

# Modern Slavery Statement 2022



# Ixom Modern Slavery Statement



Ixom's Modern Slavery Statement (Statement) which meets the requirements of the Australian Modern Slavery Act 2018 (Cth) (Act), describes the steps taken by IX Infrastructure Pty Ltd and its subsidiaries (collectively, Ixom) to comply with its obligations under the Act.

For the purpose of this Statement Ixom's reporting period is 1 October 2021 to 30 September 2022.

This Statement is a joint statement comprising the following reporting entities under the Act (Reporting Entities):

1. IX Infrastructure Pty Ltd (ACN 629 750 401);
2. Ixom HoldCo Pty Ltd (ACN 602 722 547);
3. Ixom Pty Ltd (ACN 602 723 768);
4. Ixom Holdings Pty Ltd (ACN 131 367 112);
5. Ixom Operations Pty Ltd (ACN 600 546 512); and
6. Ixom International Holdings Pty Ltd (ACN 602 439 878).

## Modern Slavery

Modern slavery describes situations of severe exploitation and deprivation of the freedom of its victims through force, coercion, threats or deception. Broadly, the term modern slavery extends to any situations of serious exploitation where a person cannot refuse to work or leave work due to intimidation, abuse of power or violence. Further, modern slavery is used to refer to other illicit activities that have adverse effects on human rights, such as corruption.

With more than 1000 employees globally, Ixom is the market leader in chemical manufacture and distribution in Australia and New Zealand. Ixom also has a growing presence in South East Asia through its life sciences raw materials and ingredients distribution business, and in the USA and the United Kingdom through its source water technology businesses. Ixom recognises the existence of modern slavery practices in some industries around the world. Consistent with its corporate principles of conducting its business safely and with integrity, Ixom continues to work to identify and mitigate any risks associated with modern slavery for all of its businesses globally, and to measure the effectiveness of its actions.

The Act requires Ixom to prepare a report providing information on:

- Ixom's structure, its operations and supply chains;
- the risks of modern slavery in Ixom's operations and supply chains;
- the actions taken to assess and address those risks, including due diligence and training;
- the effectiveness of those actions;
- how Ixom assesses the effectiveness of those actions; and
- the process of consultation between Ixom and its related entities in respect of modern slavery compliance.

# Opposing Slavery. In all its forms.

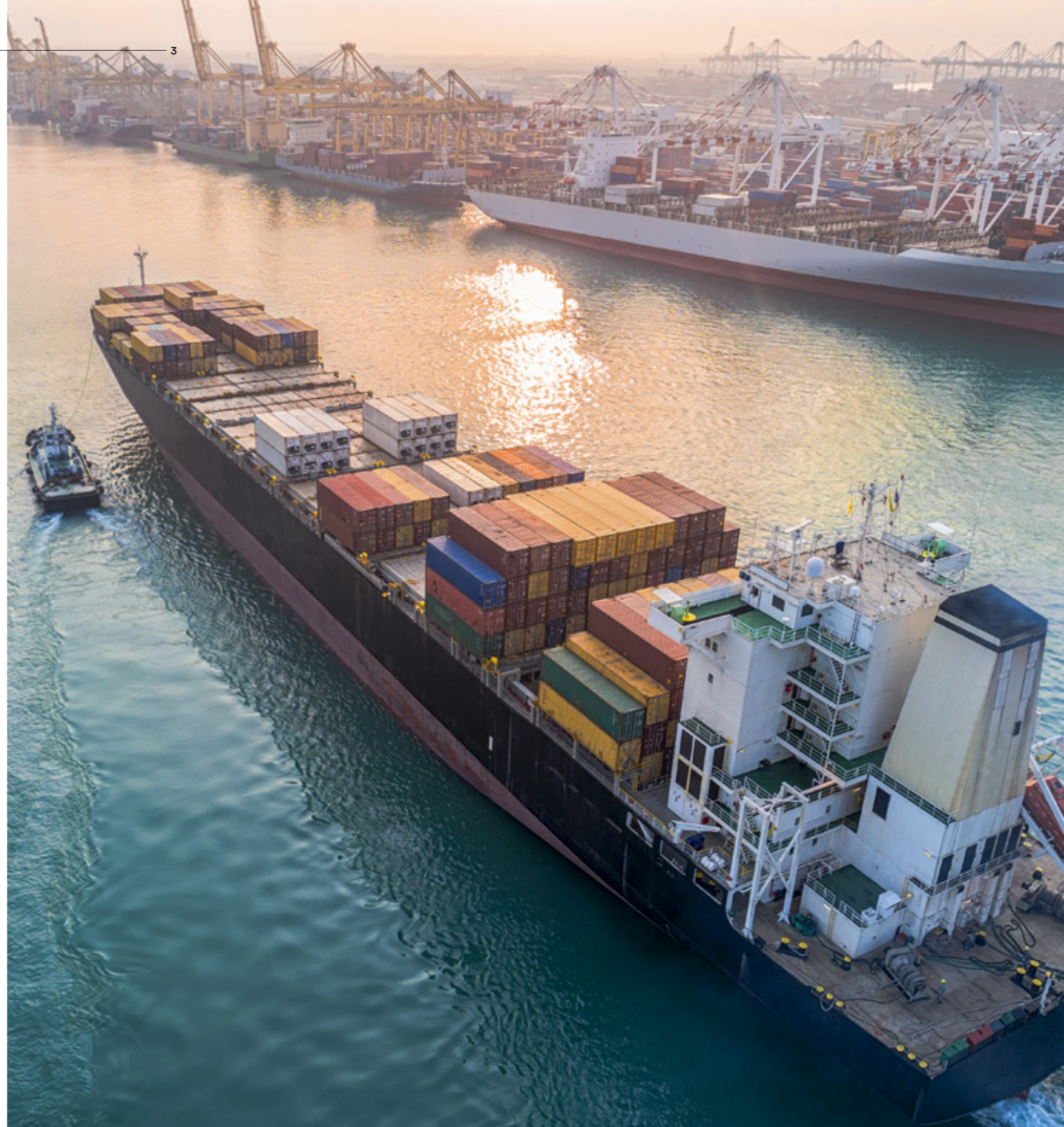
Ixom is a proudly Australian company with a corporate heritage that goes back to the 1870s.

As a market leader in water treatment and chemical distribution, we are strongly focused on the health and safety of our employees, our customers, and the communities in which we operate. That focus extends to everyone we work with, in every country, along all our supply chains.

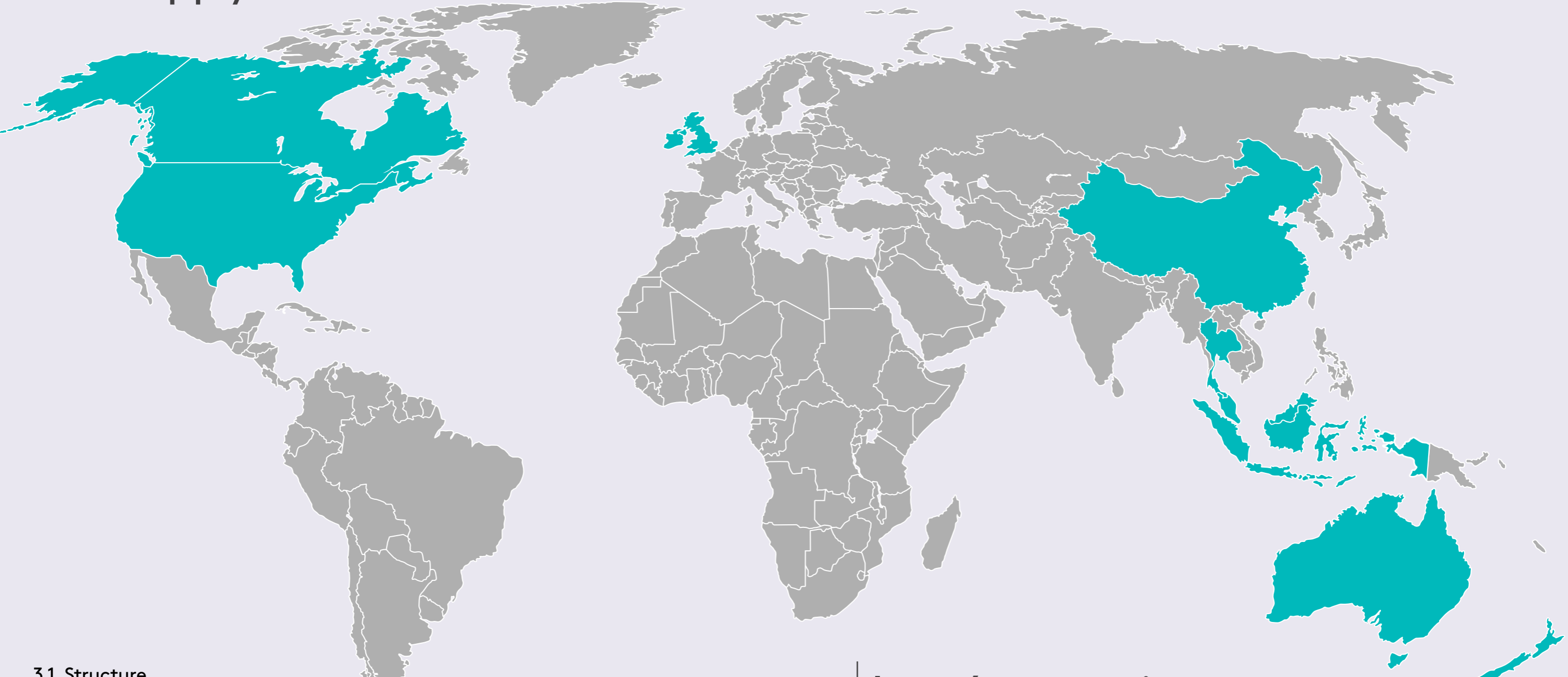
Ixom has continued to apply time and resources into the identification and management of modern slavery risks within Ixom's supply chain during our third reporting year. Ixom has extended this work of seeking to identify modern slavery risks to the supply chains of businesses that it has acquired in the past two years and will continue to do so.

Operating in a global environment, Ixom is committed to continuing to seek transparency around our supply chains and to the identification and assessment of modern slavery risks in its supply chains. Ixom has continued to demonstrate this commitment by commissioning a third party to undertake a maturity assessment of its modern slavery identification and assessment program at the end of the reporting period. Ixom is developing a set of actions arising from that assessment which it seeks to implement in 2023 and 2024 as a means of uplifting the maturity of its modern slavery identification and assessment program.

David Head  
Managing Director and CEO



# Structure, operations and supply chain



## 3.1 Structure

During the reporting period Ixom had operations in 11 countries.

Ixom's headquarters are located in Melbourne, Australia. During the reporting period, Ixom consisted of 22 registered companies (including 2 entities not wholly owned by Ixom), incorporated and operating in 11 countries, as set out in Annexure A (page 18).

A number of Ixom entities do not have operations, such as holding companies. During the reporting period Ixom undertook processes to divest an entity that operated an Ixom business in Fiji. This divestment was successfully completed in January 2022.

# Ixom's operations around the globe

3. Structure, operations and supply chain

Key Brands



Our values



DRIVEN AND ACCOUNTABLE



ENERGISE AND EMBRACE



EXCEL WITH CUSTOMERS



GROW

Suppliers

During the reporting period Ixom conducted operations in the following countries:

- Australia
- Canada
- China
- Fiji
- Indonesia
- Malaysia
- New Zealand
- Singapore
- Thailand
- United Kingdom
- United States of America





### 3.2 Operations

#### Essential solutions across a range of industries

Ixom's industry segments are intertwined, supplying manufactured chemicals and services, traded chemical products and providing logistics solutions and products to a range of key industries. Chemicals are commonly used across many industries and essential services, and feature in the food we eat, the water we drink and the utilities that we enjoy and rely on, adding value to our lives.

Ixom supplies chemicals, raw materials, equipment and services solutions to industrial customers operating in the following end markets:

- Food, beverage and nutrition
- Process cleaning technologies
- Personal care, health & household
- Agriculture
- Municipal and industrial water treatment and management
- Waste treatment and management
- Pulp and paper
- Building and construction
- Industrial
- Plastics
- Mining and metals
- Refined fuels, oil and gas
- Modified bitumen for road surfaces

Ixom's chemicals and materials businesses manufacture chemical products and also procure chemicals and materials for resale with Ixom acting as distributor or reseller.

### 3.3 Supply chain

#### Safe, reliable and compliant supply chains

Ixom's supply chain for products and services focuses on, amongst other things, safety, reliability, quality and functionality of products and services, regulatory compliance and the ability to source and supply in the volumes required when needed. Ixom's traded chemicals, and also equipment components used in its manufacturing plants and water technology equipment, are sourced from manufacturers and resellers that meet Ixom's standards.

In most cases these products are imported into the country of resale via ocean shipping. Ixom's suppliers outside Australia and New Zealand are located predominantly in North America, Asia and Europe.

#### 4. Risk of modern slavery practices

# How Ixom is addressing the risk of modern slavery practices

## 4.1 Overview

### Zero tolerance for slavery in all its forms

Ixom is not aware of any modern slavery practices in its own operations or supply chains. However Ixom seeks to ensure its suppliers continue to uphold the highest standards expected of them. Ixom maintains zero tolerance for slavery in its operations and supply chain.

Ixom's Legal and Compliance Group, in consultation with a multidisciplinary working group including Ixom's product managers, Australia and China based procurement teams and other internal stakeholders, undertook a modern slavery compliance risk assessment in 2020. Based on previous analysis of its businesses and supply chains that carry a higher level of modern slavery risks, and following the 2021 reporting period, Ixom has continued to focus its modern slavery due diligence processes and workplan predominantly on a selected number of suppliers based in the higher risk jurisdictions of China, India and Indonesia, which supply products to Ixom's Australian and New Zealand businesses and its joint venture operations in Thailand.

In addition, in this reporting period, Ixom extended its modern slavery due diligence activities to a number of suppliers of businesses that Ixom acquired during the prior reporting period.

## 4.2 Operations

### Assessing third party susceptibility

As at the end of the reporting period, approximately 97% of Ixom's employees were based in Australia, New Zealand and the USA. Ixom takes its compliance with labour laws extremely seriously. During the reporting period Ixom had robust systems in place regarding local labour law compliance in each country where it employed people.

The outcome of a 2020 modern slavery compliance risk assessment demonstrates that Ixom's operations may be susceptible to the presence of modern slavery risks through its direct engagement of third party suppliers, many of whom operate in countries outside Australia, and also indirectly through the companies that supply goods and services to Ixom's own suppliers. Based on publicly available information including the Global Slavery Index, some of these third party suppliers are more susceptible to modern slavery practices.

## 4.3 Supply chain

### Identifying risk across our supply chain

In the reporting period, Ixom chose to continue to focus the majority of its work plan activities on the supply chains of Ixom's Australian and New Zealand businesses. Those businesses are operated by Ixom Operations Pty Ltd, Australian Botanical Products Pty Ltd and Bituminous Products Pty Ltd, and represent more than 90% of Ixom's revenue and earnings at a group level, and also the majority of the Ixom Group's supply chain activities. Additionally, Ixom focused some work plan activities on the supply chains of Ixom's business operating in South East Asia.

Ixom has identified the potential for modern slavery risks to arise in the following parts of its supply chain:

- raw materials procured to produce goods and finished products;
- countries from which Ixom sources chemicals or materials that have little or no human rights or worker protections, poor law enforcement or where modern slavery is widely practiced or accepted; and
- particular industries in which modern slavery practices or violations have been uncovered by third parties and publicly documented.

The risks associated with modern slavery increase when these factors intersect.

Ixom acknowledges that risks may also be present deep in its supply chains, such as the mining of certain minerals and the production of raw materials that are sold or resold to Ixom.

### Raw materials

With reference to the 2022 List of Goods Produced by Child Labor or Forced Labor produced by the United States of America Department of Labour, the following raw materials are distributed by Ixom, often in a processed, extracted or refined form. The following materials in their raw form are associated with industries that carry a higher risk of modern slavery practices, noting that based on this List the risk identified by the US Department of Labour is particular to specific countries identified in that List where these goods originate from:

- Citrus fruits
- Cumin
- Tea
- Fish
- Vanilla
- Coffee
- Hazelnut
- Cocoa
- Mica
- Tomato products
- Palm Olein (derived from palm oil)

### Geographic locations

Ixom is aware that modern slavery risks are higher based on geographic locations of suppliers in Ixom's supply chain in countries listed as higher risk by Transparency International and the Global Slavery Index. Those geographic locations identified as posing a higher risk in connection with Ixom's supply chains are predominantly China, India, the Philippines and Indonesia.

### Industries

In consideration of the industries in which Ixom directly or indirectly procures from, the Global Estimates of Modern Slavery as developed by International Labour Organization (ILO) and the Walk Free Foundation in partnership with the International Organization for Migration<sup>1</sup> refers to industries that carry a higher risk of modern slavery practices:

- Manufacturing
- Mining
- Commercial agriculture

<sup>1</sup> International Labour Organization, Walk Free Foundation and International Organization for Migration. Global estimates of modern slavery: Forced labour and forced marriage. Geneva, 2022. <https://www.walkfree.org/reports/global-estimates-of-modern-slavery-2022/#:~:text=The%202021%20Global%20Estimates%20indicate,that%20they%20were%20forced%20into.>

#### 5. Key actions taken to assess and address risks

# Key actions Ixom has taken

During the reporting period, Ixom undertook the following key actions to assess and address modern slavery risks.

## 5.1 Due diligence

### Gathering information and acting on it

Ixom continued the due diligence process that it used in the prior reporting period to assess suppliers being considered by Ixom. Suppliers were emailed a link to complete a due diligence survey online, rather than by exchanging document files. This approach had the benefit of increasing data capture by eliminating manual processes, which in turn resulted in increased accuracy and completeness of the data captured. It also ensured that questionnaire responses were automatically saved in a central system, providing improved tracking capabilities to assess how many and which suppliers had completed the modern slavery questionnaire, and whether any modern slavery risks were identified in relation to particular suppliers.

The due diligence process includes initial information gathering through to escalation and management of any identified modern slavery risks and involves two stages:

### Basic due diligence

Ixom applies basic modern slavery due diligence to a sample of suppliers of products or services to any Ixom business that fits within the target categories of Ixom's modern slavery work plan. If there are any red flags following completion of that due diligence and Ixom still wishes to transact with the relevant supplier, the supplier will be subject to advanced due diligence. A large number of Ixom's suppliers operate in China. During the reporting period Ixom has commenced using a Chinese translation of its basic due diligence questions on modern slavery related topics.

### Advanced due diligence

In the reporting period, advanced due diligence was not required for any suppliers and there were no suppliers from the prior reporting period which Ixom identified as requiring advanced due diligence.

Nonetheless, during the reporting period, Ixom conducted a targeted advanced due diligence process for certain suppliers based on Ixom's assessment of inherent risk factors and publicly available information. This involved the internal and external audit processes detailed in sections 5.3 and 5.4 of this statement.

### 'Red flag' concept

Ixom has developed due diligence criteria which, if met by a supplier, would prompt a 'red flag' in relation to modern slavery non-compliance. These include the presence of illegal activity, lack of controls surrounding labour law compliance and slavery, servitude, underage labour and human trafficking, and the avoidance of or failure to return or complete Ixom's modern slavery questionnaire.

Ixom has completed modern slavery due diligence of a selection of suppliers identified as part of Ixom's modern slavery work plan.

As part of this process, Ixom's due diligence was focused on seeking to detect issues that it would categorise as representing a red flag from a modern slavery risk perspective. The main concern that has arisen has been in relation to some suppliers being slow to complete Ixom's due diligence questionnaire or only partially completing the questionnaire. Ixom resolved these issues by following up with suppliers to ensure all questions in Ixom's questionnaire were answered and the completed questionnaire returned to Ixom. Ixom has put a block on procuring from one supplier as a result of that supplier refusing to meaningfully respond to Ixom's requests for information as part of Ixom's modern slavery basic due diligence. Ixom has put a block on procuring from a second supplier as a result of that supplier continued refusal to provide a small amount of payroll and attendance data to an independent auditor engaged by Ixom as part of an external modern slavery audit.

## 5.2 Training

### Making sure employees know what to look for

Ixom continues to train employees in its Australian and New Zealand entities who work with suppliers and/or work in supply chains, with a focus on ensuring the training of Ixom's product managers, account managers, and supply chain and procurement staff. In addition, the Ixom legal team provides modern slavery guidance and training to Ixom's China-based procurement team, which is responsible for conducting on-site audits of suppliers located in China.

Ixom's modern slavery training program includes a particular focus on the common indicators which might suggest the existence of modern slavery risks in a supplier's operations or aspects of a supplier's operations that require probing in order to assess whether modern slavery practices are present. This focus is deliberate and intended to equip staff with the skills and knowledge necessary to identify modern slavery risks in their dealings with suppliers and when conducting on-site audits.

## 5.3 Internal audits

### Going direct to suppliers

During the reporting period, Ixom staff conducted audits of five suppliers based in China. No modern slavery risks were identified as a result of this internal audit process.

The audits were conducted by Ixom's China based employees, who attended in person a range of supplier manufacturing sites in the provinces of Shandong, Inner Mongolia, Jiangsu, and Hebei.

The five suppliers audited were selected by Ixom's modern slavery working group and China-based procurement team from a list of Ixom's China-based suppliers. In selecting suppliers for the internal audit, Ixom nominated suppliers with which it had a range of spend from low, moderate to high spend. In addition, Ixom selected suppliers which provide on-site accommodation for staff, something identified by Ixom as an indicator giving rise to an increased risk of modern slavery.

The audit process involved Ixom staff conducting site visits of suppliers' premises in China, assessing the suppliers' operations and forming a view as to their modern slavery risks.

Ixom intends to continue with its internal modern slavery audits of a sample of suppliers in China.

## 5.4 Independent External Audits

### Utilising an independent external auditor

During the reporting period, Ixom arranged an external audit of two suppliers based in China and one supplier based in Indonesia. The audit was conducted by a third party provider approved by Sedex as an Affiliate Audit Company with expertise in modern slavery audits. The audit process involved the external auditor conducting site visits and preparing a detailed report on its findings.

Two suppliers selected for the external audit process were those for which Ixom had completed a desktop due diligence review in the last reporting period. The third supplier is an upstream supplier of a principal that supplies product to a business operating in Australia and New Zealand that Ixom acquired in 2021. For each of the suppliers audited, the findings of the external audit were presented in a report which outlined details of any non-compliances and suggested corrective actions.

For those suppliers that had been the subject of a previous Ixom desktop due diligence review, the findings of each external audit report aligned with Ixom's internal findings, and no modern slavery risks were identified. As explained above, Ixom has placed a block on procuring product from one of the suppliers in relation to a small amount of payroll and worker attendance information that was not provided to an independent auditor as part of an external modern slavery audit in circumstances where that supplier has continued to refuse to provide the information requested.

## 5.5 Further actions taken

During the reporting period, Ixom's human resources and industrial relations activities have supported its Modern Slavery Avoidance (MSA) Policy in a number of ways:

- Ixom continuously reviews its human resources policies, including in the areas of parental leave, personal leave, and family and domestic violence leave. The Company's focus has been not only to enhance employee wellbeing and reflect modern corporate standards, but also to ensure legal compliance in each jurisdiction where Ixom operates. This activity continues to be a priority for Ixom, including in relation to its newly acquired businesses in Australia and overseas.
- In Australia, wages are regulated by modern award conditions. Ixom has had its employment and payroll arrangements with a number of employees audited by an independent global accounting firm to ensure that Ixom's remuneration and accrual or receipt of employment entitlements for those employees complies with applicable laws.
- Ixom has renewed three industrial agreements during the reporting period through collective bargaining with employees and their union representatives..

Employees continue to be encouraged to report any suspected breaches of Ixom's Code of Conduct, including in relation to modern slavery, to their line manager, the legal team or Speak Up (an anonymous reporting hotline operated by an independent third party).





# Things that are working, things we can improve.

## 6.1 Overall assessment

### Learnings we can build on

- During the reporting period, the Ixom multi-disciplinary working group on modern slavery was tasked with various action items arising in connection with the undertaking of the modern slavery work plan for the reporting period. The group met regularly, and awareness of modern slavery risks continued to increase.
- Ixom commissioned a third party maturity assessment of its modern slavery identification and assessment program at the end of the reporting period. That assessment provided a number of recommendations to uplift the maturity of Ixom's modern slavery program, and it has been instructive in assisting Ixom to assess the effectiveness of its actions on modern slavery risk identification and assessment and to identify ways in which Ixom can uplift the effectiveness of its work in this area. Ixom is working through these recommendations and developing actions to implement a number of those recommendations during 2023 and 2024.
- Ixom measured its progress by tracking suppliers who were targeted for due diligence on a case by case basis during the reporting period. Ixom is able to track its progress in assessing the supplier's modern slavery risks from identifying any red flags noted in the completed due diligence through to any recommendations made to the business. Ixom continues to work with suppliers to encourage them to implement recommendations made by external auditors who undertook modern slavery audits for Ixom during the reporting period.
- Ixom continues to increase the level of awareness of modern slavery risks among its employees through communications and training programs. As a result of this increased awareness, the modern slavery avoidance, legal and compliance inboxes are being effectively used slavery avoidance, legal and compliance inboxes are being effectively used.
- Ixom is implementing a formal ESG Policy approved by its governing board, and is in the process of building a formal ESG framework. Ixom's modern slavery risk identification and assessment program will form part of Ixom's formal ESG framework.
- The internal and external supplier site audit process that Ixom has continued during this reporting period continues to prove to be highly effective, enabling Ixom to critically analyse and validate the accuracy of its internal due diligence processes for those suppliers that Ixom has previously undertaken desktop due diligence of for modern slavery purposes.

## 6.2 Reporting and remediation

### Raising red flags and acting on them

If an Ixom employee or representative has any concerns that a supplier may be involved in modern slavery practices, these concerns along with information outlining the basis for these concerns must be reported to Ixom's Legal and Compliance Group immediately or alternatively reported in detail through Ixom's relevant communication channels.

Where 'Red Flags' are identified in relation to a supplier that Ixom uses or proposes to use, these are addressed in accordance with a detailed procedure set out in Ixom's MSA Policy.





# Consultation with Ixom entities and approvals

## Who our policy applies to.

Ixom's MSA Policy applies to all Reporting Entities and their wholly owned entities. Ixom has made available the MSA Policy to personnel in all wholly owned entities of Ixom.

Ixom takes a global approach to tackling modern slavery risk. This statement therefore reflects our global commitment and approach to human rights across our value chain, and has been prepared in joint consultation with the Reporting Entities, and with other group subsidiaries whose relevant representatives were provided with the opportunity to contribute to the statement process.

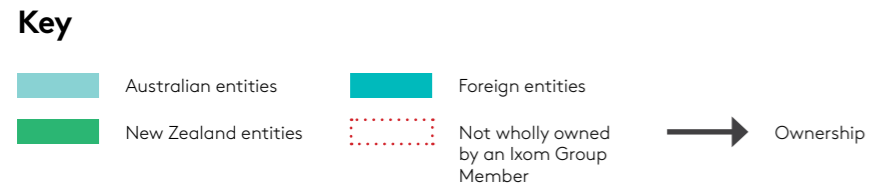
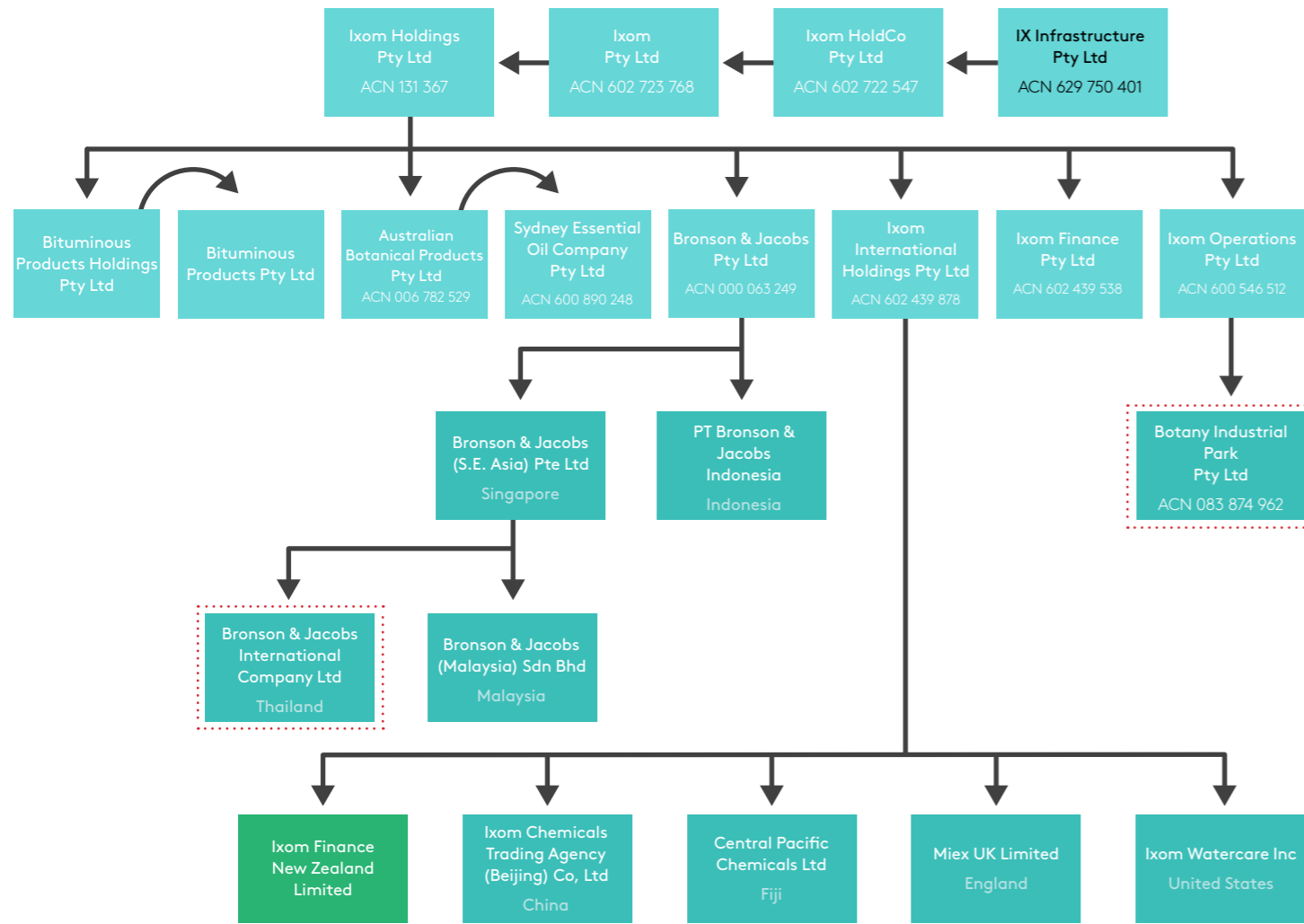
Ixom's consultation process included engagement with personnel and key stakeholders across Ixom to confirm alignment of policies, systems and processes across its businesses, including its human resources and procurement and sourcing teams.

This Statement was endorsed and approved by the Board of IX Infrastructure Pty Ltd on 29 March 2023 on behalf of that company, Ixom Holdco Pty Ltd, Ixom Pty Ltd, Ixom Holdings Pty Ltd, Ixom Operations Pty Ltd and Ixom International Holdings Pty Ltd.

This Modern Slavery Statement is approved by Jopy Chiang, Director, IX Infrastructure Pty Ltd.

Jopy Chiang  
29 March 2023

# Corporate Structure





# IXOM

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For specialist advice in an  
emergency, call Ixom's  
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