Modern Slavery Act 2015

Statement for Financial Year 2018/2019

Introduction

This statement sets out Scott Bader’s actions to identify all potential modern slavery and human trafficking risks related to its business and to put in place steps that aim to prevent them occurring across its own operations and supply chains. This statement relates to actions and activities undertaken during the financial year 1st January 2018 to 31st December 2018.

As part of the chemical manufacturing industry, Scott Bader recognises that it has a responsibility to take a robust approach to slavery and human trafficking, and is committed to ensuring its actions address both our global operations and our supply chains.

Organisational structure and supply chains

This statement covers the activities of Scott Bader Company Limited and associated Group Companies.

- Scott Bader Company Limited is wholly owned as a financial and social investment by The Scott Bader Commonwealth Limited, a Company limited by guarantee and a registered charity.

- Scott Bader Company Limited Group Companies consists of:
  - Scott Bader UK Limited (incorporating Scott Bader Ireland, Scott Bader Germany and Scott Bader Poland) – Manufacturing/Distribution
  - Scott Bader SA (France) – Manufacturing/Distribution
  - Scott Bader Iberica SL- Distribution
  - Scott Bader Scandinavia AB (Sweden) - Distribution
  - Scott Bader d.o.o. (Croatia) – Manufacturing
  - Scott Bader Eastern Europe sro – (Czech Republic) - Distribution
  - Scott Bader North America Inc – Toll Manufacturing/Distribution
  - Scott Bader ATC Inc (Canada) – Manufacturing/Distribution
  - Scott Bader (Pty) Ltd (South Africa) – Manufacturing/Distribution
  - Scott Bader Middle East Limited– Manufacturing/Distribution
  - Scott Bader(Shanghai) Trading Co., Ltd– Distribution
  - Scott Bader Japan KK - Distribution
  - Scott Bader Satyen Polymers Ltd (India – Joint Venture)
  - NovaScott Especialidades Quimicas Limitada (NovaScott ) (Brazil – Joint Venture)

- The Scott Bader supply chain is largely petro-chemical in origin. For Scott Bader Europe, the majority of suppliers are based in Europe and are subject to EU legislation.
Regions of operation

The organisation currently operates in the following regions:

- EMEA (Europe, Middle East and Africa)
- Americas (Canada, USA and Brazil)
- Asia Pacific

Responsibility

Responsibility for the organisation’s anti-slavery initiatives are shared between the Group Purchasing Manager and the UK HR Manager which include, but are not limited to:

Relevant policies

The organisation operates the following policies that describe its approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations:

- **Group Whistleblowing policy** - The organisation encourages all of its colleagues to report any concerns related to the direct activities, or the supply chains of, the organisation. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. The organisation’s whistleblowing procedure is designed to make it easy for colleagues to make disclosures, without fear of retaliation. Colleagues who have concerns can make a “protected disclosure” – which provides them with legal protection against any detriment as a result of making a disclosure.

- **Company Values and Commonwealth Membership** - The organisation’s code of practice makes clear to Colleagues, the actions and behaviour expected of them when representing the Company. Scott Bader strives to maintain the highest standards of Colleague conduct and ethical behaviour when operating abroad and managing its supply chain. Colleagues who are members of The Commonwealth, commit to:

  “… the success of Scott Bader

Accepting the responsibilities and obligations of being a trustee in common of the assets of the organisation.

Behaving unselfishly and trying at all times to promote the Values (Commitment, Responsibility, Fairness and Teamwork) both within Scott Bader and beyond.

Making an undertaking to actively assist in extending the membership within Scott Bader through helping others to understand the principles of the organisation and the Scott Bader “way of working and doing business” in accordance with values.”

- **Scott Bader Ethical Purchasing Policy** - Scott Bader will work with suppliers that act in a way which is aligned to Scott Bader values and will always take preference to work with suppliers of materials where their ethical and environmental policies are aligned with our own ethical values.

Scott Bader will always look to develop long term partnerships with our suppliers which are mutually beneficial, and will work closely to build relationships – Partner for Excellence - with suppliers which respect the ethical, fairness and environmental values of Scott Bader.
Scott Bader will always reject both current and prospective suppliers which engage in unlawful practices.

Serious violations of the organisation’s expected supplier conduct will lead to the termination of the business relationship.

- **Resourcing Policy** - The organisation uses only specified, reputable employment agencies to source labour and always verifies the practices of any new agency it is using before accepting workers from that agency.

**Due diligence**

The organisation may undertake due diligence for new direct suppliers and review existing suppliers.

**Contractual Requirements**

The organisation reviews all contracts newly authored by Scott Bader in light of the introduction of the Modern Slavery Act 2015 in order to ensure that suppliers undertake to support Scott Bader in complying with all applicable law relating to slavery and human trafficking.

**Training**

The organisation requires the UK HR Manager and the Group Purchasing Manager within the organisation to complete training on The Modern Slavery Act 2015, and to cascade this information to their respective teams.

The organisation provided training to all colleagues within the UK and relevant countries in the form of online learning linked to Scott Bader’s Ethical Purchasing Policy and utilising assistance from the “Stronger Together” initiative, during 2017. This will be repeated during 2019 with more specific information being provided to colleagues throughout the Group of Companies.

The organisation’s training on awareness of modern slavery issues includes:

- our business’s purchasing practices, which influence supply chain conditions and which should therefore be designed to prevent purchases at unrealistically low prices, the use of labour engaged on unrealistically low wages or wages below a country’s national minimum wage, or the provision of products by an unrealistic deadline;

- how to assess the risk of slavery and human trafficking in relation to various aspects of the business, including resources and support available;

- how to identify the signs of slavery and human trafficking;

- what initial steps should be taken if slavery or human trafficking is suspected;

- how to escalate potential slavery or human trafficking issues to the relevant parties within the organisation;

- what external help is available, for example through the Modern Slavery Helpline, Gangmasters and Labour Abuse Authority and “Stronger together” initiative;

- what messages, business incentives or guidance can be given to suppliers and other business partners and contractors to implement anti-slavery policies; and

- what steps the organisation should take if suppliers or contractors do not implement anti-slavery policies in high-risk scenarios, including their removal from the organisation’s supply chains.
**Awareness-raising programme**

As well as training colleagues, the organisation raised awareness of modern slavery issues through various mediums, including email and video links.

The emails explained to colleagues:

- the basic principles of the Modern Slavery Act 2015;
- how employers can identify and prevent slavery and human trafficking;
- what colleagues can do to flag up potential slavery or human trafficking issues to the relevant parties within the organisation; and
- what external help is available, for example through the Modern Slavery Helpline.

**Sustainability Training**

As part of Scott Bader’s 2036 strategic initiatives, Sustainability plays an important part in achieving our aims. There has been ongoing training during 2018 to focus on the Sustainability goals for the organisation which included specific references to ensuring effective sustainability through:

“ensuring that People are not subject to conditions that systematically undermine their capacity to meet their needs”

Through specific training provided via our partnership with The Natural Step, the factors impacting on “Trust” for social sustainability are identified for our colleagues and link to our Values and Sustainability goals. These have been subject to discussion in groups with colleagues and identifying how it is good practice across the Group.

**Sustainable procurement with Ecovadis**

To strengthen its ability to assess its supplier base, Scott Bader signed up in 2019 to Ecovadis, a world leading provider of business supplier sustainability ratings and improvement tools for global supply chains. The 21 criteria used by Ecovadis cover the four categories of environment, labour and human rights, ethics and sustainable procurement. They follow verifiable international CSR standards including: the Global Company Principles, the International Labour Organisation conventions, the Global Reporting Initiative Standard and ISO 26000.

The performance of all Scott Bader’s suppliers will be assessed and the resulting Scorecards used to benchmark suppliers performance. The tool is a starting point for effective dialogue between Scott Bader and its suppliers on actions being taken to improve supplier CSR performance.

Integrating Ecovadis into Scott Bader’s supplier sustainability framework will maximise transparency in this area, while continuously monitoring and improving the quality and sustainability of our supply chains for the benefit of our customers, employees, stakeholders and environment.

**Partnering with PACT Coffee**

Although a small initiative, linking with the strategic intent of the organisation in terms of sustainability, during 2018 the UK Head Office switched to having coffee provided by PACT, who provide ethically sourced coffee and seek to support coffee farmers across the globe by ensuring the price paid to them is higher than Fairtrade rates and the supply chain is reduced, passing the savings onto customers.
Board approval

This statement has been approved by the organisation's Board of Directors, who will review and update it annually.

Group Chief Executive’s signature:

Jean-Claude Pierre
July 2019