

Modern Slavery Statement 2021



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 2020 to 30 September 2021.

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 Australia, New Zealand and 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 is working 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.
- Ixom, in all of our operations, is committed to developing and implementing policies and procedures that aim to reduce the risk of modern slavery at our operations and in our supply chains. Our modern slavery statement recognises we are on a journey to ensuring we have a supply chain that is free of modern slavery and committed to continuous improvement.

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.

That's why we have welcomed the introduction of laws which target modern slavery and human trafficking, and take our obligations in regard to those laws very seriously.

We have continued to put time and resources into the identification and management of modern slavery risks within Ixom's supply chain for our second reporting year and to increase the scope of its work in seeking to identify modern slavery risks in its supply chain.

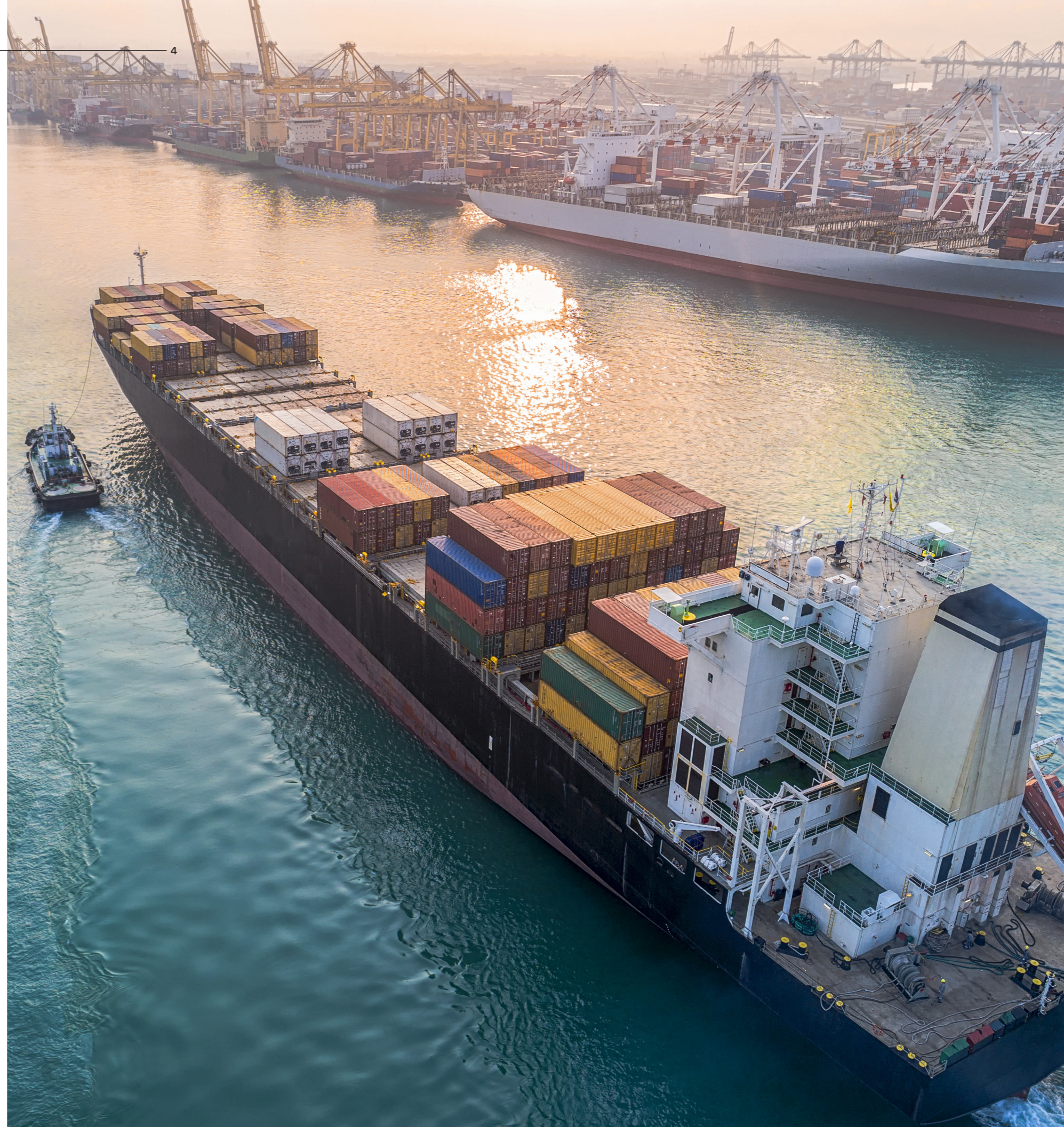
Operating in a global environment, Ixom is committed to transparency around our supply chains and to developing and implementing policies and procedures that reduce the risk of modern slavery across every aspect of our operations.

Our modern slavery statement recognises we are on a journey to seeking to ensure we have a supply chain that is free of modern slavery and committed to continuous improvement.

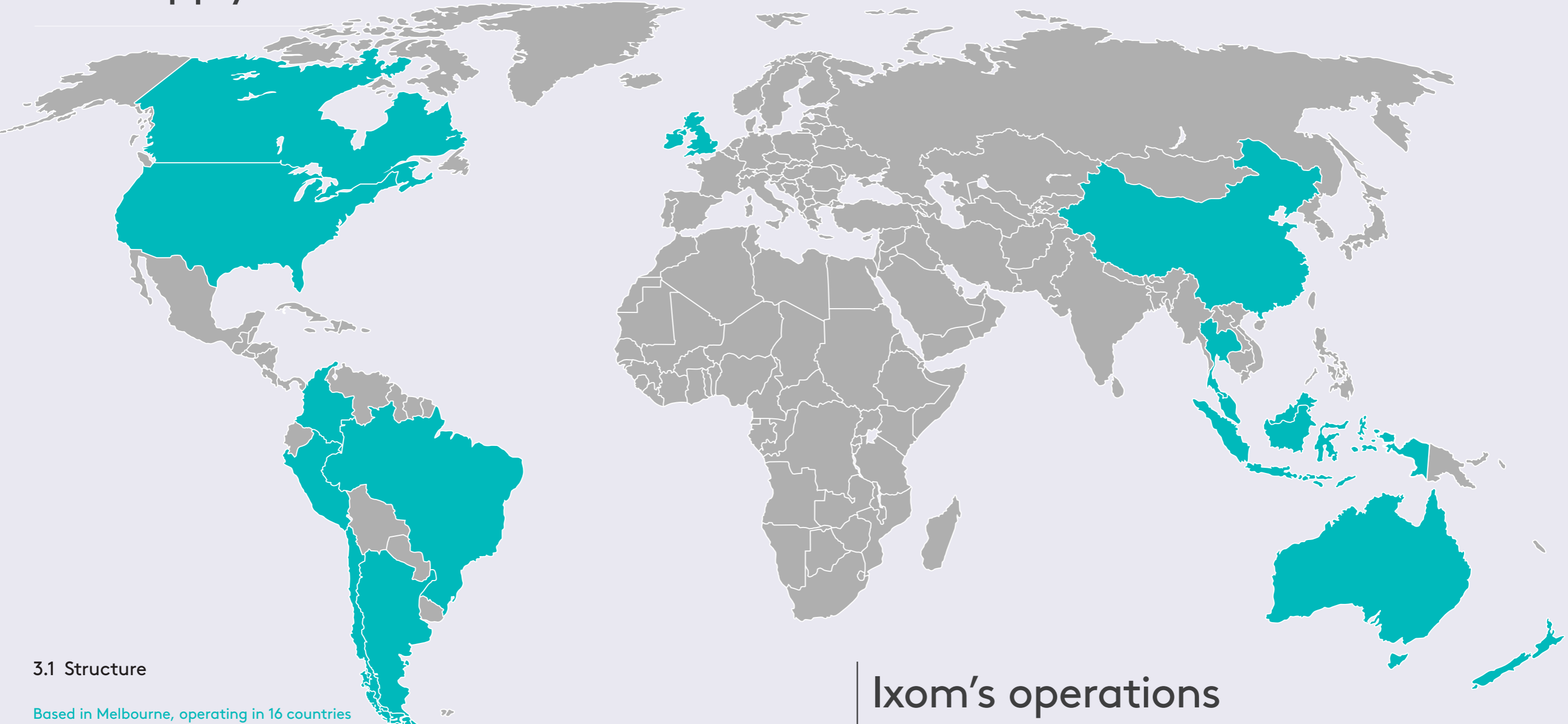
David

David Head

Managing Director and CEO



Structure, operations and supply chain



3.1 Structure

Based in Melbourne, operating in 16 countries

Ixom's headquarters are located in Melbourne, Australia. During the reporting period, Ixom consisted of 29 registered companies (including 2 entities not wholly owned by Ixom), incorporated and operating in 16 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 the entities that operated its businesses in Latin America, China and Hong Kong. These divestments were successfully completed shortly after the start of the reporting period – in October 2020 in respect of the Latin American entities, and in December 2020 in respect of one Chinese entity and a Hong Kong entity.

Ixom's operations around the globe

3. Structure, operations and supply chain

Brands



Our values



DRIVEN



ENERGISE



EXCEL



GROW

Suppliers

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

- Australia
- Canada
- China
- Fiji
- Hong Kong
- 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
- Water treatment and management
- Waste treatment
- Pulp and paper
- Building and construction
- Industrial
- Plastics
- Mining and metals
- Oil and gas.

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.

These products are in most cases 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 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. The process involved the analysis of cross sections of Ixom's businesses in Australia, New Zealand, South East Asia, the United States and the United Kingdom to identify those parts of its operations and supply chain that carry a higher level of modern slavery risks. From this analysis, Ixom developed a set of key focus areas for modern slavery compliance and due diligence for the 12 month period commencing 1 October 2020.

Ixom developed a work plan for this reporting period which applied its modern slavery due diligence process to a number of suppliers based in the higher risk jurisdictions of China, India, Indonesia and the Philippines, which supply products to Ixom's Australian and New Zealand businesses and its joint venture operations in Thailand.

In addition, Ixom undertook a targeted analysis of the supply chain of its US-based and UK-based Watercare business. The findings of this analysis demonstrated that these businesses do not directly procure any goods or services from suppliers based in China or the other higher risk jurisdictions which were a focus for the work plan developed for this reporting period.

4.2 Operations

Assessing third party susceptibility

During the reporting period, approximately 94% 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 an earlier 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, and also indirectly through the companies that supply goods and services to Ixom's own suppliers. The risk assessment found that there is an increased chance of modern slavery risks in the supply chains of suppliers who provide products and services to Ixom and are based in jurisdictions that are ranked as 'high risk' on the Global Slavery Index.

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 solely by Ixom Operations Pty Ltd and represent the majority of Ixom's revenue and earnings at a group level, and also the majority of the Ixom Group's supply chain activities. In addition, Ixom also focused on the supply chain of Ixom's joint venture operations in Thailand.

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 Verisk-Maplecroft index, the following raw materials distributed by Ixom are associated with industries that carry a higher risk of modern slavery practices:

- Citrus fruits
- Fish
- Cobalt
- Cumin
- Vanilla
- Cocoa
- Tea
- Coffee
- Mica

Geographic locations

Ixom has identified modern slavery risks 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 operates, 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 Migration¹ refers to industries that carry a higher risk of modern slavery practices:

- Manufacturing
- Construction
- Commercial agriculture

In the reporting period, Ixom focused on evaluating the practices of a selection of suppliers based in the 'higher risk' geographic locations listed above. As part of Ixom's forthcoming reporting periods, Ixom will utilise its learnings to focus on a selection of suppliers identified as 'high risk' on the basis of raw materials, industries, and products or service sectors.

¹ International Labour Organization, Walk Free Foundation and International Organization for Migration. Global estimates of modern slavery: Forced labour and forced marriage. Geneva, 2017. http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms_575479.pdf

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

The due diligence process to assess suppliers being considered by Ixom was put in place during the reporting period. 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

Suppliers of any products or services to any Ixom business that fit within the target categories of Ixom's modern slavery work plan must undergo basic due diligence. 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.

As part of the basic due diligence process conducted during the reporting period, Ixom identified a number of suppliers that provided on-site accommodation for workers in China and India. Given the potential for modern slavery risks associated with such arrangements, Ixom arranged for site audits to be conducted to assess living conditions at a selection of sites in China, and intends to conduct similar audits for the remaining suppliers in India and Indonesia in the next reporting period. Further detail is set out in sections 5.4 and 5.5 of this statement.

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.

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 training to Ixom's China-based procurement team, which is responsible for conducting on-site audits of suppliers located in China.

The training program for Ixom's employees in Australia, New Zealand and China includes a particular focus on the common indicators which might suggest the existence of modern slavery risks in a supplier's operations. 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 at a range of manufacturing sites in the provinces of Shandong, 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 a potential indicator of modern slavery risks.

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.

In the next reporting period, Ixom intends to expand the internal audit program by increasing the number of suppliers audited in China and auditing a different selection of suppliers.

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. 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.

The suppliers selected for the external audit process were those for which Ixom had completed a desktop due diligence review in the last reporting period. 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.

The findings of each external audit report aligned with Ixom's internal findings based on its earlier desktop due diligence review, and no modern slavery risks were identified.

Ixom also intended to conduct external audits of a selection of suppliers based in India during the reporting period, however was unable to do so. This was due to logistical difficulties associated with organising external auditors to attend sites in India, primarily as a result of local government restrictions implemented to manage the COVID-19 pandemic.

Ixom's ability to arrange external audits was also impacted by the sensitivities associated with navigating the impact of the COVID-19 pandemic in India, particularly the business interruptions and personal difficulties experienced by many suppliers and their staff. These included the curtailment of suppliers' operations, restrictions on visitors to operating sites, national and regional lockdowns, and illness suffered by suppliers' staff.

In the next reporting period, Ixom intends to expand the external audit program to suppliers located in India, Indonesia and the Philippines.

5.5 Further actions taken

During the reporting period, Ixom's human resources and industrial relations activities have supported its MSA Policy in a number of important 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.
- Ixom has developed and implemented a new contingent labour policy during the reporting period. Ixom's due diligence process when procuring contingent labour requires it to ensure that labour hire entities and independent contractors abide by licensing, immigration and employment laws.
- In Australia, wages are regulated by modern award conditions, and Ixom is regularly audited by an independent global accounting firm to ensure that its base wages meet minimum standards and duly accommodate or compensate employees for any obligation to work extended hours.
- Ixom has renewed several industrial agreements during the reporting period through collective bargaining with employees and their union representatives.
- With recent business expansion, Ixom has secured additional human resources and information systems resourcing, and has made several strategic and professional appointments to support its growing business at both a local and corporate level.

During the reporting period, a new section related to modern slavery was included in Ixom's Code of Conduct and the Code of Conduct was re-issued to all employees. Employees are 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. The group met regularly, and awareness of modern slavery risks continued to increase.
- An annual review of the effectiveness of the work plan was conducted by Ixom's internal Legal and Compliance team. This annual review process revealed some areas for improvement, which Ixom intends to implement in the upcoming reporting period. For instance, the review process revealed that some overseas suppliers prefer to receive a local language version of the modern slavery questionnaire, as opposed to an English version. Ixom intends to prepare local language versions of the questionnaire for use in the next reporting period.
- 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 increase the level of awareness of modern slavery risks among its employees by communications and training programs. As a result of this increased awareness, the modern slavery avoidance, legal and compliance inboxes are being effectively used.
- The internal and external supplier site audit process implemented during this reporting period proved highly effective, enabling Ixom to critically analyse the accuracy of its internal due diligence processes (the results of which were verified against the audit process). In the next reporting period, Ixom intends to further expand the audit program, and also arrange for Ixom employees to attend supplier sites to assess their operations (assuming pandemic conditions permit). Ixom will continue to ensure that its local personnel in jurisdictions like China are well-trained and know what to look for on those visits which might suggest that incidents of modern slavery could be occurring.

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 31 March 2022 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.

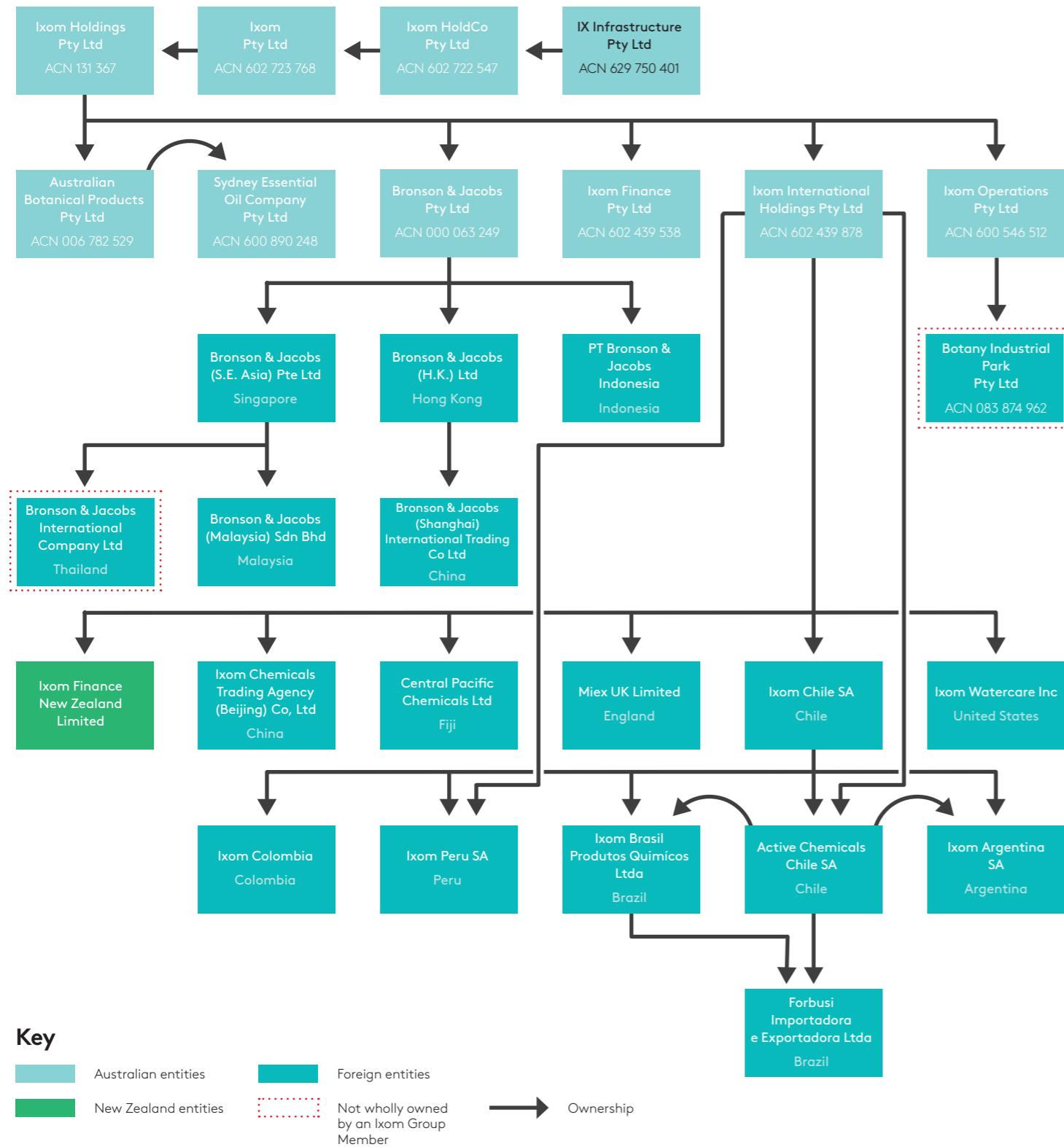
This Modern Slavery Statement is approved by Jopy Chiang, Director, IX Infrastructure Pty Ltd.



Jopy Chiang

31 March 2022

Corporate Structure





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