



Air Liquide Australia Modern Slavery Statement 2023



Message from the Managing Director



Air Liquide Australia Limited is strongly committed to upholding all human rights and employees' rights and fully supports the Australian Government initiatives with the aim of eliminating all forms of modern slavery. We expect our subsidiaries and all our business partners, suppliers, contractors and sub-contractors to join us in our approach.

This statement was approved by the board of directors of Air Liquide Australia Limited on 14 June 2024.

Tim Kehoe

Tim Kehoe
Managing Director
Air Liquide Australia Limited

20-Jun-24

Introduction



The reporting entity

This statement is made pursuant to the Australian Modern Slavery Act 2018 (Cth) (**the Act**) and is submitted as a statement on behalf of Air Liquide Australia Limited (ABN 57 004 385 782) (**ALA**) and the following subsidiaries:

- Air Liquide Healthcare Pty Ltd (ABN 41 002 653 045) (**ALH**),
- Air Liquide New Zealand Limited (NZBN 942903203612) (**ALNZ**)
- Braids Pty Ltd (ABN 74 001 329 200)

ALA is an unlisted public company limited by shares incorporated in Australia.

A reference to **Air Liquide** in this document is to ALA, ALH, ALNZ and Braids Pty Ltd. A reference to **Air Liquide Australia** is to the above Air Liquide entities which operate in Australia. A reference to **Air Liquide Healthcare** is to our healthcare business conducted under ALH in Australia and ALNZ in New Zealand.

Structure, operations and supply chains



Our Structure

The parent company of the above Air Liquide entities is L'AIR LIQUIDE Société Anonyme pour l'Etude et l'Exploitation des Procédés Georges Claude (L'AIR LIQUIDE S.A.) which is headquartered in Paris, France. The Air Liquide Group is a world leader in gases, technologies and services for industry and health. It is present in 72 countries* with approximately 67,800 employees and serves more than 4 million customers and patients. Each year, L'AIR LIQUIDE S.A. establishes and implements its Vigilance Plan under the "Law on the Duty of Vigilance" introduced in article L. 225-102-4 of the French Commercial Code, which must include "reasonable vigilance measures to identify the risks and prevent severe impacts on human rights and fundamental freedoms, health and safety of persons and on the environment". The Vigilance Plan applies to L'AIR LIQUIDE S.A. and all its subsidiaries.

In Australia, ALH and Braids Pty Ltd are wholly-owned subsidiaries of ALA. ALNZ is also a subsidiary of ALA and operates in New Zealand. During 2023, ALA remained a 55% shareholder of Weldex Dandenong Pty Ltd (trading as Dandy Gas & Welding Supplies) (Dandy Gas); due to arrangements concerning management of Dandy Gas, this statement applies to Dandy Gas only to the extent that Dandy Gas sourced industrial gases from ALA. (With effect from 1 January 2024, Dandy Gas is no longer a subsidiary of ALA.)

The registered office of ALA, and headquarters for Air Liquide Australia's industrial business, is in Melbourne. The registered office of Air Liquide Australia's healthcare business, namely ALH, is in Ormeau, Queensland. ALNZ's business spans industrial and healthcare and its registered office and headquarters are in Auckland. Air Liquide Australia has approximately 620 employees across Australia, over 27 sites and 10 Air Separation Units/CO2 production plants.

⁴ * Excluding Russia, where the entities are no longer consolidated following the loss of control on September 1st, 2022.

Structure, operations and supply chains

Our Operations

Air Liquide is active in three business lines including:

- Large Industries (ALA)
- Industrial Merchant (ALA and ALNZ); and
- Healthcare (ALH and ALNZ).

Large Industries

The Large Industries business line operates major production units and serves customers in the metals, chemicals, refining and energy sectors, where high gas volumes call for a dedicated plant supply by pipeline. The Large Industries business offers gas and energy solutions involving supply of oxygen, nitrogen, argon, hydrogen and carbon dioxide. These gases are essential for industrial production, and to improve the process efficiency and environmental performance of our customer's plant operations. Large Industries also supplies the Industrial Merchant and Healthcare business lines with gases which are then packaged and delivered to their respective customers.



Industrial Merchant

The Industrial Merchant business line supplies a wide range of different gases, application equipment and associated services. It serves a wide range of markets and customers, being industries and professionals that require smaller quantities than Large Industries' customers, offering comprehensive gas solutions for the implementation and optimization of their industrial processes. The Industrial Merchant activity covers the supply of bulk liquid gases and packaged cylinder gases, also small production units which can be installed locally for customers with larger gas needs, or in remote areas. Industrial Merchant serves five primary markets:

- metal fabrication industries: all industries using industrial gases for metal fabrication: automotive, heavy machinery, workshops (cutting, welding, etc.);
- food industry: all industries using industrial gases for food processing and beverages (poultry, meat, supermarkets, soft drinks, bars, etc.);
- mining and chemical industry: using gases in their processes (inerting, gold, petrochemical, water treatment, etc.);
- labs and healthcare: using gases for laboratory equipment and life support (cryobiology, hospitals, research and universities).



Our Industrial Merchant line supplies packaged gases through multiple channels to cover all customer needs. Cylinders are delivered directly to the customers' doors or picked up through Air Liquide's agency and distribution network.

Structure, operations and supply chains

Our Operations

Healthcare

ALH is a leading provider of respiratory care services and medical gases and equipment in Australia. In Australia, ALH supplies medical gases and related equipment and services to hundreds of medical facilities, healthcare professionals and laboratories. Products and services are provided both directly and through a network of agents. It also provides patients with oxygen, sleep apnea treatment products, related equipment and services across Australia, both directly and through a network of authorised agents. In New Zealand, the Healthcare business is conducted under ALNZ, primarily as a supplier of medical gases.



Structure, operations and supply chains



Our Supply Chain

Air Liquide's supply chain includes over 100 direct suppliers who provide a variety of goods and services from 11 countries in order for Air Liquide to carry out its operations. Key categories of expenditure are energy, water, steam, different types of gases, industrial equipment and transportation services.

The majority of the products sold by Air Liquide are gases produced in Australia and New Zealand using raw materials sourced from Australia or New Zealand as applicable. In Australia, the majority of the medical gases supplied by ALH are sourced from ALA's Industrial Merchant line in Australia. Air Liquide also sells third-party products which we import from various locations, mainly (top 10 countries - so far as sourcing from entities outside the Air Liquide Group) China, Singapore, Japan, France, Germany, Australia, Denmark, Italy, USA and the UK. These imports include industrial equipment, medical devices and other gases.

Risks of modern slavery practices in our operations and supply chains

In examining our operations and supply chain, based on a country- and industry-specific assessment of our suppliers, and having regard to the the industries and countries (Australia and New Zealand) in which we operate, Air Liquide considers there is a a low inherent risk of Air Liquide's operations causing, contributing or being directly linked to forced labour, child labour and other forms of modern slavery.

In our operations

As at the date of this statement, there have been no occurrences of modern slavery in our operations reported through our grievance mechanism (described below).

Sourcing a large majority of our workforce directly and maintaining a strong policy environment in relation to workplace relations gives us confidence that modern slavery risks are low. In addition, to ensure the risk of modern slavery is reduced as far as possible, we source the remainder of our workforce from a limited number of recruitment agencies who have passed our approval process. Our approval process includes conducting background and reputational checks, and ensuring the agency has appropriate processes implemented to check that the staff they provide to us have working rights and other appropriate checks are conducted.

In our supply chain

As noted above, the majority of the products that we sell are produced in Australia using Australian sourced raw materials.

Air Liquide uses the services of external transport providers and supplies its products both directly and indirectly through a national network of suppliers and agents. As such, Air Liquide is aware of the potential risk of contributing to or being linked to modern slavery through its relationships with these businesses and their activities.

The extent of supply chain risk is dependent on a number of factors including the level of human rights protection and/or enforcement in the countries from where our suppliers (including service providers and agents) operate or source, and any inherent risks associated with the various product categories; we perform our assessment of modern slavery risk taking these factors into account.

Since the majority of products and services sourced are produced or performed in Australia, we have identified the risk of contributing or being directly linked to modern slavery risks as low (based on the insights gained from the Global Slavery Index). However, to ensure modern slavery is not going undetected in Air Liquide's supply chain, due diligence processes have been implemented and further processes will be implemented as described in the following section.

Actions taken to assess and address these risks, including due diligence and remediation processes

Policies

We aim to uphold high ethical standards and ensure that there is no modern slavery in our supply chains or in any part of our business. In order to mitigate risks or prevent severe impacts relating to modern slavery and other sustainable procurement risks, we have a suite of policies and procedures guiding the actions of our people, including how we work with each other, our recruitment and purchasing practices and our engagement with customers, to identify, prevent and mitigate the risk of modern slavery violations in our supply chains and operations. An overview of these policies and procedures is set out below.

Our local Air Liquide Anti-slavery Policy (reviewed annually) contains a clear commitment to the eradication of modern slavery and sets out the minimum standards expected of all entities in scope. Our Anti-slavery Policy encourages the reporting of any instances of suspected modern slavery incidents in accordance with our local Whistleblower Policy. These policies can be found on our website at <https://au.airliquide.com/our-policies>. Our Anti-Slavery Policy is referred to in Air Liquide's Terms & Conditions for purchase of goods and/or services as well as the Air Liquide's Packaged Gases Supply Terms, both of which have modern slavery clauses. These documents are located at: <https://au.airliquide.com/legal>.

Other relevant Air Liquide policies that address modern slavery or human rights in a broader sense include:

- [Group Supplier Code of Conduct](https://au.airliquide.com/our-policies)
(<https://au.airliquide.com/our-policies>)
- [Group Code of Conduct](https://au.airliquide.com/our-policies)
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Air Liquide Group Supplier Code of Conduct entrenches principles relating to human, social and labour rights, and includes a clear statement prohibiting any form of modern slavery. Air Liquide Group Code of Conduct also includes a section entrenching the Group's commitment to protection of human rights, again specifically prohibiting child labour and any form of modern slavery.

Our local Anti-Slavery Policy and the above Group Codes are complemented by our other internal policies:

- Group Sustainable Procurement policy
- Group Supplier Risk and Relationship Management
- Group Third Party Screening Guidelines
- Commercial Partner Screening Process (ALH)
- HR Recruitment and Selection and Independent Contractors Policies



Actions taken to assess and address these risks, including due diligence and remediation processes

Our Group Supplier Risk and Relationship Management requires us to undertake pre-engagement preliminary due diligence of new suppliers (see further below). It also requires that the Group Supplier Code of Conduct be communicated to any new supplier as a prerequisite for supplying Air Liquide, unless Air Liquide agrees that the supplier's own Code of Conduct is aligned with such principles.

Specifically, in Australia and New Zealand, all new suppliers (excluding agents) are asked to accept Air Liquide's standard purchasing terms & conditions (which include a modern slavery clause) and to otherwise confirm compliance with the Air Liquide Supplier Code of Conduct. In the case of agents, standard contracts require agents to comply with the principles set out in the Air Liquide Code of Conduct. In general, ethics and compliance provisions are included in our standard contractual terms with suppliers. Our commitment to prohibiting modern slavery is also reflected in our own standard customer contracts.

The day-to-day responsibility for overseeing compliance and supplementing these policies, as required, is assigned to relevant departments within Air Liquide including HR, Procurement and Legal. We consider that, on the whole, the implementation of our company values and policies establishes an ethical culture and environment which does not tolerate or knowingly allow modern slavery to enter Air Liquide's operations or supply chain.

Due Diligence

Air Liquide's Group Supplier Risk and Relationship Management Policy entrenches a staged risk-based due diligence process to enable Air Liquide to make informed procurement decisions. This includes due diligence directed at identifying human rights infringements including practices amounting to modern slavery.

In respect of all new suppliers, our Group Supplier Risk and Relationship Management Policy requires a trade compliance check to be conducted to confirm that the supplier has not been convicted of corruption, fraud, violation of human rights and trade sanctions. This check is conducted through Dow Jones databases that include international sanction lists and databases capturing existing adverse media articles relating to a supplier. For ALA and ALNZ, this is carried out, if not earlier, in the process of setting up a new supplier in the e-procurement system. In 2023, in respect of suppliers specific to the Healthcare business, ALH extended its existing Commercial Partner Screening Process to apply to the screening of new suppliers.

The pre-engagement process in relation to a new Air Liquide supplier, as well as the ongoing monitoring of existing suppliers, requires that the expected annual expenditure of a supplier with Air Liquide be estimated and a risk assessment be conducted taking into account the expected expenditure and seven categories of risk, leading to categorisation of the supplier as "critical" or "not critical". A supplier categorised as a critical supplier is the subject of more detailed risk assessment as part of the supplier qualification process.

Risks taken into account in this classification include the risk associated with the supplier's performance in respect of human, social and labour rights, and includes practices amounting to modern slavery. These factors are captured under the risk entitled "sustainability risk".

Actions taken to assess and address these risks, including due diligence and remediation processes

“Sustainability-Critical Suppliers” are those determined under the Air Liquide Group Sustainable Procurement policy as most exposed to sustainability risks. The methodology for identification of “Sustainability-Critical Suppliers” uses three key criteria:

- annual spend with the supplier;
- the nature of the supplier’s activity (taking into account risk mapping for respective categories of activity); and
- the country in which the supplier operates (taking into account risk mapping for different countries, based on a weighting of recognized public indicators including the Global Slavery Index and the ITUC Global Rights Index).

Where a supplier is identified as a Sustainability-Critical Supplier, a further assessment is conducted, mainly based on two types of questionnaire:

- from an external platform (EcoVadis) specialized in the assessment of CSR (Corporate Social Responsibility) performance which deploys an online questionnaire based on the ISO 26000 standard to assess the CSR commitment of suppliers.
- from Air Liquide, which has created an internal questionnaire, as an alternative to the solution offered by the external platform. This is sent to Sustainability Critical Suppliers selected for the assessment campaign who refuse to reply to the questionnaire sent by the external platform.

Assessment results identify whether a supplier is a responsible supplier, a supplier needing improvement or a non-compliant supplier, and corrective action can then be taken by Air Liquide, which (in a more serious case) can lead to termination of the supplier relationship. Further details of this process can be obtained from the Air Liquide Group Vigilance Plan (March 2024) which can be located on the Air Liquide Group website.

In 2023, based on the Air Liquide Group Sustainable Procurement policy described above, Air Liquide (in Australia and New Zealand) had no “Sustainability-Critical Suppliers”. Air Liquide did however have 34 critical suppliers in respect of its Australian operations and 5 for New Zealand which underwent further risk assessment as part of the supplier qualification process.

Risk monitoring

Our Group Supplier Risk and Relationship Management procedure requires monitoring of key risks to be conducted and repeated on a periodic basis - this includes in respect of “sustainability risk”, which as stated above, takes into account the risk associated with supplier's environmental, social and ethics activities (including any modern slavery risk).

In our standard purchasing terms and conditions, Air Liquide reserves the right to verify suppliers’ compliance with relevant policies and to ensure that they understand their Modern Slavery obligations and our expectations of them. Our standard terms and conditions and our procedure provide for the issue to the Supplier of a Rectification Plan if Air Liquide identifies any shortcomings or areas for improvement.

Actions taken to assess and address these risks, including due diligence and remediation processes

Grievance mechanism

The Air Liquide Pacific Subcluster Whistleblower policy (located at <https://au.airliquide.com/our-policies>) contains details of how both employees, suppliers and other eligible whistleblowers can report any modern slavery incidents.

Air Liquide facilitates a number of different options as to how to raise an alert confidentially and without fear of retaliation, including by contacting the persons nominated in the Whistleblower policy as eligible recipients and by making disclosures using Ethicall, the Air Liquide Group system for receiving alerts by phone or online through a website. Ethicall is a means to disclose reportable conduct confidentially (with the option of being anonymous) through an external service provider.

We encourage our employees to disclose reportable conduct by making them aware of the policy and hotline through face to face compliance training, links on the company intranet and internet and via posters regarding Ethicall at sites.

Remediation

Air Liquide has built in various contractual protections in its supplier contracts. In the event of a modern slavery violation by its supplier, these could be relied upon to provide leverage to influence the supplier to provide remediation to any victim of the relevant modern slavery violation.

Training

As part of the broader APAC Procurement team, our local procurement personnel are trained in respect of the due diligence processes approach entrenched in Group Supplier Risk and Relationship Management. and Group Sustainable Procurement policy

Training on identifying, preventing and mitigating modern slavery has also been provided to a broader group of employees within Air Liquide during the reporting period as part of general compliance training extending to anti-bribery and corruption. This training is provided on a minimum 3 year cycle to employees acting in certain functions/ roles and which includes the procurement team.

Air Liquide continues to take steps to align (to the extent practicable) modern slavery related risk management practices across Air Liquide entities by encouraging dialogue between key internal stakeholders and by implementing cross-entity responsibilities of the local procurement team.

How the reporting entity assesses the effectiveness of these actions

We acknowledge that assessing the effectiveness of the systems and processes we have in place is critical to ensuring we can identify and reduce modern slavery risks in our supply chain and operations. As such, Air Liquide continues to seek to identify and avoid potential modern slavery risks across our operations and supply chain by expanding and strengthening its approach to supplier due diligence.

During the reporting period Air Liquide continued to assess the effectiveness of our modern slavery risk management framework by assessing the current due diligence process against Group and local policies to identify gaps and aspects which may be ineffective, with continuing efforts to strengthen and embed these processes.



Process of consultation

In performing the actions described throughout this Statement, the reporting entity Air Liquide Australia Limited has consulted senior management of each of the subsidiaries covered by this statement and sought input from key stakeholders from the procurement, legal and human resources functions supporting Air Liquide in Australia and New Zealand.



A world leader in gases, technologies and services for industry and health, Air Liquide is present in 72 countries with around 67,800 employees and serves over 4 million customers and patients. Oxygen, nitrogen and hydrogen are essential small molecules for life, matter and energy. They embody Air Liquide's scientific territory and have been at the core of the company's activities since its creation in 1902.

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