



# MODERN SLAVERY STATEMENT

2021



## 1. Introduction

- 1.1. This Modern Slavery Statement is a joint statement made pursuant to sections 14 and 16 of the Modern Slavery Act 2018 (the “**Act**”) for the reporting period 1 January 2020 to 31 December 2020 (this “**Statement**”). This Statement has been approved by the relevant boards of each reporting entity in compliance with section 14(2)(d) of the Act.



## 2. Reporting Entities

- 2.1. This Statement is a joint statement comprising of the following reporting entities (collectively, **"Allnex Australia"**) under the Act:

Company Name: Allnex Resins Australia Pty Ltd (**"Allnex Resins"**)  
 Registration Number: ACN 000 045 572  
 Registered Address: 49-61 Stephen Road, Botany, NSW 2019, Australia

Company Name: Allnex Australia Holding Pty Ltd  
 Registration Number: ACN 614 712 364  
 Registered Address: 49-61 Stephen Road, Botany, NSW 2019, Australia

Company Name: Allnex Australia Pty Ltd  
 Registration Number: ACN 160 397 768  
 Registered Address: 49-61 Stephen Road, Botany, NSW 2019, Australia

- 2.2. The corporate structure of the reporting entities is set out in section 3.1 below.
- 2.3. Allnex Australia is part of the Allnex group ("Allnex Group"), a global company with €2.2 billion revenue and a leading producer of resins and additives for architectural, industrial, protective, automotive and special purpose coatings and inks. The Allnex Group is present on four continents and serves customers in over 100 countries.
- 2.4. Allnex Resins is the principal operating entity in Australia; most of its operations are conducted through Allnex Resins, and employees are hired by Allnex Resins. Allnex Australia Pty Ltd acts as a distribution entity while Allnex Australia Holding Pty Ltd is a holding company, with no employees. As a result, this Statement focuses primarily on the operations and supply chains of Allnex Resins, notwithstanding references to the collective reporting entities. Allnex Australia and other Allnex companies in the Allnex Group's global structure operate under the same policies and share the same commitments as set out in this Statement.

2.5. Allnex Australia is committed to doing business ethically and responsibly, with regard not only to compliance with laws, business integrity, health, safety, environmental protection and sustainability, but also to human rights, including identifying and addressing modern slavery risks. Through this Statement, Allnex Australia would like to show its adherence to, and support of, the implementation of the Act and the ultimate objective of striving to eliminate modern slavery in its operations and supply chains.



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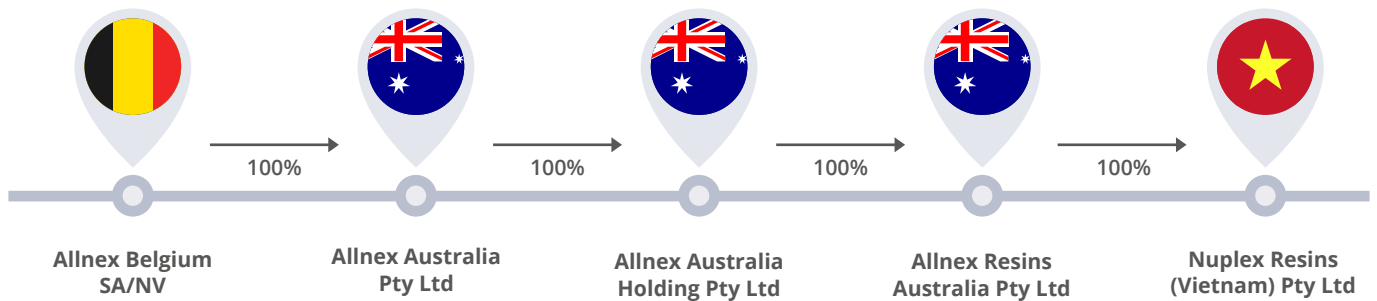
### 3. Structure, Operations and Supply Chain

#### 3.1. Structure

Allnex Australia is a group of private companies, deriving revenue from manufacturing and distributing polymers and synthetic resins. In addition to section 2.4, the parent company of Allnex Australia is Allnex Belgium, which is the major functioning entity managing and overseeing the global operation of the Allnex Group. Nuplex Resins (Vietnam) Pty Ltd

(“Nuplex Resins”) is controlled by Allnex Resins within the meaning of the Act. Nuplex Resins operates independently in Bien Hoa City, Dong Nai Province, Vietnam, following the same global policies and compliance framework as Allnex Australia.

In summary, our corporate structure is as following:



Allnex Resins employs approximately 250 employees, operates in Australia, and is primarily administered from its head office in Botany, New South Wales. The employees are working in the different offices, manufacturing sites, and warehouses.

and will continue to enhance its performance and services to its customers. The Allnex Group utilizes an equal opportunity employment policy to guide its hiring process in facilitating diversity.

The Allnex Group recognises that its employees are its most valuable asset; they are the lifeline of our business and what it accomplishes. The diversity of Allnex Group’s workforce (including a diversified demographic profile across all regions and leadership levels, etc.) is an asset, bringing fresh ideas, perspectives and experiences that support its values

Allnex Australia’s well recognised products and brands include Acropol, Acrocryl, Acure, Additol, Aquaguard X, Beckopox, Crylcoat, Cycat, Daotan, Ebecryl, Ecowise, Fibretech, Modaflow, Nutech, Polymid, Polyplex, Resydrol, Setal, Setalux, Setamine, Setaqua, Tires, Ucecryl, Ultratec, Valbond, Vancryl, Viapal, Viscopol.



## 3.2. Operations

The Allnex Group is the leading industrial coating resins company globally. It is a specialty chemicals pioneer in green chemistry, offering an extensive range of products including innovative polyesters, alkyd, acrylic, epoxy and urethane polymers used as key ingredients for coatings, (i.e. resins, crosslinkers and additives).

Success of the Allnex Group is based on a global network of research and development centres and manufacturing facilities which ensure reliability and a deep understanding of the needs of our customers and local markets. With 34 manufacturing facilities and 23 research

and technology support centres globally, we understand the challenges in a multitude of markets and offer the broadest portfolio of coating resins and adjacencies.

The Allnex Group's research teams work in close cooperation with our clients to develop coating solutions that can be implemented faster, are more competitive in both cost and quality, and meet some of the most stringent sustainability requirements. Our outstanding track record of innovation and a fully stacked product pipeline ensures growth and client satisfaction in virtually every market.

The sun never sets on our distributed network of R&D centres and manufacturing facilities.



The majority of Allnex Resins' operations are in the liquid resins and additives division. We operate at two manufacturing sites located at Wacol, Queensland and Botany, New South Wales.

Allnex Resins also has non-production sites, used for warehousing and distribution, sales and/or administration in Wacol (QLD), Queensland, New South Wales, Victoria, South Australia and Western Australia.

Allnex Resins' business model involves sales direct to our customer base. Most of our customers are located within Australia and New Zealand.

Allnex Resins produces polymer resins from a diverse base of chemical raw materials. We have hundreds of finished resins, all of which require reacting in our reactors at our manufacturing plants. Our produced resins represent by far the majority of our revenue, but we do also buy and re-sell various ancillary products to support our customers in the composites industry.



### 3.3. Supply Chain

The procurement strategy in Australia flows down from the Allnex Group's Global Procurement Team. Largely, the Allnex Group seeks long-term relationships with respected producers and distributors. Allnex Australia seeks to align and leverage global positions where appropriate on large volume items used in multiple global sites.

The chemical raw materials required for our production are bought through multiple supply channels, with our primary aim being to transact with the producer directly, if possible and practicable. Where a direct relationship with a manufacturer is not practical or possible, we transact with distributors and traders to source the products. Our purchases, therefore, include a mixture of direct imported product and locally supplied product.

The majority of the raw material product purchased comes from Asia, with major countries/regions of manufacture being Singapore, Korea, China, Taiwan, Malaysia, Indonesia, Thailand and Japan. Allnex Resins also sources from the United States of America, Europe,



the Middle East, Africa and other locations globally, as well as from Australia locally. Where possible, it is also our policy to support local manufacturing in Australia. For example, Allnex Resins' packaging suppliers are all locally based, and the vast majority of Allnex Resins' logistic service suppliers, such as freight, storage and other logistical activities, are based in Australia.

While Allnex Resins aims to transact directly with suppliers, for a variety of reasons, it is sometimes necessary to transact through traders and distributors. This may be due to the need for specialty products or due to the trading terms, volume, simplicity, type of product (e.g. dangerous goods), etc. Nevertheless, Allnex Resins is actively engaging with third parties to share the same compliance commitments referred to in this Statement.

The Allnex Group produces resins globally in other sites. When goods are purchased from another Allnex Group entity, the purchase and sale is treated as an inter-company transaction. The Allnex Group producers are bound by the same compliance policies and procedures that Allnex Australia follows.

The Allnex Group and Allnex Resins manages supplier performance at both the local and global level, in line with our International Organization for Standardization (ISO) accreditation. There is an annual review of supplier performance with the main suppliers. Assessing the risks of modern slavery within the supplier and its supply chain will form part of that review, together with our global corporate social responsibility (CSR) evaluation.

## 4. Potential Modern Slavery Risks in Operations and Supply Chain

Although Allnex Resins is committed to work with ethical suppliers, the risks of modern slavery existing in the supply chain is not easy to ascertain given that the suppliers may have bought products from at least two or three other manufacturers in the chain. Therefore, Allnex Resins engaged a professional consulting firm, Intertek, which has insight and expertise in modern slavery risks to provide advice on how to identify and address such risks in its operations and supply chain. Allnex Resins commissioned Intertek to prepare a self-assessment questionnaire to distribute to Allnex Resins' suppliers. More details can be found under section 5.3.

As detailed further in section 5.3, Allnex Resins has identified that most of its operations are in Australia, so the risks of modern slavery in its operations is low due to the strength of legislative provisions and enforcement and its compliance with Australian law.

However, Allnex Resins was advised by Intertek and agreed that the risks of modern slavery are likely to be high in relation to direct suppliers of raw materials. The risk is considered to be high based primarily on the country of origin of the supplier, combined with the type of product the supplier is providing or producing.

Allnex Resins' raw materials largely derive from three major sources: petrochemical-based materials, bio-based materials and mineral-based materials. Allnex Resins has identified that these sectors could expose people to certain modern slavery risks, such as forced labour, child labour, excessive working hours, low wages and benefits, inadequate working conditions and unequal treatment, etc. Risks are considered to be higher in under-developed or developing countries than developed countries.

Indirect suppliers to Allnex Resins are predominantly domestically based and are largely considered to be lower risk for the same reasons that Allnex Resins' Australian operations are considered to be low risk. The main suppliers in this category include providers of utilities, professional services, transport, warehousing, packaging and waste management.

Nuplex Resins, Allnex Resins' controlled entity, has many of the same major suppliers as Allnex Resins and operates within the same compliance framework. These common major suppliers are, therefore, covered by the Allnex Group's supplier performance review on CSR. Thus, the identification of modern slavery risks and assessment in relation to Allnex Resins also largely applies to Nuplex Resins.





## 5. Assessing and Addressing Modern Slavery Risks

Allnex Australia is committed to working with its stakeholders and business partners to assess and address the risks of modern slavery in its operations and supply chain, and to incorporate its approach of managing modern slavery risks into its overall corporate governance and compliance framework.

### 5.1. Policies, Procedures, Grievance and Remediation Processes

The Allnex Group operates a comprehensive global corporate compliance program in order to guide its decision-making and ensure its workforce handles business situations professionally and ethically.

We have formal policies already in place that are intended to promote ethical, legally compliant and socially responsible business conduct. Amongst

others, the policies set out below, contribute to Allnex Australia's (and indeed the Allnex Group's) commitment to respect of human rights and addressing modern slavery risks:

The Code of Conduct is our foundation for ethical business behaviour. It applies to every director, officer and employee and is available in 14 languages.





Policy/Procedure	Objective and purpose
Code of Conduct	Builds on company values and formulates guidelines for daily activities; the code is not only applicable to all our employees, but also to contractors and consultants
Supplier Code of Conduct	Outlines how suppliers of goods and services are expected to respect and adhere to required principles of lawful and ethical business.
Labour and Human Rights Policy	Communicates expectations with respect to human rights and labour practices and the high standard of conduct expected of our employees worldwide.
Hotline to report compliance violations	Confidential reporting of any known or suspected violation of the Code of Conduct via a hotline
Australian Whistle-blower Policy	Provides a reporting and investigative process that is objective, confidential and protects employees from any repercussions or adverse impact as a result of raising a concern.
Anti-Bribery; Anti-Corruption Policy; and Export Controls	Compliance with the laws of the countries in which it operates, particularly with respect to laws covering corruption and anti- competitive behaviour. This applies whether The Allnex Group entity is acting directly in a country through employees, or indirectly through agents, distributors or other intermediaries.
Procurement Sustainability Manual	Outlines the increasing efforts of The Allnex Group and Allnex Resins to uncover sustainable market offerings in terms of raw materials, goods and services, as well as best practice sustainable procurement principles to mitigate risks in its supply chain.

Our Code of Conduct is supplemented with ancillary compliance policies, which allow for a more in-depth approach to critical areas of compliance, such as the Anti-Corruption Guidelines. All compliance policies are complemented by training programs. Any alleged violations of policies and procedures in relation to ethical business behaviour are reviewed and investigated by a dedicated team under the supervision of the Allnex Group Compliance Committee. The Compliance Committee comprises of senior managers from various functions and is guiding and overseeing the design, development and implementation of our compliance program.

To assess and reinforce compliance by our suppliers, the Supplier Code of Conduct is included in Allnex Australia's purchasing templates (e.g. general terms of purchase) and in respective purchase agreements for existing suppliers. The Supplier Code of Conduct requires that suppliers are to (amongst other things) act in compliance with the applicable laws of the countries where they operate, conduct business ethically, respect fundamental human rights and provide a safe working environment. Moreover, Allnex Australia reserves the right to terminate any agreement with any supplier that cannot demonstrate compliance with the Supplier Code of Conduct.

To support the Anti-Bribery and Anti-Corruption Policy, which underpins a number of other policies, particularly in respect of conducting business in countries with higher risks, in 2020, a new third-party contracted software solution was introduced that automatically undertakes weekly sanctions-checks of all third-party data contained in the system (e.g. customer & supplier data).

The Procurement Sustainability Manual includes embedding CSR considerations into the various steps of The Allnex Group purchasing processes, as well as having a dedicated team of procurement professionals to develop sustainable purchasing strategies and responsible partnerships with suppliers.

Allnex' commitment to compliance with laws and regulations, and to ensure integrity and responsibility for its actions, is reflected in the above policies and procedures, further details of which can be found at: <https://allnex.com/en/info-hub/compliance>

In addition to the Supplier Code of Conduct, new or renewed contracts also have specific contract terms on modern slavery risks in their operations. All major suppliers are also now required to complete a CSR questionnaire, and participate in performance reviews, further details of which are outlined in section 5.3.





## 5.2. Respect and upholding Human Rights

The Allnex Group is proud to be an equal opportunity employer. We celebrate diversity and are committed to an environment where all colleagues contribute to the benefit of our employees, our businesses, and our communities.

At the Allnex Group, we use the United Nations Guiding Principles on Business and Human Rights, UN Global Compact, OECD Guidelines for Multinational Enterprises and Universal Declaration of Human Rights, as a set of guidelines for our company to understand

and ensure respect for human rights and to also identify risks of human rights violations in our operations and supply chains. In line with these guiding principles and standards for responsible business conduct in a global context, in 2020, the Allnex Group introduced its Labour and Human Rights Policy to ensure that all Allnex Group employees comply with set standards of conduct with respect to human rights and labour practices.

We strictly adhere to the following principles according to internationally recognised and accepted standards:



**Work against corruption in all its form which includes extortion and bribery**



**No child labour**



**No forms of forced and compulsory labour**



**No modern slavery**



**Freedom of association**



**Uphold elimination of all discrimination in respect of employment and occupation**



**Fair wages, benefits and terms of employment for all employees**

### 5.3. Risk Assessment and Questionnaire

The Allnex Group depends on its supply chain to obtain thousands of different raw materials from a large number of suppliers. The strategic importance of procurement is therefore also a lever to drive social and environmental improvements across our supply chain. This growing focus on CSR translates in many ways into our procurement practices.

As mentioned in section 5.1, the Allnex Group's expectations of suppliers are contained in its purchasing terms and conditions, contract templates and Supplier Code of Conduct. Through these standardized and mandatory documents and procedures, we can ensure that business is done in compliance with applicable laws, regulations, industry standards and high sustainability standards.

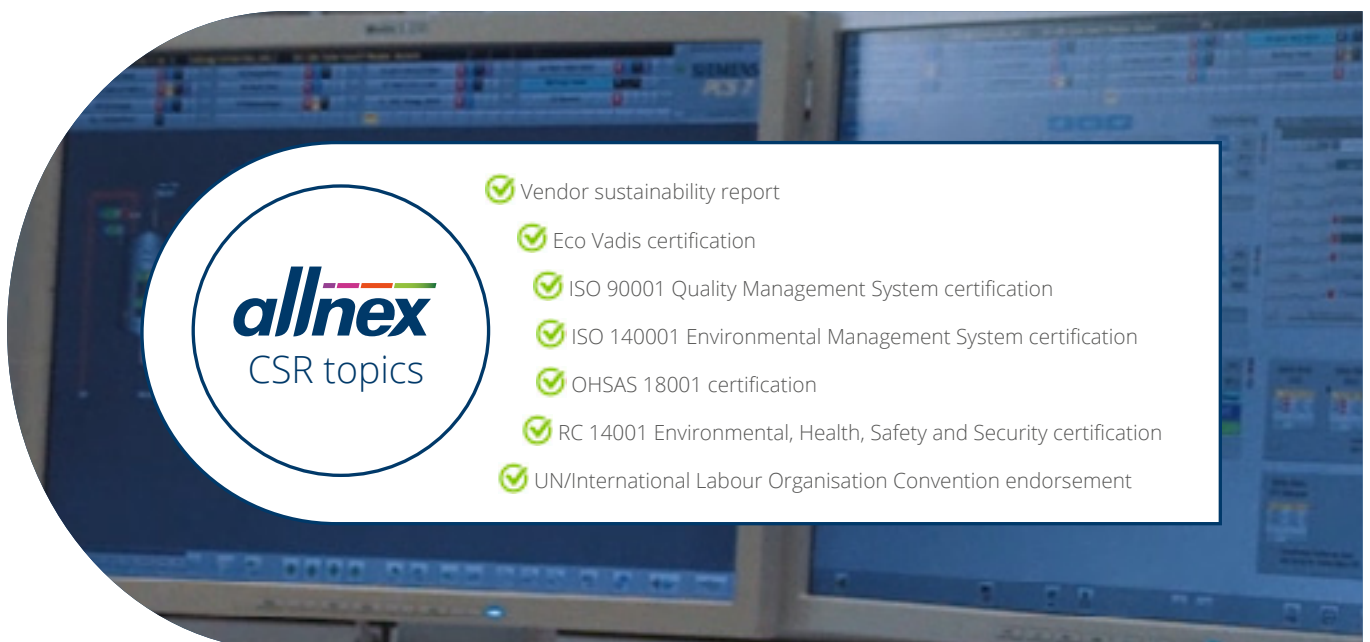
The supplier selection process includes an assessment of economic, environmental and social impacts, based on our proprietary checklists, which are included in some key procurement processes, such as: supplier approval process, complaint management system, supplier evaluation process, and CSR assessment questionnaire in accordance with our Procurement Sustainability Manual.

The evaluation of suppliers includes social and environmental drivers that impact the final scoring, such as certificates or ratings from external agencies or auditors, internal sustainability programs, etc. The weight of such social and environmental criteria will continue to

grow in importance in our supplier evaluation process. To assess the extent of CSR of its suppliers, including modern slavery risks, the Allnex Group has in place a screening of its suppliers on a series of relevant topics. This is a top down approach by which suppliers are ranked based on their importance to the Allnex Group. This ensures that our most important raw material categories are purchased from vendors who are conducting business in a responsible way.

#### The CSR topics which are reviewed for these vendors are:

- The existence of a vendor sustainability report
- The Eco Vadis certificate and type of certificate: Eco Vadis is a sustainability rating provider that rates and benchmarks a company's CSR performance on a scale between 0 and 100. The assessment focuses on 21 issues, which are grouped into four themes (environment, labour and human rights, ethics and sustainable procurement). More information is available here: <https://ecovadis.com/>
- The existence of an ISO 90001 Quality Management System certification
- The existence of an ISO 140001 Environmental Management System certification
- The existence of OHSAS 18001 (or replaced with ISO 45001) Occupational Health and Safety Management Systems & RC 14001 Environmental, Health, Safety and Security certification
- Evidence of UN/International Labour Organisation





At a global level, to further assess and improve sustainability practices across the entire supply chain, the Allnex Group started to perform, as from 2020, a structured and targeted third party CSR assessment for a large range of its suppliers based on their Eco Vadis rating, with the aim to obtain an objective and transparent knowledge of suppliers' CSR performance. A third-party service provider is supporting in this exercise, helping to define the methodology and providing the tool to measure CSR performance of suppliers.

At local level, Allnex Australia carried out a risk assessment of a selection of key suppliers, to specifically assess the modern slavery risk in our operations and supply chain. We engaged Intertek, an expert in this field, and adopted their standard methodology via the Inlight™ platform. We have selected to work within their Social Compliance module to assist us in gaining

visibility and helping us assess and manage supply chain risks related to social/modern slavery aspects including labour, working conditions, wages, environment and health & safety.

Allnex Resins used more than 900 suppliers in the reporting period in respect to raw materials, freight, transport and other operational expenses. For the purposes of an initial risk assessment, we focused on direct suppliers.

847 suppliers were included in the analysis. The analysis was based on a matrix of 1) country of origin of product, 2) type of product, 3) level of spend.

The output of this analysis gave us a shortlist of those major suppliers that we believed had the highest risk. The significant majority of those were found to be low to medium risk. Thereafter the shortlist of suppliers was reduced to 44.

We sought to categorize suppliers into types of industry to enable us to best identify industry risk. For example, suppliers who produced chemicals from palm derivatives were viewed as higher risk due to the potential risks of low wages, enforced labour, poor employment rights, etc. Such a rating was based on Intertek's product analysis, in which they used their global experience and database.

The results of the initial analysis led to high-risk suppliers being shortlisted and asked to complete a self-assessment questionnaire ("SAQ"), via the Inlight™ platform, for Allnex Resins' further assessment. Through the SAQ, shortlisted suppliers were asked to respond to a comprehensive series of questions in relation to their company profile, labour, health and safety, management systems and environment, which are also used as the criteria for the scoring/rating of the assessment.

Those suppliers identified as critical or high risk, form part of our review plan. We may address with them directly to review their SAQ results (or lack of SAQ response) and improvement plan. Allnex Australia aims to engage directly with these critical and high-risk suppliers and to continually improve and develop supplier engagement to address any identified risks of modern slavery.

Allnex Australia has established a Steering Committee to review the supplier assessment and oversee our responses to this important initiative, as further outlined on the next page.



847

Suppliers included in the analysis



3

The analysis was based on a matrix of 3 items: country of origin of product, type of product, and level of spend



44

The shortlist of suppliers after running the analysis

## 5.4. Training

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Intertek provided training for key employees and senior management in Australia, including those from the senior leadership team, which represent all the key functions in the business. The training involved:

1. defining the meaning of modern slavery;
2. understanding the requirements and obligations related to modern slavery under legislation; and
3. providing examples to highlight where risks may be present.

Following this, in September 2020, a presentation was provided to all employees within the Australia and New Zealand region to introduce the Act, its objectives, and our obligations under the Act and related legislation. In early 2021, the Procurement Manager in Australia also presented to the global procurement team.

Refresher programs will be provided during the next reporting period and consideration is being given to extending such training to our major suppliers in future. In 2019, the Allnex Group completed the launch of its revised Code of Conduct by delivering online and classroom training to all its employees to ensure that employees understand the Code of Conduct, how it

applies to their role, and that they know how to report suspected unethical or unlawful behaviour. In the second half of 2021, refresher training will be rolled out on the principles of the Code of Conduct using our new e-learning platform.

In 2019, select groups of employees were trained on anti-bribery and corruption laws and anti-trust/competition law. At the end of 2020, the same groups received refresher training on these topics.

## 5.5. Modern Slavery Management Steering Committee

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Allnex Australia has established the Modern Slavery Management Steering Committee, consisting of local senior management and personnel from relevant departments including Procurement, Planning and Logistics, Finance, Legal, Compliance, Human Resources and Manufacturing. The remit of the Committee is to assist with assessing and addressing modern slavery risks and implementing our approach to eliminating modern slavery risks in our operations and supply chains. Two of the directors of Allnex Resins





sit on the Committee. Other directors are updated, and consulted with, on these issues on a regular basis. Global level management from Finance, Legal, Compliance and other relevant departments, as well as the key team members from our controlled entity, Nuplex Resins will continue to be involved in monitoring and managing this risk.

## 5.6. Our Controlled Entity

The same compliance framework and risk assessments under this section 5 also apply to Nuplex Resins.



## 6. Assessing the Effectiveness of Our Actions

Allnex understands it is crucial that continuous improvements to the management and addressing of modern slavery risks are implemented. We recognise that the process is iterative, and we aim to improve year on year.

It is intended that the Steering Committee will (amongst other things):

- consider and analyse supplier questionnaire outcomes with a view to identifying modern slavery risks;
- review and update existing approaches to identify and address the risks;
- measure the effectiveness of existing approaches to identify and address the risks, including reviews of policies and procedures;
- report regularly to the Directors to inform broader business strategy, compliance and decisions.

It is also intended that the effectiveness of our actions will be assessed through other measures, subject to further discussion of the Steering Committee, such as evaluating:

- the number of staff and suppliers trained on identifying and addressing modern slavery risks and the type of training provided;
- the percentage of contracts that have relevant modern slavery clauses to guard against such risks; and
- the number and quality of internal policies and procedures dealing with modern slavery issues.

We will also aim to align our requirements under the Act with global policies and processes, to ensure best practice.



## 7. Consultation with Controlled Entities

Allnex Australia and Nuplex Resins operate under, and are bound to comply with, the Allnex Group's policies, procedures and systems. Allnex Australia has consulted with its controlled entity, Nuplex Resins, with respect to considerations of the modern slavery risks that may be present in our global and domestic operations and supply chains, for the purpose of preparing this Statement.

## 8. Other Relevant Information

### 8.1. COVID-19 Impacts

The disruption to global supply chains caused by COVID-19 has caused Allnex Australia to consider, in some instances, sourcing materials from alternative suppliers. Overall, the assessments and other actions we carried out under this Statement are manageable and not severely impaired by such impact.

### 8.2. Future Commitment

Allnex Australia is committed to continually and regularly reviewing its approach and compliance framework to assess and address risks of modern slavery in its operations and supply chains, including, but not limited to updating its policies, procedures and contract templates in relation to modern slavery risks that have been identified, interacting further with its suppliers and appropriately and promptly addressing any modern slavery risks.

This joint Modern Slavery Statement was approved on 18 June 2021 by the following:

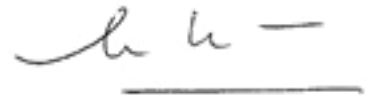
#### The board of Allnex Resins Australia Pty Ltd



**Zeljan Nikola Medak**  
Director



**David Jeremy Bert**  
Director



**Marie Van In**  
Director

#### The board of Allnex Australia Holding Pty Ltd



**Duncan Adrian Taylor**  
Director



**Paul Anthony Craig**  
Director

#### The board of Allnex Australia Pty Ltd



**Duncan Adrian Taylor**  
Director



**Paul Anthony Craig**  
Director





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