

SNF (Australia) Pty Ltd

Modern Slavery Statement

Reporting Year 2022

SNF (Australia) Pty Ltd

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Statement by the Managing Director

SNF (Australia) is a manufacturer of water treatment chemicals. Most of the chemicals manufactured or imported are used in the Australian market. SNF seeks to do business in a transparent manner while complying with all the legal requirements. We believe that sustainable business practices are a prerequisite for success. Thus, the sourcing of raw materials, packaging, labour and other inputs needs to rest on a foundation of sound ethical practices supported by the law and the community in which we operate.

SNF (Australia) is part of the SNF Group of companies with global Head Offices in France. Our local operations are guided by the Anti-slavery and Human Trafficking Policy of the SNF Group. SNF will not tolerate any form of slavery or human trafficking in our supply chains and operations. Our business partners are carefully selected based on our values and compliance with relevant domestic and international covenants.

SNF (Australia) has committed itself to continuous improvement of systems and processes to manage the modern slavery risks as they arise during the course of doing business. This statement is a testament to our commitment to comply with the law and provide public disclosure of our business activities for transparency.

This statement is approved by the SNF (Australia) Pty Ltd Board of Directors.



Russell Schroeter
Managing Director - SNF (Australia) Pty Ltd

1.0 Introduction

This Modern Slavery Statement was prepared to meet the requirements of the Australian Modern Slavery Act 2018 (Cth). This statement gives details of what SNF (Australia) has done to minimise exposure to modern slavery risks in its supply chain.

This statement is for calendar year 2022.

Modern slavery, at its core, is the exploitation of fellow human beings for profit. A legislative solution is a starting point in addressing the practice, but may need to be supplemented by other activities such as educational campaigns by the authorities. If there is no conviction by individuals of the evils of the practice, the exploitation may still be practiced in one form or another, while on paper the legal obligations are satisfied.

SNF (Australia) is aware that some industries are prone to slavery practices and seeks to operate with transparency as regards supply chains. This report gives an overview of the organisation's structure, operations, potential risks of modern slavery and how they are managed.

2.0 Business Overview

2.1 Business Structure

SNF (Australia) Pty Ltd is part of the SNF Group, the world's largest manufacturer of organic coagulants and flocculants. The SNF Group is headquartered in France with a global presence through subsidiaries. The subsidiaries are each led by a General Manager/Managing Director.

SNF Group subsidiaries are integrated and complement each other for the supply of raw material or finished product for manufacturing or re-sale, respectively. Other raw materials are sourced from external partners in Australia and overseas.

2.2 Operations

SNF (Australia) Pty Ltd is headquartered in Lara, Victoria, Australia. It is a leading manufacturer of organic flocculants and coagulants. It also supplies a range of powder organic polymers that are imported into Australia from other SNF Group subsidiaries abroad.

At the Lara site is a manufacturing facility that produces liquid polymers used in various applications as detailed below. The company has Warehouses around Australia from which our customers are supplied. SNF Australia sells products directly to end users. Some products are sold via resellers who specialise in certain specialised markets.

SNF (Australia) sourced products and services during the year from the following countries:

India, China, United States of America, France, South Korea.

Our products were utilised in the following sectors of the economy:

- Personal care products
- Agriculture

- Municipal water treatment
- Pulp and paper
- Industrial applications
- Mining and ore processing applications
- Oil and gas.

2.3 SNF (Australia) Supply chain

The number of suppliers to SNF Australia continues to grow as the business expands. From utilities to raw materials and finished products, the supply chain is dependent on a number of smaller but important providers of services. The bulk of our major raw materials for manufacturing and finished products for resale, come from SNF Group subsidiaries. Suppliers not within the SNF Group have to meet our requirements for quality, reliability and capacity of supply, and regulatory compliance of their operations.

Imported products come by ocean shipping followed by rail and road transport to reach their intended destinations. SNF (Australia) also sources personal protective clothing/equipment and packaging materials from local and international suppliers. The overview of SNF (Australia) supply chain is shown in Figure 1.

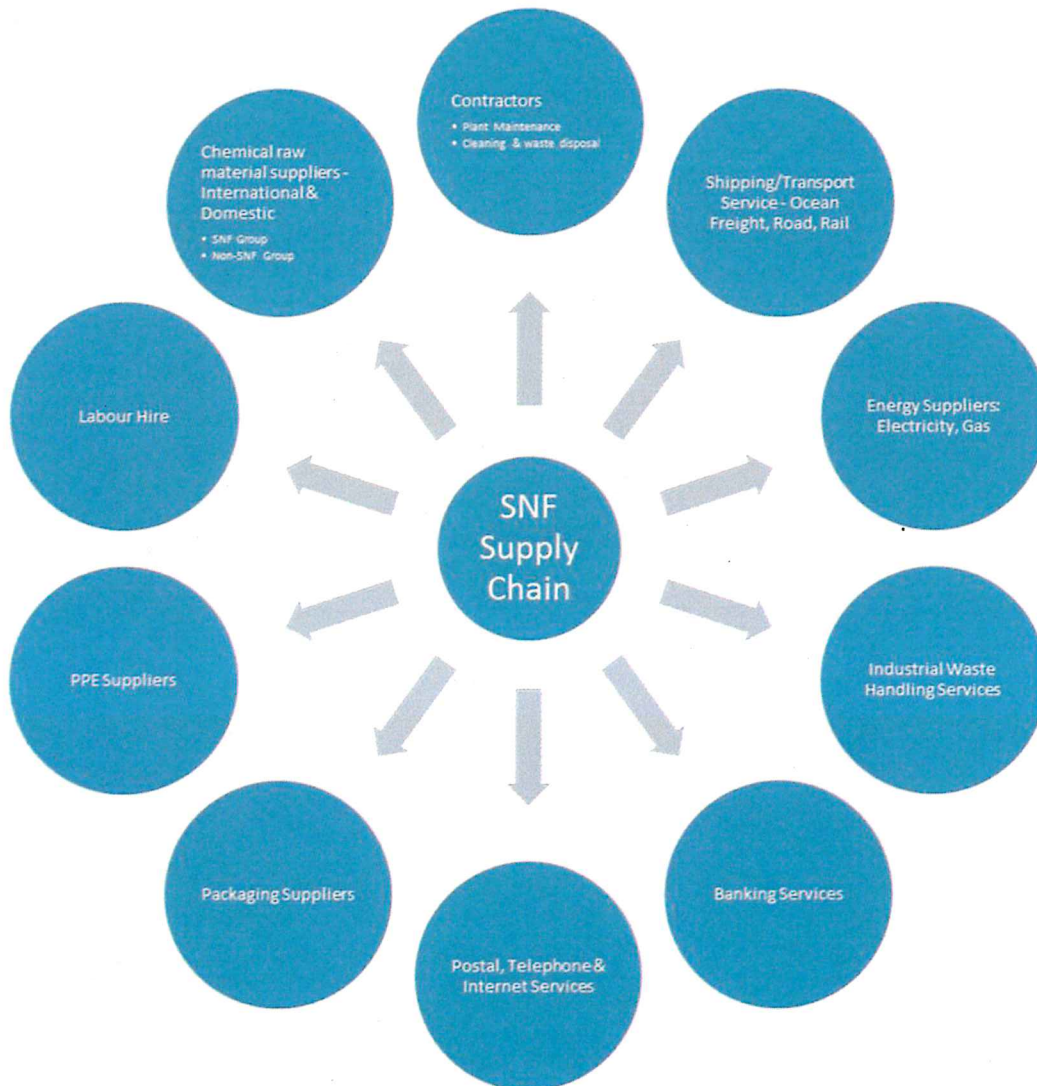


Figure 1. SNF (Australia) Pty Ltd Supply Chain.

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3.0 Modern Slavery Risk Management

3.1 Supplier Risk Assessment

During the reporting year, there hasn't been any significant changes in our supply chain. The risk assessment that was conducted and reported for the calendar year 2021 applies to the year 2022 (see Modern Slavery Statement for 2021). Modern slavery risks are championed from the SNF Group Headquarters in France via policies and procedures.

The SNF Group posture is being strengthened to minimise any slavery practices within its supply chain and operations. Each subsidiary is required to provide resources for the full implementation of the SNF Group Policy.

To keep up with a dynamic business environment, management regularly reviews company operations to ensure compliance activities are meeting the desired objectives.

As part of SNF (Australia) risk management process, the following aspects are considered to decide appropriate action to take:

- size and reporting requirements of a supplier
- geographical location and legal compliance requirements.
- Business type/sector: The suppliers in the shipping, PPE and packaging business are our greatest exposure to modern slavery risks. Our suppliers in these categories are based in Australia, India, South Korea, and China.

3.1.1 Low Risk Suppliers

SNF Group subsidiaries, suppliers in Australia of a size that obligates them to report on modern slavery, those that are below the reporting threshold in Australia, and are in low risk industries were deemed low risk.

3.1.2 Medium Risk Suppliers

Suppliers in Australia in the shipping/transport and packaging business and are below the reporting threshold.

3.1.3 High Risk Suppliers

International suppliers that are not part of the SNF Group and located in geographical regions with weak regulatory oversight. We are guided in making determinations by reports from international bodies such as the International Labour Organisation (ILO).

3.1.4 Business Sector Risk Assessment

Industry	Risk	Comment
Chemical	Low	Specialist activity/area
Shipping/transport	Medium/High	Low skill activity
Packaging/Warehousing	Medium	Prone to exploitative labour depending on geographical location
PPE & PPC	Medium/High	Prone to exploitative labour depending on geographical location
Labour hire	Medium/High	Prone to exploitative labour depending on geographical location

SNF (Australia) focused its attention on those suppliers in the medium to high risk category. This approach ensures that resources are targeted in the right areas likely to have modern slavery in their operations.

3.2 Business Activity Risk Assessment: Staffing

SNF (Australia) employed a total of 80 staff in the reporting year. Of the 80 employees, 77 were permanent and 3 were labour hire staff in full compliance with local labour laws.

There was a high turnover of contractor staff in some services such as cleaning, which was attributed to staff shortages even from reputable service providers. The Covid pandemic disrupted services and made it difficult for some suppliers to meet contractual obligations due to staff shortages. The risk to the business remained low as detailed further below.

3.3 Business Activity Risk Assessment: Purchasing & Supply

SNF (Australia) Pty Ltd invested in a new plant to locally produce acrylamide, a major raw material for our locally manufactured product range. This development reduced the volume of raw materials coming from abroad. The net benefit was reduced exposure to risks from those sectors of the supply chain, such as shipping, warehousing and packaging, which have high inherent risk of modern slavery.

The above development strengthens SNF (Australia) risk management strategy of sourcing of other raw materials and finished product from within the SNF Group as the entities are vertically integrated.

SNF (Australia) Pty Ltd is an active participant in the Responsible Care Program administered by Chemistry Australia. The Responsible Care Program has a Site and Supply Chain Guidance document that outlines supply chain product stewardship measures. SNF (Australia) manages risks within the supply chain using a risk management approach as outlined in the guidance note. Major chemical raw material suppliers in Australia are members of Chemistry Australia and participate in the Responsible Care Program. The exposure to modern slavery risks is reduced when doing business with such entities.

The sectors identified to have elevated modern slavery risks are shipping, packaging, and PPE supply chains. In 2022, SNF (Australia) sourced its packaging for locally manufactured product from local suppliers. Packaging for imported products was the responsibility of the supplier. Our major foreign suppliers are either within the SNF Group, or are signatories to international conventions that address slavery and human trafficking. PPE was sourced from local manufacturers with whom we have ongoing engagement to address any concerns.

3.4 Risk Control Measures

3.4.1 Policy

SNF (Australia) operates under the SNF Group's Anti-slavery and human Trafficking Policy. This policy arrangement ensures that all SNF Group subsidiaries are operating in compliance with the policy regardless of the geographical location. All our suppliers within the SNF Group are therefore compliant with the Group's policy.

3.4.2 Staff Training

In the reporting year, four staff members responsible for purchasing and human resources completed modern slavery awareness training, which was a refresher, to update knowledge and skills.

3.4.3 Purchasing & Supply Management

Suppliers in identified high risk industries and jurisdictions were asked to complete a modern slavery questionnaire. The responses were assessed for risks to modern slavery. Priority was given to the PPE, shipping and packaging supply chain sectors identified as having high risk of exposure to modern slavery.

In 2022, a total of five major suppliers of packaging, shipping, warehousing and storage service companies completed the modern slavery questionnaire. Of these, only two are non-reporting entities under the Modern Slavery Act. The two companies are based in Australia and no issues have been flagged for follow-up.

The impact of the Covid 19 pandemic has been negative as some of our suppliers in the PPE supply chain have failed to complete the questionnaire due to staff shortages. It is hoped that as the recovery from the pandemic gathers pace, normal levels of operation for our supply partners will be restored.

A review of the cleaning services resulted in a reduction of the number of days the cleaners offered a service from 5 to 3 days a week. This took into account the fact that nearly 50% of our site employees were working from home, hence the pressure on site facilities was significantly reduced. This being a low skill service, the reduction in contact time also reduced exposure to attendant risks.

3.5 Review of The Effectiveness of Risk Control Measures

3.5.1 Policy

A policy that spells out the SNF Group policy on slavery and human trafficking guides all subsidiaries. This policy has been implemented in our local operations and relevant staff have been provided with training to be able to discharge their duties effectively. The policy is reviewed periodically to update with latest knowledge and understanding. All staff that need to implement this policy are aware of their obligations and have implemented the policy.

3.5.2 Staff Training & Awareness

Staff responsible for purchasing & supply and human resources have completed modern slavery awareness training. They are aware of the things to look out for in their line of responsibility and implementing the company's policy to meet legal obligations. SNF Australia has not had to investigate serious incidences of modern slavery in its supply chain due to due diligence in the implementation of the SNF Group policy.

3.5.3 Purchasing & Supply Control Measures

SNF (Australia) Pty Ltd has continued to operate a purchasing process to maintain an approved suppliers list. Risk assessment of new suppliers is done to highlight areas of risk with modern slavery. SNF is always ready to communicate with higher risk suppliers via our questionnaire to understand what actions they are taking to eliminate the risk within their business/supply chain. It has become apparent that less rigor is required when dealing with reporting entities under the Modern Slavery Act 2018 as they are already taking actions to mitigate modern slavery risks in their operations.

Many of our major suppliers who are reporting entities have a similar questionnaire to the one we use. Over time it has become unnecessary to be asking the same questions and getting the same answers. The risk profile of reporting entities is rated very low and annually we check to see if they have submitted a statement to the repository. That is considered sufficient evidence of the supplier's activities to mitigate modern slavery risk.

SNF has gone through another year without any reported modern slavery risks. That outcome is a result of due diligence on the part of our staff.

3.6. Areas for Improvement

SNF will explore the possibility of audits by third parties for the non-reporting suppliers who persistently fail to complete our questionnaire. This will require mutual agreement on scope and possibly cost.

4.0 Conclusion

SNF (Australia) has low exposure to modern slavery risks due to the nature of the industry it operates in, and the quality of supply relationships that have been built and maintained over many years. By a process of continual improvement and due diligence, SNF seeks to maintain low exposure risk of modern slavery. Partnered by likeminded major suppliers, this task is expected to be easy to accomplish.

This statement was prepared by authorised representative



Dr Solomon Muganda
SNF (Australia) Pty Ltd

on Date: 30/05/2023

And was approved by



Russell Schroeter
Managing Director - SNF (Australia) Pty Ltd

on Date: 06/06/2023

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