



Modern Slavery Statement

Amtrade International Pty Ltd
FY2020

This statement covers the activities of Amtrade International Pty Ltd ACN: (006 409 936) and Amtrade New Zealand Ltd (NZBN: 9429036780624 (together "**Amtrade Group**") during the year ended 30 June 2020.

This is our first modern slavery statement under the *Modern Slavery Act 2018* (Cth) and sets out the actions we have taken to assess and address modern slavery risks in our operations and supply chains.

This statement has been approved by the Board of Directors of Amtrade International Pty Ltd and Amtrade New Zealand Ltd.

Introduction

The Amtrade Group is committed to upholding human rights and fair working conditions. In accordance with this commitment, we are opposed to modern slavery in all its forms. Maintaining a reputation for the highest legal, moral and ethical standards in our dealings with our customers and other key stakeholders is critical for our ongoing success.

At the Amtrade Group, we have guiding principles and policies that address slavery. We have undertaken work this year to identify our modern slavery risks and will continue to refine our approach in the future. Our continuing efforts in opposition to modern slavery complement our core values of integrity, trust and acting responsibly

Our structure, operations and supply chain

Amtrade International Pty Ltd is a company incorporated in Australia and our registered office is located at Level 8, 580 St Kilda Rd, Melbourne, VIC, 3004. Amtrade New Zealand Limited is a company incorporated in New Zealand with its office at Level 4, 57 Symonds Street, Grafton. Auckland NZ 1010.

The Amtrade Group is a privately-held distributor of chemicals, plastics, raw materials and specialty products to Australian and New Zealand industry. Our core operations are in Australia and New Zealand and we also maintain an office in China. Our mission is to be the partner of choice for those seeking competitive solutions for their raw material requirements, and for suppliers seeking distribution in their markets.

The Amtrade Group sources chemicals and raw materials from a range of regions all over the world, including Asia, the Americas and Europe. We engage most of our suppliers on a stable, long-term basis. We also have a number of indirect goods and services suppliers, including real estate, information technology, logistics, warehousing and office supplies.

Our governance approach and policies

The Amtrade Group has a zero tolerance approach to all forms of modern slavery. Our Board, Senior Management Team and Regulatory Team have distinct yet complimentary responsibilities as follows to oversee and manage modern slavery risk:

- Board (responsible for guiding and monitoring the Amtrade Group on behalf of shareholders):
 - Oversees overall compliance, regulatory obligations and areas of significant business risk to ensure that adequate arrangements are in place to manage risk satisfactorily
 - Monitors compliance with, among other things, our values, policies and procedures, including our obligations with respect to modern slavery

- Senior Management (responsible for implementing strategic objectives, day-to-day operations, and timely and accurate reporting to the Board):
 - Instils our values and purpose in our workforce, including zero tolerance for modern slavery
 - Possesses oversight over matters relating to modern slavery, including preparation of the Amtrade Group's Modern Slavery Statement
 - Works closely with the Regulatory Team to evaluate and manage modern slavery risk
- Regulatory Team (responsible for regulatory compliance and quality assurance):
 - Implements and updates supplier standards and Amtrade Group policies, including with respect to modern slavery
 - Assesses supplier compliance with Amtrade Group standards
 - Collects supplier data with respect to modern slavery
 - Notifies (if applicable) senior management of any potential supplier modern slavery violations
 - Responds to customer information requests about modern slavery risk
 - Reports out data to senior management to enable Modern Slavery Statement preparation

Underpinning this governance approach are Amtrade Group policies, principles and approaches to business that reflect our long-established commitment to high standards of business ethics and conduct in our operations and supply chain.

Risk Assessment, Due Diligence and Mitigation Action / “Risk Identification”

The Amtrade Group is committed to improving systems and processes to reduce the risk that we might contribute to modern slavery through our operations and supply chains. We have undertaken an initial risk assessment of key suppliers to our organisation. This process identified sources of modern slavery risk within our operations and supply chains, and highlighted how we might optimise management of such risks in future.

Our initial risk assessment has indicated that our operations and supply chain have a low potential for modern slavery risks. In making this assessment, we had regard to Walk Free's Global Slavery Index and the resources of Anti-Slavery International. We also considered the level of the Amtrade Group's leverage to address the modern slavery risk, including working with suppliers to implement any needed changes in labour practices. Key areas of risks identified through our assessment process include:

- Raw materials: Most of the raw materials that we source are produced in countries other than Australia, where the risks of modern slavery may be higher. This inherently creates challenges for oversight and mitigating modern slavery risks. However, the Amtrade Group works to leverage its relationships with suppliers to work together to minimise modern slavery risk.
- Office supplies and IT hardware: These indirect goods are manufactured with inputs from higher risk, highly globalised sectors within their supply chains (forestry and mining respectively). The types of modern slavery risks which can exist within these industries include forced labour and child labour.
- Logistics and warehousing: Our logistics and warehousing suppliers, which are based in Australia, have workforces that include a casual component. The risks here include underpayment, coercion and forced labour. The risks are mitigated by these suppliers being based in Australia rather than offshore.

Assessment and Addressing of Modern Slavery Risk

Existing systems and processes to mitigate modern slavery risks

We understand the importance of working collaboratively with our employees, suppliers and the broader industry to combat modern slavery. That is why, prior to and during our first reporting period, we have taken action to assess and address the potential for modern slavery in our operations and supply chains. Existing internal controls which mitigate modern slavery risk are bolstered by strong relationships with our key suppliers and periodic visits to suppliers to review their operations. In FY2020, the Amtrade Group's focus was on our existing controls and risks related to modern slavery, as well as initial review of how to improve our assessment and management of modern slavery risk in the future.

Responsible Sourcing

In recent years, concerns over poor working conditions in developing countries and emerging markets have seen companies implement specific social criteria for the production facilities from which they

source products. In order to address these concerns, in addition to our required product specifications, our Policy is to ensure we:

- source all products in a responsible manner;
- provide clear guidance to our buying staff;
- protect our corporate reputation and our people; and
- protect the reputation of products we represent to our customers.

Supplier Guiding Principles (Supplier Assessment and Approval)

We expect all of our suppliers, no matter where they operate in the world, to support ethical standards set out in our Supplier Guiding Principles. The Principles include, but are not limited to, requirements with respect to labour rights, child labour, living wages, working hours, discrimination, regular employment and harsh or inhumane treatment. Our suppliers must commit to complying with these requirements, many of which are drawn from the Ethical Trading Initiative (ETI) and International Labour Organisation (ILO) Conventions, and represent standards based on the principles of the United Nations Universal Declaration of Human Rights.

At the Amtrade Group, we use these Supplier Guiding Principles in our supplier assessment and approval process to conduct evaluations on new suppliers in specific industries before they can become approved partners. Suppliers are obliged to disclose information that provides us with visibility of suppliers' efforts to protect human rights, including the prevention of modern slavery. We enhance these procedures by forbidding subcontracting unless specifically approved by Amtrade. If we have any concerns about information provided by suppliers, we carry out a deeper investigation carried out to ensure that the Amtrade Group's standards are being met or exceeded. The Amtrade Group is committed to working with customers, suppliers or sub-contractors who share our commitment to high ethical standards, particularly in relation to modern slavery.

Sedex

The Amtrade Group has Sedex membership. This reflects the Amtrade Group's commitment to sourcing responsibly and having an ethical and sustainable supply chain. Sedex tools and services enable us to work with our suppliers on safe, ethical and sustainable business practices, and help us to protect the working conditions for people within your supply chain.

Actions taken within the reporting period to address identified risks, including due diligence and remediation

This year we focused on assessing the risks in our supply chain and operations and evaluating current controls and opportunities for improvement in addressing modern slavery. Through our Supplier Guiding Principles (Supplier Assessment and Approval), we expect and require business partners to hold their supply chain to high performance standards. The Principles contain our expectations for suppliers and specifically highlight the issues of forced labour, fair pay and humane working conditions. By using our Supplier Guiding Principles, we assessed an increased proportion of our supplier base within the reporting period. We also maintained our membership in Sedex and re-affirmed our Responsible Sourcing policy.

In the future, we will continue to work to further address modern slavery risk. Our next step is to articulate more explicitly what we expect from our suppliers in relation to modern slavery by incorporating this into the Principles. Where necessary, Amtrade will liaise directly with new suppliers to gain proper understanding on whether they have an anti-slavery policy and measures in place to ensure that modern slavery is not occurring within their own businesses.

Impact of Covid-19 restrictions

The restrictions put in place by various Governments required our procurement focus to be on continuity of supply, and constrained the extent to which we could focus on strategic sourcing improvement in FY2020. Indeed, we understand that certain modern slavery risks, namely forced labour due to Covid-19 crew change restrictions in the international shipping sector that enables our importation of goods, might have been elevated in FY2020. We will continue to consider the impact of governmental Covid-19 restrictions in how we engage with suppliers on modern slavery in FY2021.

Assessment of Effectiveness of Actions

It is not a straightforward process to measure the effectiveness of our actions with respect to managing and addressing modern slavery risk. In FY2020, the impact of governmental COVID-19 restrictions on our business and people required greater focus on continuity of supply and further strengthening relationships with our suppliers. We consider that our existing modern slavery processes, as outlined above, and the fact that we have had no suspected or identified modern slavery incidents, is encouragement that current actions are effective to at least a reasonable degree. However, we will strive for more comprehensive qualitative and quantitative data to track our progress going forward. Increasing the coverage of our supply base by our Supplier Guiding Principles and formalising our annual modern slavery internal review process will increase our ability to assess the effectiveness of our overall actions.

Consultation

The Amtrade Group entities are controlled by the same shareholders and have the same directors. All Amtrade Group policies and procedures apply across entities and are accessible to staff via our internal ERP system. As a result, all Amtrade Group entities are aware of these policies and procedures, the actions we have taken to assess and address modern slavery risks in our operations and supply chains and the preparation of this Modern Slavery Statement.

FY2021 focus

As this is our inaugural statement, we recognise there are further steps we can take to assess and address the risks of modern slavery in our operations and supply chains.

In FY2021 we will focus on:

- Supplementing our existing responsible sourcing policy by enacting a specific modern slavery and human trafficking policy
- Refining our Supplier Guiding Principles (Supplier Assessment and Approval) to include modern slavery language that compliments existing provisions on human rights, forced labour, fair pay and humane working conditions
- Using our Supplier Guiding Principles to assess more of our supplier base
- Further refining our periodic risk assessment tools to address modern slavery risks in our direct material supply chain
- Reinforcing amongst employees the need to avoid the risk of modern slavery in our business
- Obtaining updated perspectives from the Regulatory Team, Senior Management and Board on what further steps can and should be taken

Conclusion

The Amtrade Group is against modern slavery and is committed to tackling modern slavery in its operations and supply chain. This Modern Slavery Statement has been approved by the Board of Directors of Amtrade International Pty Ltd and Amtrade New Zealand Ltd. The Amtrade Group is pleased to submit this Modern Slavery Statement under the *Modern Slavery Act 2018 (Cth)* for the financial year ended 30 June 2020.



Jonathan Adler
Managing Director