

Statement on Modern Slavery – For Financial Year 2022

Policy Statement

These are the steps Scott Bader has taken and continues to take to understand and minimise the potential risk of modern slavery in its business and supply chains.

At Scott Bader, we are committed to our role in eradicating modern slavery in all its forms from our business and our supply chains. We are taking appropriate steps to ensure that everyone who works for Scott Bader benefits from a working environment in which their fundamental human rights are respected and that organisations within our supply chains uphold these principles.

The information within this statement details policies, processes, and actions we have taken to ensure that slavery and human trafficking are not taking place in any part of our global businesses and supply chains. This statement covers the activities of all businesses in all jurisdictions within the Scott Bader Company Limited (“Scott Bader”) group of companies and is our Modern Slavery Statement for the year ended 31 December 2022, as required under the provisions of the Modern Slavery Act 2015.

Our Business

Scott Bader 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 creates, makes, and sells speciality chemicals that deliver benefits to a range of products including personal care, energy technologies, 3D printing, marine, rail and other industrial chemicals.

2022 Highlights

- Sales of £304 Million
- Over 816 employees
- Located in 19 countries within Asia Pacific, EMEA, Latin America and North America

Scott Bader has clear public commitments to sustainability which include our aim to be a fully sustainable company, with a net positive impact on the environment, by 2030. The details of these commitments and our actions to ensure we achieve them are contained within the Scott Bader Annual Sustainability Report.

A complete description of our business model and values as well as our key reporting and policy statements can be found on our website at www.scottbader.com.

Our Conduct in Relation to Modern Day Slavery & Human Trafficking

Modern Slavery

Scott Bader is committed to acting ethically and with integrity in all our business dealings and has a zero-tolerance approach to modern slavery. We will ensure we take appropriate steps to mitigate the risk of any modern slavery taking place within our supply chains.

Human Rights

Scott Bader is committed to respecting the human rights of everyone in all aspects of our operations. We have a responsibility to ensure that human rights are understood and observed in all countries where we operate. We support the principles set out in the following international standards:

- UN Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- The International Labour Organization's Fundamental Convention

Colleague's Code of Practice

Scott Bader has a colleague's code of practice which is communicated to new joiners. The Code makes it 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 at home and 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 & Delivery, Responsibility & Empowerment, Fairness & Compassion and Teamwork & Innovation) 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."

Supplier Code of Conduct

This document outlines our expectations of suppliers, including alignment with our sustainability ambitions and key principles. As an international business with suppliers and representatives throughout the world, Scott Bader and its subsidiaries accept that we have an important role to play in trading responsibly, with honesty and integrity at all times. We therefore want to ensure that those organisations with whom we interact, our suppliers and their representatives, live up to our values and standards and share this responsibility. The Supplier Code of Conduct can be found on our website at www.scottbader.com

Responsibility

Responsibility for the organisation's anti-slavery initiatives is shared between the Group Procurement Manager and the Group HR Director. To assist with compliance the Company utilises its Whistleblowing and Resourcing Policies.

Whistleblowing Policy

Colleagues must, as soon as practicable, notify their line managers if there has, or they suspect there has been, a breach of the Scott Bader conduct on modern slavery even where it may be unsure whether there has been a breach. Colleagues are welcome to use the confidential Whistleblowing helpline to report concerns or to report to the Company Secretary of Scott Bader at Wollaston Hall, Wollaston, Northamptonshire NN29 7RL, United Kingdom. We also welcome reports of wrongdoing from those outside our Company.

Labour Resourcing

Scott Bader seeks to use only specified, reputable employment agencies to source labour and the Company verifies the practices of any new agency it is using before accepting workers from that agency.

Due diligence

The organisation undertakes due diligence for new direct suppliers and regularly reviews existing suppliers.

Contractual Requirements

The organisation continues to commit to draft and review 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.

Addressing Modern Slavery within Scott Bader Operations

Scott Bader has more than 816 colleagues working across 19 countries in Asia Pacific, EMEA, Latin America and North. Our colleagues are a priority within our 2036 Vision with its focus on being a fully sustainable business by 2036 and to make a positive social impact wherever we operate, both to our colleagues and local communities.

Diversity, Inclusion & Fair Treatment

Our mission is to build an inclusive environment through our diverse communities across the world. We aim to attract, develop and inspire talent that unleashes innovation and allows us to perform at our very best and create a culture in which everyone feels they have an equal opportunity to participate and belong. Scott Bader commits to:

- Ensuring that colleagues are treated fairly and equitably and free from bias;
- Protecting colleagues from any form of bullying or harassment;
- Respecting colleagues rights to join a trade union or other collective representative body;
- Providing fair wages that meet or exceed the minimum legal or industry standards; and
- Providing fair and transparent policies and procedures to manage colleague concerns or disciplinary matters.

Working Conditions

We provide fair working conditions for all colleagues including terms and conditions of employment, remuneration, working hours, health and safety, resting time, holiday entitlements and benefits. These are applied according to territory-specific statutory requirements.

Human Rights

We will seek to protect the human rights of every person involved in our operations and supply chains and Scott Bader commits to:

- Ensuring that no forced, trafficked or child labour is used in any of our operations or supply chain by effective monitoring and auditing;
- Taking immediate action if any evidence of the use of forced, trafficked, or child labour is found, and support the victims of these situations; and
- Creating a safe working environment free from bullying and harassment

Training

Scott Bader in 2022 provided training on The Modern Slavery Act 2015 to employees in the Group Procurement Function.

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

- How The Modern Slavery Act 2015, tackles the crimes of holding another person in slavery, servitude, forced or compulsory labour or trafficking a person.
- How does the Act affect us, such as demonstrating that we are taking effective measures to stamp out slavery by publishing an annual Human Slavery and Trafficking statement.
- You have to help us: We have a responsibility to report any suspicions we may have in confidence.
- What is modern slavery? What are the types of slavery and human trafficking?
- How to identify the signs of slavery and human trafficking.
- What initial steps should be taken if slavery or human trafficking is suspected.

Supplier Due Diligence

Scott Bader uses the services of Eco Vadis, a world leading provider of business supplier benchmarking of labour, human rights and ethics. Eco Vadis follow verifiable international Corporate Social Responsibility standards including: the Global Company Principles, The International Labour Organisation Conventions, the Global Reporting Initiative Standard, and ISO 26000. Eco Vadis annually re-assess suppliers and notifies us of any prosecutions for any company in our network. In 2022 further suppliers have been put through the Eco Vadis assessment process and Scott Bader was awarded a Gold rating by Eco Vadis.

The supplier approval process is ongoing, and we look to obtain additional information from suppliers that are deemed to be higher risk on a case-by-case basis.

The Supplier Partnership Manual has been reissued and is available on the Scott Bader website. In the UK the manual is included on purchase orders as a link and this approach will be rolled out to other regions.

All UK raw material suppliers have been through a new supplier approval process which included a positive sign off to a questionnaire which covers the relevant labour practices and assurance that they pass it down their supply chain.

Our Plans for 2023

Scott Bader will contact our main suppliers to request written confirmation that they carry out human rights' due diligence.

Provide training on The Modern Slavery Act 2015 to employees in our local Procurement teams and to all procurement employees as part of their onboarding process.

The Scott Bader Ethics Committee is to be established as a sub-committee of our Executive Committee to support the Board in reinforcing the importance of ethics and compliance. The Ethics Committee shall meet regularly to monitor ethics compliance and identify opportunities to further mitigate risk.

This Modern Slavery Statement has been approved by the board of Directors of Scott Bader Company Limited.

For and on behalf of Scott Bader Company Limited and its subsidiaries

Kevin Matthews

Group Chief Executive Officer

Date: 4 August 2022