



KOPPERS CARBON MATERIALS & CHEMICALS PTY LTD

MODERN SLAVERY STATEMENT

This Modern Slavery Statement (**Statement**) is made by Koppers Carbon Materials & Chemicals Pty Ltd (**KCMC**) for the reporting period 1 January 2023 to 31 December 2023. KCMC 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**).

KCMC 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 the preparation of this Statement, KCMC has had regard to various pieces of literature including the "Guidance for Reporting Entities" provided by the Commonwealth Government and the new Global Slavery Index 2023 updates¹. We understand the Global Slavery Index has updated the estimated numbers of modern slavery around the world to be 50 million people, an increase of 10 million since the 2016 estimates. As such, we know it is more important than ever to continue progressing our approach to modern slavery risks. This Statement seeks to address each of the seven mandatory reporting criteria in the Act.

Criteria 1 - Reporting Entity (section 16(1)(a) of the Act)

KCMC is an Australian company (ACN 003 947 699).

Criteria 2 - Structure, Operations and Supply Chains (section 16(1)(b) of the Act)

2.1 Structure

KCMC is a proprietary limited company, incorporated in Australia with a registered office in Sydney and does not own or control any other entities. The company is a wholly owned subsidiary of Koppers Australia Pty Ltd (ABN 60 000 566 629), which is not a reporting entity under the Act, and is ultimately owned by Koppers Holdings Inc, a publicly listed company on the New York Stock Exchange whose head office is in Pennsylvania, United States.

KCMC is a leading diversified manufacturer of coal tar pitch, carbon black feedstock, naphthalene and creosote oil for Australian and international customers. KCMC proudly supports Australian manufacturing jobs and operates from its facility in Mayfield, New South Wales, consisting of a

¹ <https://www.walkfree.org/global-slavery-index/>

workforce of approximately 57 employees who are engaged under contract, award, or enterprise agreements. We have one casual staff member and the remaining 56 staff are permanent employees. We do not have any staff engaged under a visa that ties them to our business, nor do we employ any seasonal workers. A large percentage of our staff are unionised and subject to an Enterprise Agreement with a range of avenues to discuss workplace rights available to them. We engage a number of independent contractors to complete tasks such as crane inspections, solar cell fitting, and electrical engineering.

2.2 Operations

The key operating activities conducted by KCMC are its:

- tar distillation refining process which beneficially reuses coal tar to manufacture and distribute quality carbon materials and chemicals vital to a range of industries in Australia and overseas;
- logistics distribution via a charter vessel. The ship is operated by a third party that directly employs the crew and ensures that Australian cabotage obligations are met with regards to employment of the crew;
- storage of pitch at a terminal facility in Australia, operated by a third party to deliver pitch to customers.

Product is delivered to customers either by sea or road freight. Most delivery functions are outsourced to third party carriers or are collected from KCMC's Mayfield facility by the customer's nominated freight carrier. KCMC works closely with third party freight carriers to ensure safety of all staff, equipment and processes.

2.3 Supply Chains

KCMC seeks to do business with suppliers that have similar values and ethical and sustainable business practices as KCMC, including in relation to human rights.

KCMC engaged approximately 300 - 400 suppliers directly in the last reporting period, and its supply chains have not greatly changed in number since the prior reporting period. One change we did have is that KCMC began to source coal tar from Asia in late 2023. We have discussed this further below. We acknowledge that our supply chain extends beyond these direct contractual relationships. The company engages a diverse range of suppliers directly, including but not limited to suppliers of: raw materials; batteries; telecommunications; insurance; IT hardware, software and services; road, rail and sea freight and shipping; professional services such as legal, accounting and payroll; electrical products and services; construction, engineering and maintenance services; waste management and drainage; pipes, valves and other construction and engineering products; medical and health equipment and services (including first aid supplies and training); inspection, environmental and safety services; recruitment services; laboratory products and services; machinery and equipment hire; EAP support for staff; dry cleaning services; cleaning and security services; postage services; stationery and furniture; archiving; PPE and uniforms.

Of KCMC's direct suppliers, over 96.9% are located in Australia. The remaining 3.1% are located in the United States, Denmark, Germany, Hong Kong, Singapore, Japan and Taiwan. However, we know that a number of products purchased from Australian suppliers are in fact distributors who source the products from overseas, including from the United States, Europe and Asia.

Criteria 3 - Risks of Modern Slavery Practices in KCMC's Operations and Supply Chain (section 16(1)(c) of the Act)

3.1. Risk Identification

This Statement sets out KCMC's actions towards ensuring that slavery and human trafficking are not taking place in our own operations or in our supply chains. We understand that in order to take a more effective approach to doing so, we must continue to identify where the potential risks of modern slavery are in our business. KCMC understands that because of the prevalence and widespread nature of modern slavery, every entity has risks of modern slavery in its operations and supply chains. KCMC is also aware that risks in this space are fluid and change as the world does, requiring re-examination each reporting period. We are aware that in 2023, conflicts overseas, natural disasters, and ongoing impacts from the COVID-19 pandemic have impacted modern slavery risks.

3.2. Operations

KCMC's operations involve manufacturing which is identified in available literature as a higher risk industry for modern slavery. Generally speaking, we understand that often manufacturing can involve a high degree of out-sourcing and sub-contracting – both reduce control and visibility an entity has over its operations. These strategies are often taken by organisations for cost-saving reasons, but this kind of expense-management can place vulnerable workers at risk as budgetary pressures are forced down an entity's supply chain.

We acknowledge that we manufacture with raw materials such as tar and soft pitch-derivatives of coal. Coal is often mined in particularly remote areas involving reliance on contracted and low-skilled labour. Whilst our coal suppliers are indirect suppliers, KCMC understands that these factors all raise the risk that vulnerable workers may be exposed to higher risk of exploitation.

3.3. Supply Chains

KCMC understands that the risks relating to suppliers will vary depending on their industry, geographic location, company size and various other factors.

In late 2023 KCMC began to source coal tar from Asia due to supply issues. We understand that some parts of Asia, where many Australian entities do business, are home to large numbers of the world's modern slavery victims and are cognisant of this in dealings with these suppliers. Of KCMC's direct suppliers, over 96.9% are still located in Australia. Utilising the updated Global Slavery Index, all overseas suppliers (3.1% of our tier 1 suppliers) are located in the lower-risk locations of Denmark, Germany, Japan, Taiwan, Singapore, Hong Kong and the United States of America (listed here in order of lowest prevalence to highest). These countries have a prevalence rate of 3.3 people or under per 1,000 people for modern slavery. We do note that two of the entities based in the United States and the single entity based in Denmark are related entities, i.e., other entities owned by Koppers Holdings Inc. We consider that this lowers the risk rating of those entities given we have further oversight over same.

KCMC procures goods and services that are in the following higher risk categories: various raw materials; batteries; road, rail and sea freight and shipping; security services; pipes, valves and other construction and engineering products; medical and health equipment; information and technology hardware and software; recruitment agencies; maintenance and cleaning services; postage, printing and stationery; uniforms and PPE for its employees.

We have conducted a risk analysis and segregated suppliers into numerous separate risk categories. We have identified the 6 suppliers that we believe to pose the highest risk in tier 1 of our supply chain. This group of course includes our new suppliers from Asia. This analysis is based upon geographic location as well as types of goods and services procured. We have a particular focus on vendors that are based overseas particularly in relation to transport/freight and raw material suppliers. KCMC does consider that these suppliers have demonstrated high levels of integrity in all dealings to date but understands that it needs to seek further modern slavery specific information to better understand any risks that may be present or not.

Our Supplier relationships can range from long term arrangements, typically, for raw materials and utility products to shorter term arrangements for maintenance, consumable products and one-off services and products. We understand that shorter term arrangements can pose a greater risk of modern slavery as we will often have reduced visibility, knowledge, and control over those suppliers compared with our longer-term arrangements.

Criteria 4 - Actions Taken to Assess and Address Modern Slavery Risks and Due Diligence (section 16(1)(d) of the Act)

In response to the potential risks identified above, KCMC has been working to build upon the different policies and processes it has put in place to reduce those risks in an effective way.

4.1. Our Corporate Values

KCMC is committed to conducting business in accordance with our Corporate Values, which we publish on our website. We expect every employee, manager, executive, and director of the company to uphold the highest standards of ethics, compliance, and transparency. Our goal is to act with honesty and integrity in all business and community dealings. These expectations are set forth in KCMC's Code of Conduct and reflected in our sustainability efforts².

4.2. Our Code of Conduct

Our Code of Conduct³ requires employees, managers, executives, and directors of the company to obey the law and to assist the company in doing business in full compliance with the law, including laws related to labour and worker health and safety and the elimination of modern slavery. We provide all employees with the opportunity and means to raise concerns about potential violations of our Code of Conduct or the law by reporting such violations to the Compliance Officer or management or through an anonymous phone and email compliance line. Violations of the Code of Conduct or the law are not tolerated or condoned and can be grounds for suspension or termination of employment.

KCMC expects the same ethical conduct from its suppliers and remains committed to safety in our supply chain as we strive to be the most valued supplier of quality products and services in the industries we serve. KCMC is committed to conducting business in an ethical and responsible manner that supports and respects the protection of human rights and we desire to do business with partners who aspire to conduct their business in a similar manner. KCMC upholds high ethical standards and values, which include prohibiting illegal or unethical employment or business practices, including child labour, forced labour, or other forms of slavery or human trafficking.

² Available on our website.

³ Available on our website.

4.3. Responsible Care Standards

The American Chemistry Council has created a Responsible Care Standard for chemical companies and their suppliers referred to as RC 14001. KCMC has established RC 14001 compliant policies, processes, and procedures that start from the premise that full compliance with all applicable legal requirements is the minimum level of performance. KCMC utilises a third party to perform its verification processes to ensure it satisfies the requirements of RC 14001.

This standard requires that KCMC, commensurate with risk, has systems to qualify and periodically review carriers, suppliers, distributors, customers, contractors, and third-party providers based on, among other things, health and safety. Qualification of our “high-risk” carriers, suppliers, distributors, customers, contractors, and third-party partners provides KCMC with a method to review our business partners’ commitment to health and safety. This process involves reviewing a third party partner’s management system, workers compensation loss history, incident rates, job related fatalities, recent regulatory citations, insurance policies and other items by region such as whether the third party has a written safety policy, proof of competency (including employee training records), method statements relevant to the work to be carried out, risk assessments on the proposed project, and a review of other regulatory requirements applicable to the third-party.

This management system also requires these business partners certify to regulatory compliance and provide KCMC with a right to audit compliance with our requirements. While RC 14001 directs a certain level of regulatory compliance, which includes compliance with applicable labour laws, it does not contain requirements relating to human trafficking or slave labour specifically. However, it does enable KCMC to obtain a large degree of visibility over the operations of our suppliers and into various factors that may still indicate the presence or absence of modern slavery risks.

4.4. Our Modern Slavery Policy

Our Modern Slavery Policy remains in place, applying to all of our staff and specifically addressing modern slavery risks in our operations and supply chains. Our Modern Slavery Policy has been provided to all staff and placed on noticeboards also. We have noted a considerable increase in awareness as a result of the implementation of this policy.

The Policy educates staff in relation to modern slavery but also advises them of our expectations of our staff in this regard. The Policy references a number of local and international laws and instruments related to modern slavery and highlights to staff the areas in which KCMC may be exposed to risks of modern slavery. The Policy also provides for reporting mechanisms and the ramifications of a breach of the Policy.

KCMC’s corporate governance framework seeks to address the complex risks associated with modern slavery not only by its Modern Slavery Policy but by the number of workplace policies it has in place to ensure performance in accordance with the principle of best practice and continuous improvement. The policies include: Anti-Corruption, Code of Conduct, Conflicts of Interest, Ethics and Compliance Program, General Rules of Conduct on the Job, Reporting Non-Compliance and Wrongdoing, Investigations of Non-Compliance and Wrongdoing, and Risk Management.

4.5. Our Human Rights Statement

Koppers Inc. has developed a Human Rights Statement which is accessible on our main website and was approved of in 2022, then published on our website in 2023. The intent is for the Statement to apply to all subsidiaries including KCMC. This contains our commitments to conducting business in an ethical and responsible manner. It enshrines our Zero Harm culture which places the care and protection of people, environment and communities above all else. The Statement includes our commitment to upholding laws which prohibit forced, involuntary or child labour and human trafficking and how we expect all suppliers, vendors and business partners to uphold our Human Rights Statement.

Our Human Rights Statement also encourages employers, suppliers and stakeholders to speak up, without fear of retribution, about any concerns or if they see or suspect unethical, illegal or unsafe conduct is occurring. Reports can be made confidentially and anonymously by any party through our Compliance Line or by submitting a report online which acts in conjunction with reporting mechanisms detailed at 4.8 below.

4.6. Our Modern Slavery Supplier Code of Conduct

In 2022, KCMC undertook a considered consultation process and finalised the contents of a specific Modern Slavery Supplier Code of Conduct. This document was prepared and emailed to all suppliers in 2023.

This Code applies to all suppliers and articulates the standards of practice we expect of our suppliers and their representatives. The Code references a number of local and international laws and instruments related to modern slavery as well as defining modern slavery for educational purposes. We enshrine within the Code the multiple risk assessment and due diligence processes that we expect our suppliers to have in place.

4.7. Suppliers

We have also taken several steps that will allow us to embark on a productive journey with our suppliers in relation to building our modern slavery approach, with a specific focus on those suppliers identified in 3.3 above, including:

- (a) In early 2023, KCMC also sent initial correspondence to all suppliers to start a dialogue around awareness of modern slavery and what we can all do to mitigate the risks in this area.
- (b) KCMC has created a spreadsheet of all direct suppliers, which we continue to update every reporting period. The spreadsheet contains supplier location, product and or service supplied and expenditure. We undertake an annual risk analysis of this full list and give each supplier a risk rating. A shortlist of 6 suppliers with the highest risk ratings has been created to inform our next steps. This spreadsheet and rating system will enable us to continue the supply chain mapping process detailed in 3.3 above in future reporting periods.
- (c) In 2022, KCMC finalised the contents of a supplier questionnaire and covering letter to be sent to selected high risk suppliers as identified above, to enable KCMC to better understand the risks of modern slavery within suppliers' operations and supply chains. In early 2023, these questionnaires were sent to select suppliers which had been identified as potentially high-risk. KCMC has analysed the responses with external experts and has formulated next steps in relation to ongoing due diligence with these suppliers.

- (d) KCMC has finalised written standard contract terms and conditions for procurement contracts that have strong modern slavery clauses, reviewed by experts.
- (e) KCMC uses a third-party compliance platform called Status - Blue Umbrella to screen suppliers outside of Australia. All foreign prospective third parties are submitted to this platform, and this forms a key aspect of due diligence on suppliers. The compliance platform analyzes the demographic information of the prospective third party, e.g., the country of operation, country of services and the nature of the business, to assist management in deciding whether to do business with the entity. While our reviews are largely focused on ensuring we do not breach international trade sanctions, the platform also looks at reputational background, such as negative news stories. As such, if there are reports of modern slavery in relevant monitored databases then this platform will pick up those reports. We used this new third-party compliance platform to conduct due diligence on our new suppliers in late 2023. We were pleased to receive approval.

4.8. Training and Reporting

KCMC, in partnership with external modern slavery experts, held a specific modern slavery workshop in 2021 with key staff internally to raise awareness regarding the nature and prevalence of modern slavery and to educate these staff on KCMC's approach to modern slavery risks.

In 2022, we found we received increased requests for more training in this space by our staff, following the rolling out of our Modern Slavery Policy. Staff also reported receiving enquiries from external parties in the modern slavery space. We looked upon these requests as demonstrating an increasing awareness by our staff as to the importance of this topic, as well as eagerness to learn more following the introduction of our Modern Slavery Policy.

In response to this, in 2023, KCMC provided modern slavery training specifically for staff in supervisory roles and for staff that deal with contractors/suppliers (31 staff invitees). This training was run as an interactive workshop conducted by external experts through a practical lens, involving: a refresher on modern slavery and the prevalence of same; real world examples of modern slavery; modern slavery indicators and what to do in scenarios of suspected incidents; KCMC's obligations in this space; an examination of what other Australian entities are doing (both good and bad); where KCMC's risks are and what it is doing in response; example questions from suppliers and related discussions. The training was recorded to serve as a useful referral point for staff going forward. To date 25 of the 31 staff invitees have either attended or watched this workshop online.

We also include modules in our Code of Conduct training on Modern Slavery and spotting human trafficking victims. KCMC partners with an online training provider Traliant for this. Traliant training also includes a number of topics that are indirectly related to Modern Slavery, some examples include: Creating a Positive Work Environment; Cultural Competence; Creating Inclusive Workplaces; Emotional Wellness; Microaggressions in the Workplace; Physical Wellness; Preventing Bullying in the Workplace; Social Wellness and Wage and Hour Fundamentals, among many others.

Koppers Holdings Inc circulates safety-awareness emails to all staff. Koppers Holdings Inc has circulated a Modern Slavery specific safety-awareness email to all staff detailing the "Truckers Against Trafficking" training that its drivers complete. The Commercial Vehicle Safety Alliance (CVSA) conducts a three-day initiative throughout the US and Canada intended to combat human trafficking. The "Truckers Against Trafficking" training is provided to all new truck drivers and

refresher training is given for all drivers every 2 – 3 years. Previously emails have been circulated to all staff in Australia which contain the CVSA program details on how to recognise the signs of human trafficking and report on same.

Our Reporting Non-Compliance and Wrongdoing and Investigations of Non-Compliance and Wrongdoing Policies encourage employees and others working for KCMC to report incidents or concerns and assist us in tackling non-compliance with law or KCMC's policies including issues relating to modern slavery.

Criteria 5 - Describe how KCMC assesses the effectiveness of actions taken (section 16(1)(e) of the Act)

KCMC wants to ensure the actions it is implementing in this space are productive and effective. We also understand that risks of modern slavery can change over time and require continued reassessment. In particular, we are aware of the 2023 updates to the Global Slavery Index which provide a more current overview of risks in this space around the world. We have continued to engage the services of independent experts to provide advice and consultation on our framework to address modern slavery risks and obligations under the Act, to ensure the current effectiveness of same. We are already discussing our approach for future reporting periods.

As detailed above, in 2023 we sent out our supplier questionnaire to specific suppliers that had been identified as higher risk. In the process of reviewing the responses received, we have been able to consider the effectiveness of our questionnaire and whether any changes are required to this process. We will report further on this in our next statement.

The RC 14001 management system provides KCMC with a method to review our business partners' commitment to health and safety and requires our business partners to provide KCMC with a right to audit compliance with our requirements. On a periodic basis, our third-party partners are to provide a summary of their ongoing health and safety performance, including an evaluation of health and safety incident history and a description of corrective actions taken. Our policies also require that, on a periodic basis, we audit a sample of third-party partners to review representations and documentation reported by the third-party partner. While these assessment methodologies include an evaluation of health and safety performance and regulatory compliance, including with applicable labour laws, the above mentioned audits do not include specific human trafficking and slavery assessments but do provide a mechanism through which modern slavery risks can be identified. Because this audit is required on a periodic basis, KCMC will be regularly checking for risks and incidents and therefore obtaining up to date information as to the effectiveness of our approach.

The RC 14001 management system requires, commensurate with risk, the qualification and periodic review of our third-party partners, including requiring our direct business partners to certify to regulatory compliance with a focus on employee safety and health and environmental compliance. The results of same will provide some insight into modern slavery risks and therefore the effectiveness of our approach.

We also have reporting mechanisms as detailed above and within our Modern Slavery Policy. The feedback received through these avenues will be reviewed as it is received and will assist us in better understanding the nature and prevalence of any risks within our operations and supply chains, allowing us to adjust our approach accordingly to ensure effectiveness. KCMC considers that the staff requests for more training indicated that our actions to increase staff awareness have been effective. Certainly, the engagement levels in the 2023 workshop were high and we will continue to monitor to understand how this progresses.

Criteria 6 - Describe the process of consultation with any entities that KCMC owns or controls (section 16(1)(f) of the Act)

As described in section 2.1 above, KCMC does not own or control any other entities.

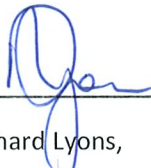
Criteria 7 - Provide any other information that KCMC considers relevant (section 16(1)(g) of the Act)

KCMC does not consider that any additional information needs to be included in this Statement.

Approval

This Statement was approved by the board of directors of KCMC, our Principal Governing Body on ^{27th} June 2024.

Duly signed by:



Richard Lyons,

Director, Koppers Carbon Materials & Chemicals Pty Ltd

Responsible Member of KCMC's Principal Governing Body

Date: ^{27th} JUNE, 2024