requirement?

An Achilles representative will contact the supplier to confirm the audit requirement and provide details of the audit protocol and associated costs. Where possible, payment will be taken over the phone and an audit scheduled immediately. If payment is via Electronic Bank Transfer, a date for the auditor to attend your premises will be scheduled with you as soon as payment is received.

What happens during and after the Audit?

Once on site, the auditor will check your processes against the agreed protocol, and identify any non-compliances – major and minor.

If non-compliances are identified, the auditor will work with the supplier to agree upon corrective actions and timelines for completion. The supplier is then asked to summarise these in an Improvement Plan, and to submit a copy to Achilles so that it can be uploaded in the Achilles online portal.

Following the auditor's visit, an Audit Report will be compiled and also uploaded to the supplier's company record in the Achilles online portal.

Finally, Achilles will issue the supplier with an audit certificate to verify completion of the audit process and the score achieved, as well as a copy of the Achilles "Audited Stamp" that they can use on their marketing material, website or in tender documents.

SABIC buyers will have access to both the Audit Report and (if applicable) Improvement Plan. This shows them how you performed, where the gaps are and how you intend to address these. It also allows them to work with you directly to monitor and achieve progress against the Plan.

I already have a current audit certificate; do I still need Stage 3?

If you are a SABIC Supply Chain Vendor, and you already hold a current audit certificate issued by SQAS, CDI-T, CDI-R or SIRE (or similar), you will be asked to supply details of this, including uploading a copy of your valid Audit certificate. In this case, you will not be required to complete Stages 2 and 3 - you will only be required to do Stage 1.

If you do not hold a current audit certificate issued by any of the previously-mentioned Awarding Bodies (or similar), you will be required to do Stage 2 and Stage 3 as a minimum.

Fast-track process

In the event of an urgent tender process or an exceptional business requirement, a supplier may need to be fast-tracked through the registration process. If this is the case, the following will apply:

- Achilles will contact you directly to advise you of the registration requirements for the tender, and the deadlines for submission in order to be qualified within a maximum time period set for closing of the contract award;
- You must complete the registration requirements for the specified stages within the stated deadlines.

Please note: the basic principle applied at SABIC is that no PO or contract can be awarded to a supplier until the registration requirements are met in full unless contract award / renewal occurs prior to the supplier being invited into the Achilles system for the first time. In this case, registration will be a condition of the contract award. Failure to comply with this requirement could result in the PO or contract being rescinded.

Annual Renewal Process

Suppliers are mandated to maintain a current registration in line with their risk profile and the requirements of the Programme.

A supplier's risk level will be re-evaluated annually as part of the standard Achilles renewal process.

Suppliers will be asked to review their online information as part of the renewal process and to submit any changes to Achilles. This is important to ensure due diligence information remains up-to-date.

The outcome of an audit will be used to determine the need for further improvements and / or when a future audit is required.

QUESTIONS ABOUT REGISTRATION

How can I register as a potential supplier?

If you do not currently supply products or services to SABIC, you may still register in the Programme. In order to initiate the registration process, go to **https://supplier.sabic.com** and complete a short form.

Following submission of this short form, you will be sent further instructions for completing the registration process. Note that registration is not a guarantee of future business.

We always worked for SABIC, why should we register with the Programme?

All organisations wishing to supply to SABIC from this point forward are mandated to register at the required stage in the Programme.

Only suppliers who complete the registration process in line with our due diligence requirements will be considered approved for business with SABIC and be included for future contract / PO awards.

Existing suppliers will only be eligible for contract renewal after they complete the Achilles registration unless the contract renewal occurs prior to the supplier being invited to register in the Achilles System.

What happens if I do not complete the registration process within the required timeframes?

SABIC Vendor Management will be instructed not to set up any new vendors within our SAP system without a validated Achilles registration on file. New suppliers will not be eligible for business with SABIC unless they register in line with specified due diligence requirements.

Existing vendors will be ineligible for contract renewals prior to completion of Achilles registration unless the contract renewal occurs prior to the supplier being invited into the Achilles System.

Completing registration within the required timeframes is the best way to protect your business interest with SABIC.

What happens if I do not complete the full registration process in line with SABIC's requirements?

Suppliers who do not register at the minimum required Stage will be deemed as **not yet eligible for business with SABIC.**

This will directly impact eligibility for inclusion in PO / contract awards as well as contract renewals. Such suppliers will be flagged to SABIC.

SUPPLIER INFORMATION, DATA MANAGEMENT AND CONFIDENTIALITY

Who has access to my information?

Information provided as part of the SABIC Supplier Registration System (Stage 1) will only be made visible to authorised persons in SABIC.

Information provided as part of the Chemicals & Allied Industries Community questionnaire (Stage 2) will be made visible to all authorised persons in SABIC as well as to all future buying organisations within the Community. This includes any Achilles Audit Reports or Improvement Plans (Stage 3) for your business.

Please note that your information will not be visible to other suppliers; likewise, you cannot search other suppliers' company records. This is to protect supplier confidentiality. Suppliers own all the data they enter into the Achilles System.

PROGRAMME SUPPORT

What information do I need to provide in order to complete registration?

The online questionnaires require information regarding several areas such as finance, health, safety and environment, quality, insurance, products and services, corporate social responsibility, ownership, and legal details. This will include the uploading of relevant certification and other supporting information.

To view a full list of information that you will be asked to supply at Stage 1 and 2, please refer to the relevant Registration Checklist available on the SABIC website **https://supplier.sabic.com**

What is a Product/Service Code?

A product / service code describes a category of products or services provided by a supplier. Product/service codes enable SABIC buyers to search for suppliers based on their specific sourcing requirements. A copy of the Product Code Guide will be made available to you when you commence the registration process.

How many Product/Service Codes do I need to enter?

You are required as a minimum to register the product codes for the products/services you currently supply to SABIC.

However, if you want to promote the full breadth of your product portfolio and potential to supply, you may register as many product codes as you wish.

What happens if I register incorrect products and/or services?

If you have do not list all the products and services that you currently supply, or want to supply, you can add new products or services to your registration. *Please note: addition of new product codes may affect your registration fee, which is determined by the number of product and/or service codes you enter.*

If you want to delete any product/service codes, you may do so at any time. In the event that this reduces your registration fee, adjustments will be made at point of renewal. *Please note: Achilles cannot make a refund on current registration fees.*

What languages is the Programme available in?

The Programme will only be available in English. However, offline communications and live support will be provided in multiple languages, including Arabic.

How do I make changes to my questionnaire?

Once your questionnaire is submitted to Achilles for data checking, you cannot make any changes to your data until it is checked by Achilles and published for SABIC buyers to view (other than as part of the data verification process if issues are raised directly with you).

Once a questionnaire is published to SABIC buyers, you can make changes at any point in time. If you make any changes to your questionnaire(s) you will need to save them and re-submit for data checking. Once your changes successfully pass the Achilles data checking process, your updated information will be made available to SABIC.

How often do I need to update my information?

Information must be maintained at a minimum on an annual basis. Achilles will contact you to advise when key information and/or your registration is due to expire.

What happens if I can't login?

If you are experiencing trouble logging in, you can request a new password notification email by contacting Achilles via SABIC@achilles.com

How many users can have login details?

The main contact registered will have administration rights for other users and can control who has access to the system within your organisation. There is no limit to the number of users allowed.

How do I attach a document?

Supported document formats include: .jpg .jpeg .png .rtf .pdf. To attach a document:

- Save the document to your current computer
- Click on **'Browse'**
- Select the document from your system for upload

I can't find the states covered by the Gulf Cooperation Council (GCC) in the Regions of Potential Supply section of the Stage 2 questionnaire. What do I do?

All of the states covered by the GCC can be found under Asia.

I don't have all of the information requested, what do I do?

You can only submit a questionnaire once all fields marked as "**required**" are completed. If the information you do not have available is not "required," you can continue with the rest of the questionnaire. You can save the details that you completed and add missing information at a later point in time.

What happens if my questionnaire is rejected during the data checking process?

If any issues or inconsistencies with the information you provide in your questionnaire(s) are identified during the data checking process, you will receive an email from Achilles listing these issues. It is important that you address these as soon as possible.

Your information will not be visible to SABIC in the Programme until it is submitted and successfully passes the Achilles data-checking process.

What is the role of Achilles?

Achilles runs the online portal that is used to gather; maintain and verify the information provided by suppliers as part of the Programme. In addition to providing the online service, Achilles' role covers the following:

- Contacting and supporting all SABIC suppliers through the registration process; from initial on-boarding, submitting the appropriate information into the system, verifying the information provided, to providing the data to SABIC buyers and maintaining the information;
- Ensuring that all suppliers are aware of the requirement to register in the Programme;
- Escalation of objections to registration to SABIC;
- Providing additional supplier assessment services including scheduling, conducting and publishing the findings of the Achilles Audit process;
- Reporting to SABIC on a regular basis regarding the status of all suppliers in the Programme.

Where can I find more information related to the Programme?

For more information about the Programme, please visit https://supplier.sabic.com

For more information about Achilles, please visit www.achilles.com

For more information about the Chemicals & Allied Industries Community (Stage 2 of the Programme), please visit www.achilles.com/chemicals

To find out more about the audit process, read the Audit Handbook and Audit FAQ, visit https://supplier.sabic.com

How can I contact Achilles for support with the Programme?

Supplier Country	Email Address	Telephone number
All LatAm (except Brazil) Mexico and non-English speaking Caribbean	chemicals.chi@achilles.com	+56 – 2 -25859675
Brazil	chemicals.chi@achilles.com	+55 - 21- 33446333
East Asia	chemicals.hk@achilles.com	+852 3916 8204
Australia	chemicals.hk@achilles.com	+61 7 3909 300
Middle East, South Asia and Indian Subcontinent and Africa	chemicals.ind@achilles.com	+91 22 6128 7945
Europe excluding British Isles and Ireland, Spain, Portugal, Italy	chemicals.slk@achilles.com	+421 2 2099 2300
US, Canada and English Speaking Caribbean	chemicals.usa@achilles.com	+1 281-809-4400
The British Isles and Ireland	chemicals.uk@achilles.com	+44 1235 861118
Spain, Portugal, Italy	chemicals.esp@achilles.com	+34 91426 49 35