

## **MODERN SLAVERY STATEMENT 2021**

### **IMCD AUSTRALIA PTY LTD**

Modern Slavery describes situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom. It is the severe exploitation of other people for personal or commercial gain. By working together and taking responsibility to be vigilant to the risks in our operations and supply chains we can prevent all forms of Modern Slavery.

This Modern Slavery statement which meets the Australian *Modern Slavery Act 2018* sets out the steps that the reporting entity IMCD Australia Pty Ltd ("IMCD Australia") has taken to address the risks of Modern Slavery and human trafficking in its business.

For this statement, IMCD Australia's reporting period is 1 January 2021 to 31 December 2021.

As a leading speciality and chemicals distribution partner, IMCD Australia wants to contribute to improve society's health, welfare and prosperity.

#### **IMCD AUSTRALIA'S APPROACH**

IMCD Australia is committed to achieving a high standard of ethical behaviour across its business operations and supply chains. IMCD Australia is proud of its people and considers them to be its most valuable asset by far.

IMCD Australia ensures that all its employees work under safe and stimulating working conditions.

IMCD Australia respects and supports the protection of human rights and recognises that Modern Slavery in all its forms, including slavery, servitude, forced or compulsory labour and human trafficking is unacceptable. Consistent with its corporate principles of conducting its business safely and with integrity, IMCD Australia is dedicated to identifying and mitigating Modern Slavery across its organisation and supply chains.

IMCD Australia has certain core values and guiding principles that are essential to our business operations. By giving its employees the freedom to act and empowering them to drive business forward, IMCD Australia has established a dynamic and entrepreneurial culture. Integrity, transparency and compliance are our core business values that promote a

climate of trust. We are all guided by strict financial discipline, no matter where we operate. In our people, we recognise a certain humility and genuine desire to support our business partners. We strive to be reliable and strategic partner to our suppliers and customers, focused on supporting the sustainable growth of their brands.

## **OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN**

IMCD Australia is part of the IMCD Group (“IMCD”).

IMCD is a global leader in the distribution and formulation of speciality chemicals and ingredients, providing solutions to its partners.

IMCD strives to be the global sales channel partner of choice to which suppliers of speciality chemicals and ingredients turn for first class technical expertise, optimum logistics and solutions that help them innovate, simplify and sustainably grow their business.

IMCD Australia operates throughout Australia with operated and third party warehouses. IMCD Australia’s head office is in Melbourne.

Through partnering with globally reputable suppliers, IMCD Australia offers a comprehensive and complementary product portfolio. We cover a wide range of industries including Advanced Materials, Beauty and Personal Care, Coatings & Construction, Food & Nutrition, Homecare and I&I, Industrial Solutions, Lubricants & Energy and Pharmaceuticals.

## **RISK ASSESSMENT**

### **Operations**

At IMCD, we have several global policies and procedures promoting the safety of our working environment, as well as to the health, safety and security of our employees. In turn, our business partners must adhere to the same guiding principles.

In addition to the existing policies and procedures, to minimise the risk of Modern Slavery, IMCD Australia complies with all local labour, employment and fair work laws of Australia.

All these controls help IMCD Australia to manage the risk of Modern Slavery in its operations effectively. However, we recognise there may be residual areas of vulnerability in our operations due to the nature of our service providers. For example, these could include outsourced services such as office and site cleaning, facilities management and the use of labour-hire contractors.

### **Supply Chain**

The nature of our business means our supply chains are diverse and complex, so we must review, address and mitigate Modern Slavery in any form.

IMCD Australia has identified potential Modern Slavery risks based on geographic locations of suppliers in our supply chain located in countries listed as higher risk by Global Slavery Index. The geographic locations posing higher risks in IMCD Australia's supply chain are China, India, and Thailand.<sup>1</sup>

In addition, an industry that IMCD Australia services that is known to carry a higher risk of Modern Slavery practices is the Construction industry.

The speciality chemicals distributed by IMCD Australia are sold into many different market segments. Rubber products are known to have higher Modern Slavery risks because of the way they are produced, provided and used.<sup>2</sup>

### **Continuous improvement and corrective actions**

As part of IMCD Australia's forthcoming reporting periods, IMCD Australia will categorise suppliers identified as higher risk on the basis of raw materials, industries and products segments as outlined above. The Supplier Selection Review process will be updated to include Modern Slavery risk identification and mitigation points.

## **KEY ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS**

### **IMCD Australia's due diligence Processes for Modern Slavery**

#### **Suppliers**

IMCD's Code of Conduct and ESG standards for IMCD Business partners outline IMCD's zero tolerance to unethical business practices including bribery, slavery, human trafficking and any other improper conduct. The IMCD Code of Conduct and ESG standards for IMCD Business partners are communicated to all current and new direct suppliers.

IMCD expects its business partners to promote compliance with applicable laws and the principles as outlined in the IMCD Code of Conduct and believes that responsible management of our supply chains can only be achieved together.

#### **Employees**

All of IMCD Australia's employees are required to review and agree to comply with the Company policies, IMCD Business principles, IMCD values and IMCD's Code of Conduct.

IMCD takes any compliance issues seriously with a thorough investigation in a fair and confidential manner. An Internal Alert Procedure and IMCD Ethics and Compliance Hotline are available for employees to seek guidance on any potential violation of our Code of Conduct or other standards or policies or any concern about unethical, illegal or irresponsible activity.

<sup>1</sup>[http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms\\_575479.pdf](http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms_575479.pdf) <sup>2</sup><https://modernslaveryregister.gov.au/resources>

## **EFFECTIVENESS ASSESSMENT**

Sustainability reports published by IMCD Group annually are based on an analysis of social, environmental, and economic performance.

The IMCD Group assessment for EcoVadis is representative for all IMCD companies. IMCD Australia is required to submit data for the IMCD Group assessment for EcoVadis.

Sedex is one of the world's leading ethical trade membership organisations, working with businesses to improve working conditions in global supply chains. IMCD Australia is a member of Sedex. Using Sedex tools and services, IMCD Australia works with its suppliers to ensure they are upholding safe, ethical and sustainable business practices, helping to protect the working conditions for people within its supply chain.

Our audit processes primarily rely on effective implementation of supplier questionnaires, risk assessments and supplier review processes.

## **THE PROCESS OF CONSULTATION ACROSS THE IMCD AUSTRALIA TEAM**

IMCD Australia's consultation process for this Modern Slavery Statement for the financial year ending 31<sup>st</sup> December 2021 included engagement with personnel across the board to confirm the alignment of policies, systems and processes across its business.

This Modern Slavery Statement has been approved by the Board of Directors of IMCD on 30<sup>th</sup> of June, 2022



Martin Stoemmer,

Director- IMCD Australia Pty Ltd