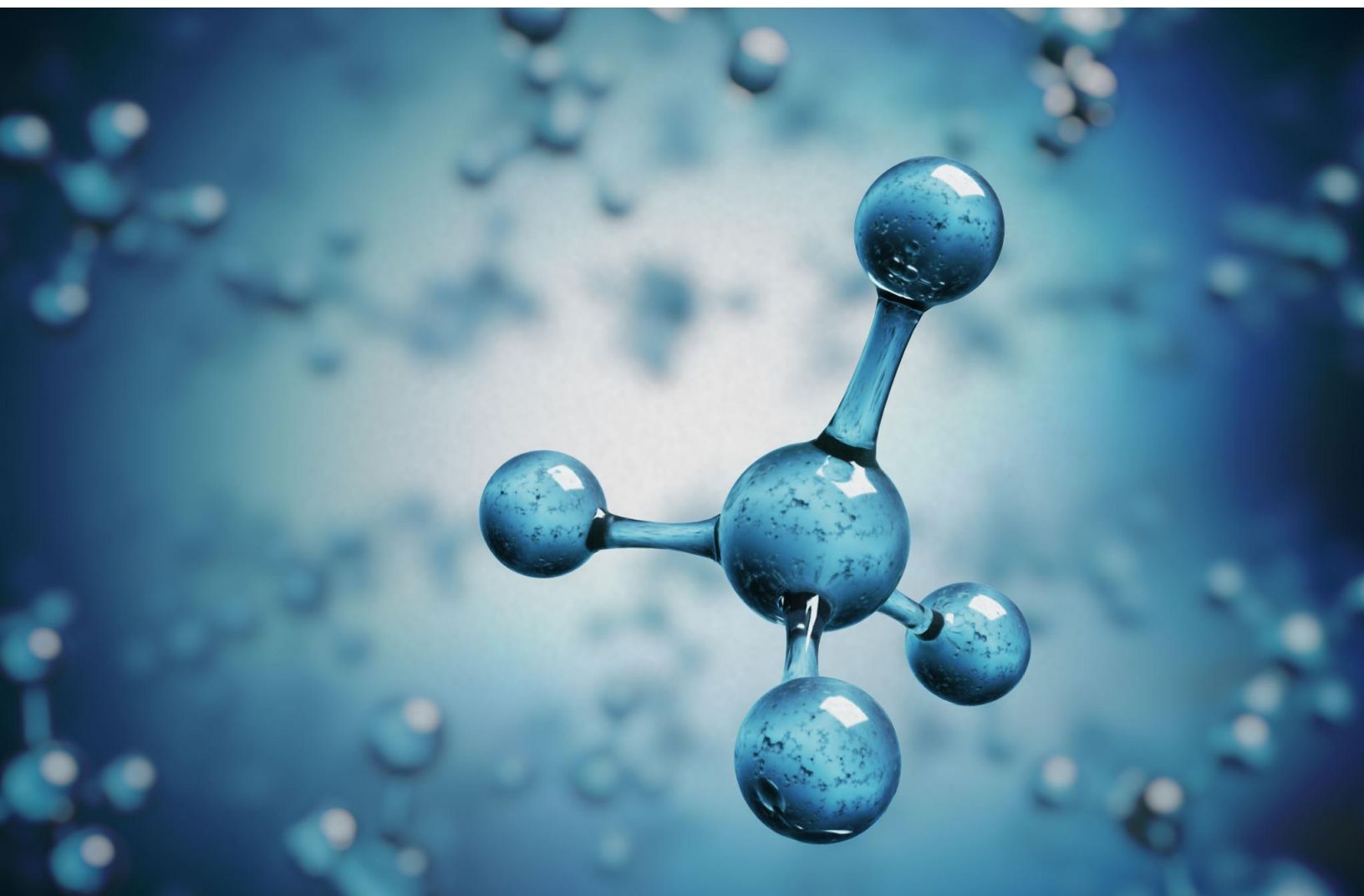


# MODERN SLAVERY AND HUMAN TRAFFICING STATEMENT



October 2024



## INTRODUCTION

This statement is made on behalf of Solenis UK Limited ("Solenis UK") and the entities it controls, in accordance with Section 54 of the *Modern Slavery Act 2015* ("the Act"). The statement encompasses the entities required to report under the Act for the reporting year, September 1, 2023, to August 31, 2024, and outlines the steps and measures we have taken to prevent and reduce risks of child labor, forced labor, modern slavery and human trafficking in our operations and supply chains.

## REPORTING ENTITIES

This statement is made by the below Solenis Group entities pursuant to the Act:

- Solenis UK Limited, **Company Number 09017628**
- Solenis UK Industries Limited, **Company Number 11543848**
- Innovative Water Care Limited, **Company Number 01354629**

These entities will be referred to as "Solenis UK" throughout the remainder of this statement.

## OUR STRUCTURE, BUSINESS AND SUPPLY CHAINS

### OUR STRUCTURE AND BUSINESS

Solenis LLC ("Solenis") is a leading global producer of specialty chemicals focused on delivering sustainable solutions for water-intensive industries, including consumer, industrial, institutional, food and beverage, and pool and spa water markets. Solenis is headquartered in Wilmington, Delaware, United States, and is privately owned by Platinum Equity Advisors LLC ("Platinum"), headquartered in Beverly Hills, California, United States. The Company has 16,100 employees and 69 manufacturing facilities, and our operations span approximately 130 countries and six continents. In the United Kingdom (UK), we have **1368** employees.<sup>1</sup>

### OUR SUPPLY CHAINS

In 2023, we interacted with over 20,000 suppliers. The majority of our 2023 spend was with suppliers located in the United States, followed by Germany, China, the United Kingdom, France, Brazil, the Netherlands, and Canada. The goods and services procured by Solenis included:

- Direct Materials, such as chemicals & packaging, bottles, cardboard, plastic packaging, and pallets
- General Expenses, such as professional services, customer equipment, and office supplies
- Logistics, such as freight, logistics services, and warehousing
- Technical Goods, such as laboratory equipment & supplies, and plant equipment
- Technical Services, such as construction & maintenance, industrial cleaning, health & safety services, and waste management

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<sup>1</sup> Information as of October 1, 2024.

- Information Technology, such as hardware, software, and services
- Energy & Utilities, such as electric, natural gas, and water & sewer

## POLICIES AND DUE DILIGENCE PROCESSES

We have integrated responsible business conduct into our policies and management systems to prevent and reduce the risks of modern slavery and human trafficking across our activities. These include identifying and addressing adverse impacts within our operations and supply chains, monitoring processes and outcomes, tracking and communicating results, and facilitating or implementing remediation where appropriate.

## POLICIES AND SUPPORTING DOCUMENTS

Solenis UK's expectations and requirements around human rights are defined in our **Human Rights Policy**, which applies to all Solenis employees and extends expectations to third parties across the value chain. The Policy prohibits all forms of forced labor, including indentured labor, bonded labor, military labor, slave labor and any form of human trafficking, in compliance with all relevant national and local laws and applicable collective bargaining agreements. We do not employ children or support the use of child labor, and comply with all local laws and regulations as well as International Labour Organization (ILO) conventions on minimum ages of employment and child labor. Our Human Rights Policy is aligned with internationally recognized standards including the:

- Universal Declaration of Human Rights (UDHR);
- International Covenant on Civil and Political Rights (ICCPR);
- International Covenant on Economic, Social and Cultural Rights (ICESCR); and
- ILO Declaration on Fundamental Principles and Rights at Work.

Our commitment is reinforced through our dedicated **Child and Forced Labor and Human Trafficking Policy**, which does not tolerate the use of child or forced labor, slavery, or human trafficking in any of our facilities or operations, and sets our expectations for suppliers and contractors to uphold the same standards.

Our **Global Standards of Business Conduct** applies to all Solenis employees globally, and establishes our commitment to conducting business in accordance with the highest legal and ethical rules and principles across our operations, supply chains and activities following applicable laws, including on human rights. The Global Standards are the foundation of our global compliance program and underscore our **Responsible Care** framework, which guides our ambition towards excellence in environmental, health, safety, and security performance. All business partners operating on behalf of Solenis are provided a copy and are expected to comply with its requirements. The Global Standards were revised in 2023, are approved by our CEO, and are overseen by The Office of Ethics and Compliance.

Additionally, our **Supplier Code of Conduct** outlines our minimum standards for all suppliers globally and establishes our expectations for suppliers on human rights. This includes a prohibition on modern slavery and human trafficking, as well as compliance with applicable labor and ethical standards. The Supplier Code of Conduct is explicitly aligned with our Global Standards of Business Conduct, Human Rights Policy, and applicable laws and

regulations, and forms an integral part of all supplier contracts. It is based on the UN Guiding Principles on Business and Human Rights (UNGPs), the ILO Declaration on Fundamental Principles and Rights at Work, and the Ten Principles of the UN Global Compact.

## DUE DILIGENCE PROCESSES

As outlined in our Human Rights Policy, Solenis UK is committed to conducting comprehensive due diligence and certification procedures aimed at preventing human rights, modern slavery and human trafficking risks within our supply chains, in compliance with laws and regulations.

This commitment is achieved through our **Supplier Risk Management Program**, administered through the Global Risk Management Solutions (GRMS) platform, and required for direct material suppliers conducting business with Solenis. The program provides a robust framework for identifying, assessing, and mitigating risks associated with our suppliers, and features individual programs for direct raw material suppliers, indirect suppliers, and on-site contractors.

To qualify for our program, suppliers complete a **pre-qualification risk assessment** with screening criteria on human rights, labor conditions, and compliance with applicable laws, including document verification. Suppliers are also required to acknowledge our Supplier Code of Conduct; meet alternate criteria (such as being a signatory of the UN Global Compact); or maintain similar principles in their own code of conduct. As part of ongoing due diligence, suppliers renew their engagement through an annual questionnaire to assess performance, record annual progress, and re-evaluate supplier risk levels. Risk assessments are conducted throughout the supplier lifecycle, from selection and onboarding to ongoing monitoring and management, to ensure we only award and maintain business with suppliers that meet our standards. For suppliers that do not meet our standards, we provide education, create work plans, and hold them accountable to meet our requirements.

Additionally, enrolled raw material suppliers are requested to accept and comply with our **Sustainable Procurement of Raw Materials Policy**, which includes our Raw Material Supply Sustainability Performance Survey. All selected raw material suppliers are annually assessed on factors including human rights, modern slavery and human trafficking to determine compliance, or maintain an EcoVadis Bronze-level assessment or higher. We monitor progress and specify issues to be addressed for non-compliant suppliers, who must implement corrective actions with evidence of improvements to retain their approved supplier status. Additionally, we maintain automated supplier performance scorecards for our direct material suppliers to give us a holistic view of performance and identify areas for improvement, including on risk performance and sustainability compliance. Under the terms of the Policy, suppliers are required to give permission to verify compliance, allow on-site audits, and enable their employees to report concerns directly.

We include **standard sustainability clauses** as part of the terms of supplier contracts, including adherence to our Supplier Code of Conduct, mandatory GRMS registration, and a material regulatory compliance assessment through a Vendor Regulatory Request (VRR) form. Additionally, our contracts mandate that suppliers conduct background checks to ensure any individual assigned to work at Solenis facilities is legally authorized to work and

meets our minimum qualifications. We have also implemented a risk exposure assessment for all contracts to ensure potential risks are identified prior to supplier onboarding, and managed through our Contract Life Cycle Management process.

As a member of the **Supplier Ethical Data Exchange (SEDEX)**, every Solenis production site supplying a product to a particular customer completes a self-assessment questionnaire aligning with the SEDEX Members Ethical Trade Audit (SMETA) pillars. Self-assessment questionnaires include criteria on human rights, modern slavery, ethical recruitment, and labor conditions. This standardized system complements our internal processes through the identification of potential risks at our facilities, ensuring compliance with our high ethical standards and reinforcing our commitment to accountability.

We proactively engage with our business partners to increase risk awareness and foster compliance. This includes one-on-one supplier meetings and a dedicated supplier page on our website where suppliers can find our policies related to human rights, modern slavery and human trafficking, and further information related to our Supplier Risk Management Program. We also seek ongoing engagement through the **Voice of Supplier** section of our supplier performance scorecards, and request annual supplier feedback through online surveys to identify potential areas for improvement and collaboration opportunities.

## MODERN SLAVERY AND HUMAN TRAFFICKING RISKS

We conducted a scan of 2023 direct and indirect supplier data that considered potential modern slavery and human trafficking risks associated with the supplier's location, sector, and product or service supplied to Solenis. This review used information from reputable, international organizations that is publicly available and annually updated. Based on initial results, we have determined the risk of modern slavery and human trafficking in our operations and supply chains to be low.

## GEOGRAPHIC RISKS

**Countries we procure from are considered low risk** across several modern slavery indicators. These include Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Japan, Liechtenstein, the Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, and the United Kingdom.

**Countries we procure from are considered medium risk** due to a combination of factors, including the prevalence of child labor, a lack of prohibition on hazardous work for children, and the compulsory age of schooling not aligning with the minimum age of employment ([UNICEF](#)); the risk of human trafficking ([US Department of State](#)); the proportion of employees working over 49 hours a week ([ILOSTAT](#)); the prevalence of modern slavery (Walk Free's [Global Slavery Index](#)), and poverty rates ([World Bank](#)). These include Andorra, Argentina, Chile, Cyprus, Czechia, Estonia, Greece, Hungary, Israel, Italy, Panama, Poland, Portugal, Romania, Singapore, Slovakia, Slovenia, South Korea, Taiwan, and the United States.

**Countries we procure from are considered high risk** due to a combination of the factors above, as well as risks to the rule of law ([World Justice Project](#)) and potential infringements on personal autonomy and individual rights ([Freedom House](#)). These include Belarus, Brazil,

Bulgaria, the Cayman Islands, China, Colombia, Costa Rica, the Dominican Republic, El Salvador, Egypt, Eritrea, Georgia, Ghana, Guatemala, Hong Kong, Indonesia, India, Jamaica, Malaysia, Mexico, Namibia, Pakistan, Peru, Russia, Saudi Arabia, Serbia, South Africa, Thailand, Trinidad & Tobago, Tunisia, Turkey, Ukraine, United Arab Emirates, Vietnam, and Zimbabwe.

## SECTOR RISKS

We have also identified risks of modern slavery or human trafficking that, while not directly related to our operations, are present in the sectors we and our suppliers operate in.

- The **chemical** industry has low risks of modern slavery. The main human rights related risks identified in this industry include occupational health and safety risks and potential exposure to poor working conditions or hazardous materials.
- The **construction** industry has widespread use of contractors and subcontractors, who often rely on the use of vulnerable workers, such as migrant workers, day-laborers, or temporary workers. These workers are more susceptible to trafficking and discrimination, excessive recruitment fees, and withholding of documents. The International Labor Organization estimates that approximately 16% of forced labor exploitation cases worldwide occur in the construction industry, and it is one of the most hazardous sectors for workers.
- The **hospitality industry** includes facilities maintenance, cleaning, travel & entertainment services, and security services. This industry is linked to higher risks of modern slavery, as these services often rely on recruiting through contractors and subcontractors, and often employ vulnerable workers such as migrant or temporary workers.
- The **logistics industry** includes shipping, transportation, and warehousing services, and carries potential risks of modern slavery. Ocean freight in particular can have high risks of forced labor as workers may be deprived of their rights to annual or shore leave and repatriation, and may be forced to continue working beyond the terms in their employment contracts. Similarly, **warehousing services** are increasingly outsourced to third-party logistics companies and often rely on temporary or subcontracted labor, which comes with higher risks of exploitation or hazardous work conditions.
- The **manufacturing industry** includes a range of skilled and low-skilled positions; low-skilled labor has an increased risk of human trafficking as many workers lack other employment options. These workers also lack leverage to negotiate for higher wages and are vulnerable to significant job insecurity. There are also high risks of child labor in the manufacturing industry.
- The **packaging industry** has potential risks of modern slavery in its upstream pulp and paper supply chains. The forestry and logging industry has been linked to violations of Indigenous peoples' rights and in the US, forestry is one of several industries that uses incarcerated labor, with documented cases of unfair treatment and unsafe working conditions. Similarly, the **plastic packaging and petroleum product industry** can often include temporary workers who may be at risk of forced labor, excessive working

hours, withheld wages, restricted freedom of movement, and unsafe or unhealthy working conditions.

- The **waste management industry** has high risks of modern slavery, as the industry often relies on temporary workers or migrant workers recruited by sub-contractors who are more vulnerable to exploitation and abuse, including human trafficking.

Solenis actively mitigates these risks through the due diligence measures and risk management processes outlined in this report.

## ASSESSING AND MANAGING RISK

### REMEDIATION

Solenis UK offers a dedicated grievance and reporting mechanism to effectively address concerns, in accordance with our **Reporting Policy**. Our 24-hour anonymous and confidential reporting platform, **Share Your Concern**, is accessible to all employees, business partners, and any other stakeholder to submit reports on compliance-related matters, potential breaches of our Global Standards of Business Conduct and supporting policies, or potential legal violations. Stakeholders can submit written reports or find telephone numbers to make verbal reports, with translation services available in local languages. Share Your Concern is managed by an independent third-party to preserve anonymity and provides the ability to follow up on any previously submitted reports. The platform is publicly available on our website, in the Global Standards of Business Conduct, and in supporting policies.

Employees are similarly encouraged to share concerns, initiate complaints, or ask questions by speaking with line managers or contacting Human Resources representatives, our Office of Ethics and Compliance, or our Legal Department. We also provide specific internal resources for suppliers and their employees to ask questions, request information or report concerns confidentially through a dedicated e-mail resource. Contact information is made available in company policies that reference human rights and child labor and forced labor, including our Human Rights Policy and Supplier Code of Conduct.

Our **Investigations Policy** outlines our process for conducting internal investigations and taking remedial actions regarding non-compliances, misconduct, or violations in an appropriate, confidential, and expeditious manner, as guided by our Investigations Protocol and Investigations Toolkit. Investigations can result in remediation measures to address violations and correct non-compliances, such as training or corrective actions, and may result in disciplinary action up to and including termination of employment. Together, the Reporting Policy and Investigations Policy provide a framework for ensuring non-retaliation against those who initiate a complaint.

### TERMINATION OF AGREEMENTS

Our Supplier Code of Conduct and Sustainable Procurement of Raw Materials Policy stipulate compliance requirements for suppliers and reserve the right to terminate supplier contracts in the event of material breaches or a supplier's refusal to take corrective actions. Additionally, our Child and Forced Labor and Human Trafficking Policy does not tolerate modern slavery or human trafficking in any of our facilities or operations, and we discontinue

business relationships with any individual or company that does not follow the same standards. Our supplier contracts require adherence to applicable laws and contain a performance guarantee clause, which is reviewed and validated quarterly and can result in immediate termination in the event of non-conformance.

## ASSESSING EFFECTIVENESS

### CURRENT INITIATIVES

#### OVERSIGHT

Solenis UK is committed to strong corporate governance and has established oversight bodies that are responsible for our sustainability programs and material topics, which includes human rights and labor. This structure works to ensure our efforts remain relevant, compliant, and consistent with our strategy, goals and reporting standards. Governance is subject to the compliance obligations under our Global Standards of Business Conduct.

- The **Operating Council** is the highest governing body at Solenis and measures company progress towards our stated goals against our Key Performance Indicators and targets.
- The **Executive Committee** manages day-to-day business operations, reviews and approves strategy and goals, builds company commitment, and ensures leadership is accountable for our goals and progress.
- The **Sustainability Task Force Leadership Team** develops strategy, sets goals, drives company culture and education, ensures ongoing data gathering and review, and provides regular updates to the Operating Council and Executive Committee on progress.
- Solenis has two dedicated, **senior-level positions** who are responsible for governance of human rights and labor practices. Human rights are overseen by our General Counsel, and labor practices are overseen by our Chief Human Rights Officer.
- The **Sustainability Task Force** drives efforts to effectively manage material issues across the organization and our supply chains, including human rights and labor practices. The Sustainability Task Force is led by our Chief Sustainability Officer, and includes cross-functional workstreams to drive improvement in areas including governance, compliance, laws & regulations, and due diligence.

#### RECORD-KEEPING

Solenis UK maintains thorough record-keeping practices as directed by the Legal Department and outlined in our Global Standards of Business Conduct and **Records Management Policy**. Completed training and employee certifications are recorded annually as part of our compliance program. Additionally, our Supplier Code of Conduct requires our suppliers to accurately and reliably report and record information on their business activities, performance, and disciplinary measures.

#### PERFORMANCE INDICATORS AND DISCLOSURE

To assess effectiveness, we have clear and defined sustainability targets and performance indicators to monitor and measure progress. Our Office of Ethics and Compliance monitors compliance and collects risk-related data through various sources, including employee



certifications of the Global Standards of Business Conduct and internal investigations. We track and measure supplier engagement in our Supplier Risk Management Program annually. Additionally, each year we require employees to report any known violations of the Global Standards of Business Conduct, supporting policies, or applicable laws. Data is processed within our Enterprise Risk Management approach and continuously informs the revision of our policies, processes, training, and communications.

Solenis annually discloses performance data concerning our governance, risk management, due diligence, and compliance initiatives pertaining to human rights, modern slavery and human trafficking in our externally assured **Annual Sustainability Report**, which includes a dedicated Environmental, Social and Governance (ESG) Data Table and Global Reporting Initiative Content Index. We have mapped our priority sustainability topics and identified Key Performance Indicators to measure our progress.

## TRAINING

Our **Annual Training and Communication Plan** sets out mandatory annual training requirements for all employees globally on key compliance areas, including the key topics covered under our Global Standards of Business Conduct. Each year, employees are required to review and certify their compliance, and in 2023, our completion rate was 95%. The Office of Ethics and Compliance actively follows up on all outstanding certifications, and continuously looks for process improvement opportunities.

Additionally, we have developed a **Procurement Learning Journey**, a platform that summarizes all the skillsets and knowledge we expect our Global Procurement team members to grow and develop, which includes training on sustainability and supplier risk management. We provide additional tailored training to employees in various functions, based on risk assessments and operational needs.

## FUTURE COMMITMENTS

We are committed to a model of continuous improvement by enhancing our procedures to identify, prevent, mitigate, and address the risks of modern slavery and human trafficking within our operations and supply chains, and intend to continue our momentum throughout 2024 and beyond. Specifically, we intend to:

- Conduct an updated **materiality assessment** in 2024 to identify and prioritize key material issues that have the potential to impact the company and are of importance to our internal and external stakeholders.
- Refine and update our **ESG governance framework** to reinforce our commitment to responsible business conduct.
- Further advance our **supplier risk program** by enhancing our periodic risk assessment tools on ethics risks in our direct material supply chains, including but not limited to our raw material suppliers and intermediaries.

## APPROVAL

This Statement is signed by the Chief Sustainability Officer on behalf of Solenis' Board of Directors, who approved this Statement and delegated authority to the Chief Sustainability Officer to sign on their behalf.

Alma Charlotta Kanto Öqvist

Director

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*Alma Charlotta Kanto Öqvist*  
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