



Air Liquide Australia Modern Slavery Statement 2022



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 26 June 2023.

Tim Kehoe

Tim Kehoe
Managing Director
Air Liquide Australia Limited

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 a large 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 73 countries with approximately 67,100 employees and serves more than 3.9 million customers and patients.

ALNZ, ALH and Braids Pty Ltd are wholly-owned subsidiaries of ALA. ALNZ operates in New Zealand. ALA is also a 55% shareholder of Weldex Dandenong Pty Ltd (trading as Dandy Gas & Welding Supplies) (Weldex); due to arrangements concerning management of Weldex, this statement applies to Weldex only to the extent that Weldex sources industrial gases from 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 (from 1 July 2023) 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 28 sites including 14 Air Separation Units/CO₂ production plants.

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 offers gas and energy solutions that supply oxygen, nitrogen, argon, hydrogen and carbon dioxide through a network of plants and pipelines to customers in the metals, chemicals, refining and energy industries. These gases are essential for industrial production, and to improve the process efficiency and environmental performance of our customer's plant operations.

Industrial Merchant

The Industrial Merchant business line serves a wide range of markets and 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 and 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.

Healthcare

Air Liquide Healthcare is a leading provider of respiratory care services and medical gases and equipment in Australia and New Zealand. It supplies medical gases and related equipment and services to thousands of medical facilities, healthcare professionals and laboratories across Australia and New Zealand. 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.



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 (so far as sourcing from entities outside the Air Liquide Group) China, Singapore, Belgium, Germany, Italy, United Kingdom, South Africa, USA, Thailand and Malaysia. 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. A suite of policies and procedures guide 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 Anti-slavery Policy was adopted in 2020 and sets the minimum standards expected of all entities in scope. It can be found on our [website](#) and 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.

Our Anti-slavery Policy encourages the reporting of any instances of suspected modern slavery incidents in accordance with our [Whistleblower Policy](#).

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

- [Supplier Code of Conduct](#)
- [Group Code of Conduct](#)
- Sustainable Procurement policy
- Supplier Management Code of Conduct
- HR Recruitment and Selection and Independent Contractors Policies
- Corporate Social Responsibility Policy
- Policies relating to risk mapping having regard to Human Rights and Health, Safety and Environment risks and evaluation of suppliers



The day-to-day responsibility for developing these policies and overseeing compliance is assigned to relevant departments including HR, Procurement and Legal. Air Liquide also requires compliance (to the extent relevant to their operations) with these policies and standards from our suppliers. 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 Australia's operations or supply chain.

Air Liquide reserves the right in its standard purchasing terms and conditions to verify suppliers' compliance with relevant policies and to ensure that they understand their Modern Slavery obligations and our expectations of them. We conduct supplier risk assessments, screening of qualifications, segmentation and supplier performance evaluations. This is done by asking suppliers to complete a questionnaire, or to participate in an audit issued or conducted by Air Liquide or by a third party engaged by Air Liquide. 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

Due Diligence

Air Liquide has adopted Air Liquide Group's risk-based approach to Human Rights due diligence, including modern slavery, mainly focusing on direct suppliers related to supplier risk management, supplier relationship management and supplier delinquency processes. Our due diligence approach requires a minimum level of initial due diligence for suppliers. This initial risk assessment informs the appropriate level of further due diligence for supplier selection, prioritising suppliers by their level of inherent risk, in order for us to make informed procurement decisions.

For Air Liquide, as part of the supplier engagement process, all new suppliers are required (except as otherwise agreed) to accept Air Liquide's standard purchasing terms & conditions (which include a modern slavery clause), and to accept the Air Liquide Group Supplier Code of Conduct which includes minimum standards in respect of broader human rights issues. For ALA and ALNZ, prior to supplier approval, a basic check on modern slavery and other sanctions, corruption and related risks is conducted through "KD prevent" - a compliance due diligence or "RPS" (restricted party screening) tool.

After this initial step, supplier risk assessment is conducted to mitigate risk relating to the operation or organisation of a supplier that may potentially have a negative impact on the activity, such as legal non-compliance, safety or reliability issues, business continuity risk and adverse media. This risk assessment is based on consideration of four parameters:

- Risk relating to the nature of the supplier's activity;
- Risk relating to the country in which the supplier carries out its main activity;
- Air Liquide Australia's current spend with the supplier; and
- Air Liquide Australia's dependency on the supplier.

The combination of the four selected criteria leads to the identification of the most critical suppliers to which Air Liquide is exposed in its supply chain, who are prioritised in the implementation of further assessment and management measures. Dependent on the outcome of the risk assessment, further risk assessment can involve third party evaluations of corporate social responsibility (CSR) performance (such as Ecovadis) and/or internal questionnaires established by Air Liquide Group, covering questions regarding environmental performance, labour & human rights, health & safety and ethics topics, including modern slavery as well as other CSR related topics.

The supplier's CSR performance (based on the supplier's score on a scale of 0 to 100), is assessed and used to identify whether suppliers can be considered to be compliant with Air Liquide's responsible procurement practices, and identify whether a corrective action plan should be considered. This is undertaken as part of our Supplier Relationship Management programme, a systematic approach to identify, assess and manage modern slavery risks at all stages of the procurement process.

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

Grievance mechanism

Air Liquide Australia's Whistleblower policy contains details of how both employees, suppliers and other eligible whistleblowers can report any modern slavery incidents.

There are two channels through which eligible whistleblowers (including current and former employees and officers, suppliers and their employees, and associates, dependents and relatives of each of the foregoing) can raise grievances or concerns regarding conduct occurring at Air Liquide. Individuals are able to report the matter internally to any of our eligible recipients (which include the Lead HR Business Partner, Lead Legal Counsel or Ethics Correspondent in their respective business unit), or to make a report anonymously via our Air Liquide Group whistleblowing hotline Ethicall (available to employees and regular subcontractors).

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 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 pressure the supplier to provide remediation to any victim of the relevant modern slavery violation.

Training

Training sessions for our procurement teams have been held to maintain their awareness of our Anti-slavery Policy and to enhance their awareness of how to mitigate modern slavery risks, as well as to promote their understanding of internal due diligence processes.

Training on identifying, preventing and mitigating modern slavery has also been provided to a broader group of employees during the reporting period as part of general compliance training.

Air Liquide has continued promoting the importance of robust risk mapping processes, compliance with the anti-slavery policy and due diligence processes in order to drive improvements, and taken 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 broadening the 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 review our potential modern slavery risks across our operations and supply chain and to expand and strengthen 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

- Undertaking modern slavery risk assessments and due diligence in accordance with a risk-based approach (outlined on page 4) to monitor changes and trends in our risk profile across both our operations and supply chains; and
- Conducting an assessment of the current due diligence process to identify aspects which may be ineffective and 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 73 countries with around 67,100 employees and serves over 3.9 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.

Air Liquide Australia Limited

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