

Modern Slavery Statement

Clariant (Australia) Pty Limited

ACN 069 435 552

Reporting period 1 January 2023 – 31 December 2023

Purpose

This Modern Slavery Statement (“**Statement**”) describes the actions taken by Clariant (Australia) Pty Limited (“**Clariant**”) to assess and address its modern slavery risks during the reporting period from 1 January 2023 – 31 December 2023.

The term *modern slavery* is used to describe instances of serious exploitation, where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom.

Modern slavery is described by the *Modern Slavery Act 2018* (Cth) (“**the Act**”) as including eight types of serious exploitation: 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 worst forms of child labour means situations where children are subjected to slavery or similar practices or engaged in hazardous work.

This is the first Statement published by Clariant to meet the requirements of the Act.

Clariant is committed to continuously reviewing and improving its own practices, to mitigate the risk of modern slavery occurring in its operations, including in its supply chain.

The Reporting Entity

The reporting entity is Clariant (Australia) Pty Limited, trading as Clariant (Australia) Pty Ltd, ACN 069 435 552.

The Structure, Operations, and Supply Chains

Structure

Clariant is a large proprietary company limited by shares, incorporated and operating in Australia. Clariant directly employs 38 staff.¹ Clariant’s registered office is located in Chadstone, Victoria.

Clariant does not own or control any other entities.

Clariant is a 100% subsidiary of Clariant International Ltd. Clariant is part of a group of companies, headquartered in Muttensz, Switzerland and listed on the SIX Swiss stock exchange (“**the Clariant Group**”).

The Clariant Group consists of 73 subsidiaries across 36 countries covering Europe, Asia, North America, and South America, including Oceania, all of which are directly or indirectly owned by Clariant AG.

Operations

The Clariant Group

The Clariant Group is a global market leader in the supply and manufacture of specialty chemicals, consisting of three business units:

- Adsorbents and Additives;

¹ As at December 2023.

- Care Chemicals; and
- Catalysts.

Within each business unit are segments which represent specific markets. These segments are managed separately as they manufacture, distribute, and sell distinct products that require different technologies and marketing strategies.

Clariant in Australia

In Australia, Clariant operates as both a manufacturer and distributor of a wide variety of chemical products that are sold as inputs to customers operating in manufacturing industries. Clariant is active in all three business units, with its primary business in Care Chemicals.

Clariant supplies primarily into the Australian market, but also exports locally manufactured products into various regions globally.

The industries and sectors Clariant supplies include:

- | | |
|-----------------|------------------------|
| • Mining | • Industrial Home Care |
| • Oil services | • Food |
| • Agriculture | • Refineries |
| • Personal Care | |

Clariant's head office is located in Chadstone, Victoria. Clariant operates manufacturing and blending activities in Lara, Victoria and Karratha, Western Australia.

Clariant directly employs approximately 38 staff and engages 13 contracted staff via third party agencies.²

Chadstone, Victoria

The activities carried out at Clariant's head office in Chadstone, Victoria, include country management, administration, finance, human resources, customer service, and logistics.

These functions support the local activities of Clariant's sales, production and distribution functions, as well as having oversight of compliance and legal matters.

A global business service structure supports the local team in relation to standardised processes in the areas of source-to-pay, order-to cash, finance, and masterdata.

Lara, Victoria

In Lara, Victoria, Clariant operates a multi-purpose manufacturing facility and warehouse. A quality control team supports the manufacturing activities, and a development laboratory team primarily support the commercial team. Supply chain management and sales functions are located at this site.

² As at December 2023.

Karratha, Western Australia

In Karratha, Western Australia, Clariant operates a blending facility, primarily for the supply of finished goods into the oil industry. This site is also used as a storage facility for raw materials used in the manufacturing process. Quality control activities are conducted at this site.

Supply Chains

Clariant's supply chain includes products and services sourced in Australia and overseas, extending beyond direct suppliers. Clariant sources its products and services from more than 260 direct suppliers, in 13 countries, with a total spend of approximately AUD \$70 million.

More than 96% of Clariant's total supply chain spend is in Australia, Singapore, Switzerland, and China. Approximately 67% of the total supply chain spend is in Australia, and approximately 11% of the total supply chain spend is in Singapore.

Clariant's supply chain is primarily comprised of the purchase of products, being raw materials for use in its manufacturing processes and traded goods for distribution. Product purchases comprise approximately 84% of Clariant's total supply chain spend.

The remaining 16% of Clariant's total spend (*excluding corporate taxes*) is in the following categories:

- Logistics and transportation
- Contract and temporary labour
- Engineering and maintenance services
- Utilities and energies
- Capital works
- Office leasing
- Corporate and professional services
- Consumables, travel and entertainment

Clariant engages some of its workers through employment agencies. Clariant seeks to engage local workers where possible, depending upon the specific job requirements and the relevant skillset required to perform the role.

Clariant engages service providers for freight forwarding in its import and export business, along with third party warehousing service providers for storage of traded goods and raw materials.

Clariant engages transport service providers to secure the provision of specific transport modes that are required for parts of the business.

Clariant's purchasing activities are carried out by a local team, which is supported by a regional and local procurement organisation.

The risks of modern slavery practices in the operations and supply chains

Clariant acknowledges that every entity has modern slavery risks, and that the nature and extent of modern slavery is such that there is a risk that it may be present in Clariant's operations and supply chain. Clariant acknowledges that it may cause, contribute to, or be directly linked to modern slavery practices.

In identifying these risks, Clariant is guided by the *UN Guiding Principles on Business and Human Rights* (“**UN Guiding Principles**”), which is the recognised global standard for preventing and addressing business-related human rights harm.

Clariant acknowledges that the risks of modern slavery may be heightened in some of the Group’s supply chains and operations, as a result of the geographical location of some suppliers, the source of materials used in products supplied to Clariant, and the characteristics of some of the outsourced service industries.

The identified areas of heightened risk of modern slavery practices in Clariant’s operations and supply chains are outlined below:

- Clariant recognises that there are geographic risks in its supply chain. In particular, that some countries in its supply chain have higher risks of modern slavery, mainly driven by poor governance practices, weak rule of law, conflict, migration flows and socio-economic factors like poverty.
- Clariant recognises that there are product risks in its supply chain. In particular, that certain products have higher modern slavery risks because of the way they are produced. For example, some of the raw materials used in its manufacturing process may be recognised as high-risk products globally.
- Clariant recognises that there are services risks in its supply chain. In particular, that certain services have higher modern slavery risks because of the way they are provided. For example, services such as cleaning, facilities management, and labour hire, which often involve lower wages and manual labour, may have higher modern slavery risks.
- Clariant recognises that there are entity risks in its supply chain. In particular, that some entities in its supply chain have higher modern slavery risks due to poor governance structures, and some may have a record of treating workers poorly, or of human rights violations.

Clariant acknowledges that it lacks visibility over its supply chain in certain overseas markets, and this carries additional risks of modern slavery, especially in the secondary levels of its supply chain and source materials used in its products.

Actions to assess and address the risks of modern slavery practices

Clariant acknowledges that freedom from slavery is a fundamental human right, and that under the UN Guiding Principles, it has a responsibility to respect and protect human rights in its operations and supply chains.

Clariant recognises that this responsibility includes taking action to identify, prevent, mitigate, and remedy modern slavery in its operations and supply chains. To do this, Clariant utilises the following processes, and takes the following steps:

Policies & Procedures

A framework of policies, guidelines, and procedures is in place to uphold Clariant’s human rights commitments, and to support its commitment to the prevention of modern slavery and human trafficking within its operations and supply chains, including:

- [Clariant Code of Ethics](#)
- [Procurement & Suppliers \(clariant.com\)](#)
- [Clariant Sustainability Policy](#)
- [Clariant Group Human Rights Policy](#)

Sourcing & Suppliers

Clariant's sourcing activities are supported by a robust global procurement structure and supply chain organisation that actively steers it to uphold high standards of responsible sourcing, reinforced by policies and procedures aligned to Clariant's Code of Ethics and Supplier Code of Ethics.

Active supplier communication and engagement is an essential element of Clariant's supply chain sustainability strategy. Standard responsible sourcing and supplier toolkits are regularly updated. In addition, Clariant's procurement function systematically engages with suppliers in key sourcing markets, such as China, Brazil, and India, to explain Clariant's sustainability efforts, strategy, and expectations of suppliers via dedicated external training and webinars.

Internal Training

Clariant undertakes internal training initiatives to increase awareness and enhance its staff capability to evaluate sustainability performance in its supply chain. The training focusses on improving processes and structures, as well as providing guidance on supplier sustainability engagement best practices.

Assessments, Audits & Investigations

Clariant engages an external service provider to:

- Conduct third party corporate social responsibility assessments, which focus on the key areas of environmental, social, ethical, supply chain, labour and human rights, as well as sustainable procurement; and
- Identify and alert Clariant to any significant human rights violations, including confirmed instances of modern slavery within its supply chain.

Clariant will investigate circumstances where it suspects that modern slavery risks are present in its supply chain. Where Clariant finds that modern slavery risks are present, it will take appropriate actions to remedy the risks, which may include establishing a corrective action plan, performing an audit on site, or ending the business relationship.

Grievance Handling

The Clariant Group has established the Clariant Integrity Line, a global, independent, third party operated channel. Employees and external stakeholders can anonymously report all violations of the Code of Ethics, including violations of labour and human rights.

Assessing the effectiveness of the actions taken to assess and address modern slavery risks

Clariant is monitoring the effectiveness of the actions taken to assess and address modern slavery risks that it causes, contributes to, or is directly linked to, in its operations and supply chains.

Clariant continually assesses the effectiveness of its actions to assess and address modern slavery risks, utilising the following processes:

- Clariant has established a process to annually review the actions taken as part of its response to modern slavery.
- Clariant has established a process to provide for regular engagement and feedback in relation to modern slavery across key areas including procurement, human resources, and legal.
- Clariant engages an external service provider (EcoVadis) to conduct assessments and audits on strategic and high-risk suppliers, in order to monitor compliance with the Supplier Code of Ethics. The supplier assessments and audits cover human rights issues such as child labour, forced labour, and human trafficking.

The findings and results of the above processes allow Clariant to assess the effectiveness of actions taken to assess and address modern slavery risks in its operations and supply chains, and further identify areas in its operations and supply chains that present a risk with respect to modern slavery.

Clariant uses the information gained through its monitoring activities to adapt and strengthen its actions, to continually improve its response to modern slavery.

Consultation with entities owned or controlled

This mandatory criterion is not applicable to Clariant, as it does not own or control any other entities.

Other relevant information

The Clariant Group is involved in the following additional actions and processes that complement its actions taken to assess and address the risks of modern slavery in its operations and supply chains:

- The Clariant Group has signed the declaration of membership of the UN Global Compact, committing to ten universally accepted principles which include the protection of internationally proclaimed human rights, and the elimination of all forms of forced and compulsory labour and child labour.
- The Clariant Group is a member of the Dow Jones Sustainability Index (“**DJSI**”) World and Europe. The DJSI is a global sustainability benchmark that tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria.
- The Clariant Group is a member of the chemical industry voluntary initiative Together for Sustainability (“**TfS**”). TfS supports and coordinates the measurement of sustainability

performance of chemical companies and their suppliers, including in relation to labour and human rights practices.

- Clariant is a member of the Australian Industry Group, a peak national employer association appointed as a member of the Australian Government's Modern Slavery Expert Advisory Group, and which operates an anti-slavery networking group.

Principal Governing Body Approval

This Statement was approved by the Board of Clariant in their capacity as principal governing body of Clariant on 25th October 2024.

Signature of Responsible Member

This Statement is signed by Olga Latsis in their role as Director of Clariant.



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Signature

Olga Latsis

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Name