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Albright & Wilson (Australia) Limited Modern Slavery Statement

This Modern Slavery Statement (Statement) is made by Albright & Wilson (Australia) Limited (AWAL) for the reporting period 1 January 2022 to 31 December 2022. AWAL understands the need to address the issue of modern slavery and has prepared this Statement pursuant to section 13 of the Modern Slavery Act 2018 (Cth) (the Act).

This is the first Statement submitted by AWAL. AWAL recognises that modern slavery includes situations where coercion, threats or deception are used to exploit people and undermine or deprive them of their freedom and this can occur in many forms which includes: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and the worst forms of child labour. The company further acknowledges that it has an obligation to protect human rights, starting from the way it conducts its business and is committed to ensuring there is transparency in its operations and approach to tackling modern slavery.

In formulating this Statement, AWAL has taken into consideration multiple sources of information, including the "Guidance for Reporting Entities" offered by the Commonwealth Government. The primary objective of this Statement is to satisfy all seven compulsory reporting requirements stipulated in the Act.

1. Reporting Entity

AWAL is an Australian company (ABN 36 004 234 137).

2. Structure, Operations and Supply Chains

2.1. Structure

AWAL is a public company not listed on the ASX. It is a 100% subsidiary of Universal Interchemicals Corp. Pte Ltd based in Singapore and is ultimately owned by PT Unggul Indah Cahaya Tbk based in Indonesia.

Albright & Wilson New Zealand Limited is a 100% subsidiary of and fully controlled by AWAL.

AWAL is a leading manufacturer of surfactant in Australia and sells phosphate-based products.

2.2. Operations

AWAL markets and manufactures a range of surfactant, phosphate and specialty chemical products to mainly Australian & New Zealand customers. It also represents overseas companies in Australia on an agency basis.

The company operates one manufacturing site in Wetherill Park, NSW and utilises third party manufacturers in Australia and Asia. Off-site storage and transportation are provided by third party logistics companies.

In total, the company employed 63 employees in Australia and New Zealand in the 2022 reporting year:

- 57 employees at company head office & manufacturing facility in Wetherill Park, NSW
- 2 in Victoria
- 1 in Qld
- 1 in WA and
- 2 in NZ.

2.3. Supply Chains

AWAL strives to partner with suppliers that share its values and uphold ethical and sustainable business practices, particularly with regard to human rights.

The company directly engages with around 62 suppliers and acknowledges that its supply chain extends beyond these contractual relationships. These suppliers span a diverse range of industries, including raw materials, telecommunications, insurance, IT hardware and software, freight and shipping, professional services (e.g. legal, accounting, and payroll), electrical products and services, construction and maintenance services, waste management and drainage, pipes and valves, laboratory products and services, and machinery and equipment hire.

AWAL purchases most materials from overseas. The top three importing countries are Indonesia (33%), Singapore (23%) and China (19%). Around 10% of purchasing materials are originate from Australia.

3. Risks of Modern Slavery in AWAL's Operations and Supply Chains

3.1. Risk Identification

AWAL has released this statement outlining our efforts to prevent slavery and human trafficking in our supply chains and operations. We acknowledge that identifying areas of potential risk is a crucial first step in taking an effective approach towards ensuring that modern slavery does not take place. We also recognize that due to the widespread nature of modern slavery, every entity, has risks in their operations and supply chains.

3.2. Operations

Operating in full compliance with Australian and New Zealand regulations, AWAL considers the residual risk of modern slavery in its operations as low.

The production of chemicals takes place on a continuous basis and at a large scale, requiring substantial upfront capital investment and relying on technology and engineering solutions rather than manual labour. Unlike industries with seasonal fluctuations in demand, the chemical manufacturing sector typically employs people on permanent or long-term contracts. Thus, the risk associated with the sector and industry is considered low for large-scale chemical processes.

Our workers are employed either under modern awards, an enterprise bargaining agreement, or individual employment agreements that provide minimum pay and entitlements, working hours, and overtime arrangements. AWAL respects its employees' right to collectively bargain or negotiate, with or without a bargaining representative.

Contractors used in our operations are contracted according to Australian standards and regulations, including compliance with the Fair Work Act 2009. They are not limited to work for AWAL and can freely choose their clients.

3.3. Supply Chains

We acknowledge that the risks associated with our suppliers can vary based on their industry, geographic location, company size, and other relevant factors.

To assess the risks based on geography we refer to the data published by the Global Slavery Index¹. A breakdown of annual spent and vulnerability to modern slavery risk by country where our suppliers operate is shown below.

Country	Share of Purchases	Vulnerability to Modern Slavery
Indonesia	33%	50%
Singapore	23%	13%
China	19%	51%
Australia	11%	4%
Thailand	8%	51%
Vietnam	2%	41%
Malaysia	1%	39%
Philippines	1%	60%
Taiwan	1%	20%
India	less than 1%	55%
Germany	less than 1%	10%
USA	less than 1%	16%
Italy	less than 1%	28%
South Korea	less than 1%	30%
Spain	less than 1%	13%

We also assess the nature of goods and services purchased with regards to their modern slavery risk. Several of goods and services purchased fall under the higher risk categories, including but not limited to raw materials originating from plantations, security services, information and technology hardware and software, maintenance and cleaning services, postage, printing and stationery, food and groceries, furniture and fit-outs, and uniforms for our employees.

Our relationships with suppliers based on communication, collaboration, trust, fairness and continuous improvement. We acknowledge that shorter-term arrangements may carry a higher risk of modern slavery, as we have limited visibility,

¹ <https://www.globalslaveryindex.org/2018/data/maps/#prevalence>

knowledge, and control over these suppliers in comparison to our longer-term agreements.

On overall assessment based on goods and services supplied, geography and company specific factors was prepared and suppliers were categorised into high, medium and low-risk with regards to risks of modern slavery. With this approach we have identified 20 suppliers in the high-risk category, 14 suppliers in the medium-risk category and about 28 suppliers in the low-risk category. Possible risk mitigation measures by the suppliers have not been considered yet, which may result in currently rating suppliers as higher risk. While we believe this to be a conservative approach, we acknowledge that this is only an initial and rough assessment which will need to be refined by engaging the suppliers and start considering further factors such as their risk mitigation.

4. Actions taken to address Modern Slavery Risks and Due Diligence

We monitor and address human rights issues in our operations and supply chains under AWAL's Corporate Values, Employee Code of Conduct, Child Labour Policy, Whistleblower Policy, Modern Slavery Policy, No Deforestation Policy and Purchasing Policy. Furthermore, we work closely with our suppliers and participate in third-party certification and verification mechanisms for the highest risk raw materials we procure.

4.1. Our Corporate Values

At AWAL, we are committed to conducting business according to our corporate values. We hold all employees, managers, executives, and directors of the company accountable for maintaining the utmost levels of ethics, compliance, and transparency. Our objective is to demonstrate honesty and integrity in all our interactions within the business and community. These guidelines are also outlined in AWAL's Code of Conduct.

4.2. Our Policies and Procedures

The following policies guide aspects relevant to the prevention of Modern Slavery in our operations and supply chains.

Modern Slavery Policy

This policy outlines our dedication to preventing modern slavery and promoting responsible business practices across all our operations and supply chains. It recognises the impact of modern slavery and the responsibility of businesses to prevent it. A risk-based approach to identify and manage modern slavery risks is implemented which includes engagement with suppliers and partners, conducting due

diligence, and providing training to employees and suppliers. The company reports annually on its progress towards compliance with the Australian Modern Slavery Act 2018 (Cth) and plans to continually improve its approach.

Employee Code of Conduct

In our Employee Code of Conduct, we establish our commitment to a safe workplace free of fear of discrimination, bullying, harassment, victimisation and any form of forced labour or human trafficking. We expect the same from our staff and we will not tolerate behaviour that undermines this.

Employee Starter Pack, Induction and Check-ups

Our employee starter pack includes detailed information on working rights and the Fair Work information statement. The induction program includes regular employee check-ups during which any concerns about working conditions can be discussed so that they can be addressed. Once an employee has completed the induction process, annual check-ups are performed.

Child Labour Policy

This policy establishes the requirement that we do not employ children under the age of 18 and that we verify employees' age. We encourage employees to report any instances of child labour within our company or supply chain. We investigate all reports thoroughly and take appropriate action to address any identified issues. We also expect our suppliers to comply with all applicable laws and regulations related to child labour.

Whistleblower Procedure

This procedure establishes confidential reporting of suspected cases of exploitative practices including slavery, servitude, forced labour, debt bondage, and human trafficking and any practices that are characterised by the deprivation of a person's freedom, exploitation, and violation of human rights. Should they choose to identify themselves, the reporting person is protected from any reprisals from the company and their identity shall remain confidential, as far as legally possible. Follow-up actions and reporting by the company as well as feedback to the reporting person are outlined.

No Deforestation Policy

This policy establishes our respect the rights of local workers engaged in our supply chains and recognition of the importance of engaging with these communities to ensure that our activities do not negatively impact their well-being. Our monitoring and verification efforts are described.

Purchasing Policy and New Supplier Onboarding

Our Purchasing Policy establishes as a minimum requirement during supplier selection, compliance with modern slavery laws and regulations. New suppliers are

required to provide responses to detailed questions regarding their control measures to reduce risk of modern slavery in their operations and supply chains. Purchasing of materials is limited to approved suppliers, which meet these requirements.

4.3. United Nations Global Compact

AWAL is committed to the ten principles established by the UN Global Compact, which include the protection of human rights, making sure not to be complicit in human right abuses, upholding the freedom of association and right of collective bargaining. It further calls for the abolition of all forms of compulsory labour and child labour.

4.4. Third Party ESG Reporting, Validation and Verification Organisations

AWAL has been assessed by the following Environmental, Social and Governance (ESG) Reporting, Validation and Verification Organisations.

Roundtable on Sustainable Palm Oil (RSPO) is a global, not-for-profit organisation with voluntary members. RSPO is focused on bringing together stakeholders from across the palm oil supply chain to develop and implement global standards for sustainable palm oil. RSPO is driving change from the Palm Plantations through to Consumer goods to improve sustainability and the lives of farmers and processes of Palm Oil. AWAL has been a member since 2015. The share of RSPO based production has increased to 51% of total palm derivatives in the 2022 reporting year. The 2025 target is to supply 100% RSPO certified products for palm derivatives.

Given that palm oil is the one of the major modern slavery risk factors in our supply chains, we consider RSPO certification a critical part of our actions to address modern slavery. We continuously lobby to our customers to exclusively purchase RSPO certified materials, which has contributed to the rising share of certified products sold.

In addition, AWAL is reporting on aspects relevant to Moderns Slavery via the Supplier Ethical Data Exchange (Sedex) and the Ecovadis platforms.

4.5. Suppliers

The company has committed to continuously map out suppliers into categories of high risk, medium risk, and low risk. The categorization is based on various factors such as their industry, the products or services they offer, their geographical location and what risk mitigation they have in place.

A first mapping which considers the suppliers' risks based on their type of business, location and known risk management measures has been compiled and an initial classification has been completed.

We have engaged some of the highest risk and impact suppliers and sent them questionnaires to gain a better understanding of the modern slavery risks present within their operations and supply chains and their mitigation strategies.

We plan to implement several measures to establish a productive partnership with our suppliers in developing our approach to modern slavery, with a particular emphasis on the suppliers identified in section 3.3. These measures include:

- (a) Sending an introductory letter to selected suppliers to initiate a dialogue regarding modern slavery awareness and ways we can all work together to mitigate the associated risks.
- (b) Sending further selected suppliers during the 2023 reporting year our modern slavery questionnaire.
- (c) Updating the supply chain mapping and risk categorisation based on the feedback received from measures (a) and (b).
- (d) Requiring that all new supplier contracts include a covenant stipulating that the supplier must comply with all applicable laws.
- (e) Defining a supplier code of conduct with regard to modern slavery
- (f) Incorporating modern slavery clauses into the written standard contract terms and conditions for procurement orders and in specific supplier contracts beginning in the 2024 reporting year.

4.6. Training and Reporting

At AWAL, we place great importance on providing adequate training and development opportunities for our staff to increase awareness of modern slavery in our operations and supply chains.

Our commitment to upholding ethical sourcing practices and human rights is well-known to our sales, marketing, and procurement teams. To ensure our employees continue to enhance their knowledge and understanding of these values, our modern slavery training undergoes periodic review by senior management. The topic of modern slavery will be addressed as part of our compliance training on commencement of employment and on a regular basis for existing employees.

Our efforts to reinforce and communicate our values and practices extend to all stakeholders, including our employees, shareholders, customers, suppliers, and the wider community.

5. How AWAL assesses the Effectiveness of Actions taken

AWAL wants to ensure that the actions we take to address modern slavery are effective. We understand that the risks of modern slavery change over time and that we must adjust the actions that we take.

We continuously monitor the share of RSPO certified palm derivatives sold. We will assess the quantity and quality of responses received from Suppliers to introductory letter and survey. We will review the response from new suppliers to include the Moderns Slavery statement in agreements. As part of the ISO 9001:2015 certification as well as the RSPO certification, AWAL is audited on a regular basis. Any issues raised in these audits are carefully assessed my management. For Australian suppliers required to report a Moderns Slavery Statement under the Modern Slavery Act 2018 (Cth), we assess their statements.

We have several reporting mechanisms which have been summarised in section 4.2.

6. How AWAL consults with any entities that AWAL owns or controls

The only entity that AWAL owns or controls is Albright & Wilson New Zealand Limited. Consultations are achieved via weekly meetings and regular visits. NZ staff participate in relevant company trainings.

7. Any information that we consider relevant

None

Approval

This statement was approved by our board of directors, which is our principal governing body, on 22 June 2023.



Sascha Tobias Schrecker
CEO and MD of Albright & Wilson (Australia) Ltd.
On behalf of the Board of Directors

Sydney, 22 June 2023