

Modern Slavery Statement 2021



Introduction from Michael Willome, Chief Executive Officer

Synthomer plc is committed to the highest standards of business practices. This includes a board commitment to respect and protect human rights wherever we operate around the world and to identify, prevent and eradicate modern slavery and human trafficking in our business or across our wider supply chain.

Synthomer – our structure, business and supply chain

Synthomer is an international high performance, highly specialised chemical company and one of the world's foremost suppliers of water-based polymers, which help eliminate harmful emissions. Our polymers are used in products which are all around us – in the wires and cables that connect the world, in clinics and hospitals, factories, construction sites and offices.

Our global headquarters are in London, UK, and, as at the end of 2021, we operated 37 production sites, 4 innovation centres of excellence, 9 technology centres across 24 countries globally. We have no operations in Russia or Ukraine.

We serve over 6,000 customers worldwide in more than 12 principal end markets including health and protection, coatings, construction, carpets, compounds and films and adhesives.

We employ over 4,600 people in highly skilled manufacturing, value added innovation and technical support roles to meet the needs of our customers and society in a sustainable way

Our supply chain comprises a diverse range of over 12,000 suppliers and we spent some £1.6 billion with third parties in 2021. Our primary supply chain geographies are in Europe, North America and Asia. Approximately 70% of our procurement (key raw materials) is managed centrally and the balance is managed locally by sites. The key materials which we purchase include petrochemical monomers (styrene, butadiene, butyl acrylate and acrylonitrile) and also packaging, machinery parts and gas and electricity to run our plants.

We recognise that Synthomer has a number of operations and customers in areas which may be at higher risk for human rights issues. In response to this, Synthomer continues to strengthen its compliance and sustainable procurement framework to ensure that there is no slavery or human trafficking in its supply chain.

Our approach to combating Modern Slavery

Synthomer supports and is committed to the UN sustainable development goals ('UNSDGs') and recognises human rights as encompassed in SDG 8: Decent Work and Economic Growth to Promote inclusive and sustainable economic growth, employment and decent work for all.

The Group takes a holistic approach to raising awareness of modern slavery and human trafficking and identifying and addressing potential instances. Our policies and practices have been developed to support our commitment that no person in our business or supply chain is at risk of exploitation and act as a starting point for relationships and expectations of our people and third-party partners.

Our Vision and Values

Synthomer has a set of Core Values and Behaviours that describe what we aspire to as a company and what is expected of our employees and stakeholders. We have revised and embedded these during 2021 within our business to become 'our guiding compass'.

Synthomer Core Values are:

- SHE “We always have time to work safely”
- Accountability “We deliver our promises”
- Innovation “We welcome change & new ideas”
- Integrity “We act with integrity & show respect”
- Teamwork “We are stronger as ONE team”

We consider these values to be how we operate and to directly support our sustainability aims and objectives. In relation to slavery and human trafficking specifically, our values of safety, respect and accountability are cornerstones of ensuring no exploitation of people.

Policies, standards and processes

Synthomer has a wide range of internal policies, standards and processes in place group-wide to assist in tackling slavery and human trafficking, including:

- SHE – safety is at the heart of everything we do. Regular safety meetings and training are conducted on sites and it is the first item for the Board’s attention. We have rigorous leading and lag KPIs, which are constantly monitored. Preventing slavery and human trafficking is a part of that safety culture.
- Code of Conduct – we developed our Code of Conduct with input from people across our business and it is a practical guide to help us make the right decisions, protect our reputation and uphold our values. It applies to all employees and anyone who works with us. We track awareness of our Code of Conduct in our employee surveys.
- Supplier Code of Conduct – this is a new development in Synthomer and is applicable across all of our business, with standards regarding human rights, working conditions, environmental protection and ethical business practices that Synthomer requires its suppliers to meet.
- Onboarding and due diligence processes of new suppliers before Synthomer engages in business with them;
- General Purchasing Conditions for suppliers to secure compliance with the Code of Conduct and Supplier Code of Conduct;
- Sustainable Procurement Policy and Strategy;
- Supplier risk assessment;
- Onboarding checks for employee; and
- Whistleblowing hotline – we have established a multi-lingual and multi-national hotline to enable employees and all stakeholders to raise concerns and report possible violations of the law or of company guidelines or policies. This hotline is operated by an independent third party and confidential reporting is an option.

For further information about Synthomer’s responsible business practices please refer to Synthomer’s Annual Report, found here: <https://www.synthomer.com/investor-relations/financials/results-centre/>.

Identifying and mitigating risks of modern slavery and human trafficking – 2021 highlights

Since last year's statement, Synthomer have undertaken the following actions: 1. Creation of a new governance structure for our Modern Slavery programme, forming a **Business Human Rights Working Group** with an agreed remit for developing and reviewing initiatives relating to Modern Slavery across the Synthomer Group. The group is supported by an external specialist partner and includes representation from key stakeholders in the business – HR, Group Legal & Compliance and Procurement – and which has Executive Board Sponsorship.

We launched our Supplier Code of Conduct, including commitments against all forms of unethical labour practices. A third-party risk assessment helped us to determine high-risk geographies and supply types that warrant priority focus under the Modern Slavery programme, leading to the development of a new risk assessment strategy for suppliers and self- assessment for our own operations which will be rolled out during 2022.

Adoption of a sustainability-ratings tool to assist Synthomer in risk assessing our global supplier base. This will help us to identify suppliers who may pose a modern slavery risk within our supply chain based on their sector and location and provides a means to deploy due diligence questionnaires to suppliers for Synthomer to assess their capabilities and maturity in relation to managing modern slavery risk.

Adoption of a new learning management system, which will enable Synthomer to deploy training across the business from a single platform to all its employees, including yearly Code of Conduct training for all employees. In future, this will be used to deploy training relevant to building awareness of modern slavery risks. It can also be used to monitor that HR onboarding controls designed to mitigate modern slavery risks are being executed consistently across our operations.

Effectiveness in ensuring that slavery and human trafficking is not taking place in our business or supply chains, measured against appropriate KPIs

Through the Human Rights Working Group a continuous improvement action plan has been developed and ongoing actions are reviewed bi-monthly. Synthomer recognises that the action plan is in its early stages and will continue to develop this plan in 2022.

The Human Rights Working Group has agreed and documented its terms of reference and developed a strategy with short, medium and long term plans and the ultimate goal of embedding a mature modern slavery /human rights programme which ensures continuous improvement in this area.

Plans for the next 12 months include:

- Undertake a site level assessment specific to modern slavery risk using questionnaires; and
- Undertake an initial training needs assessment and develop an awareness raising and training strategy to support the continuous improvement programme.

Training and awareness building about slavery and human trafficking

The Human Rights Working Group took part in a modern slavery and human trafficking workshop in October 2021, facilitated by an external partner organisation expert in human rights in global supply chains, discussing :

- Modern slavery definitions; Spotting the signs of modern slavery;
- An overview of section (54) of the Modern Slavery Act 2015; and
- Modern slavery statements

The Human Rights Working Group recommended an awareness raising strategy for modern slavery as a priority and plans to determine training needs which will be developed during 2022.

This statement is made in relation to section 54(1) of the Modern Slavery Act 2015 for the financial year 1 January 2021 to 31 December 2021. The statement was authorised by the board on 28 June 2022 and signed by the CEO **Michael Willome**. The Executive lead for modern slavery is Tim Hughes.



Michael Willome
Chief Executive Officer – Synthomer plc