

Workers in the value chain

Why is it important?

We work in complex, global supply chains, relying on our suppliers to deliver the raw materials, goods and services we need to operate successfully. We also rely on other corporate and site services, such as travel, IT, temporary labour and contractors, and waste management.

That means we touch a lot of people's lives, directly and indirectly, and because of that we are committed to maintaining the highest ethical standards and sustainable business practices. That includes respecting and protecting human rights across our Group operations and supply chain. We recognise that this is an ongoing challenge, and we continue to develop and strengthen our processes, practices and policies to identify and prevent modern slavery and human trafficking occurring anywhere in our business or supply chain.

Our commitments

Synthomer supports and is committed to the UN Sustainable Development Goals (UN SDGs). We recognise 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. We respect and recognise human rights for all, as described by the Universal Declaration of Human Rights¹ and are committed to the UN Guiding Principles on Business and Human Rights.²

Although we work in parts of the world and certain sectors that face a higher risk of human rights abuses, we do not tolerate those abuses, modern slavery or human trafficking anywhere in our business or supply chain. This is enshrined in our Modern Slavery statement.

Our Vision 2030 target

- 80% procurement spend with a sustainability rating

Additional short-term objectives to 2025

- 50% procurement spend covered by a sustainability rating and improvement plan
- Audit eight key suppliers' sites
- Ensure that all our highest-risk suppliers agree to our Supplier Code of Conduct or equivalent standards

¹ Universal Declaration of Human Rights | United Nations.

² Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework | OHCHR.

Associated policies

Our Code of Conduct – [click here](#)

Our Modern Slavery Statement – [click here](#)

Our Responsible Procurement Policy – [click here](#)

Our Supplier Code of Conduct – [click here](#)

Our Conflict Minerals Policy – [click here](#)

Our approach to workers in the value chain

Synthomer does not tolerate human trafficking and modern slavery within its supply chain and we work in partnership with our third-party suppliers to combat these threats. Our suppliers must comply with all domestic employment legislation, alongside all applicable International Labour Organization (ILO) conventions and protocols, and the United Nations' Universal Declaration of Human Rights.

To do that, we expect our suppliers and their supply chains to:

- Provide training and education opportunities for employees that support their role
- Not employ any person below the age of 15 or applicable higher legal minimum age
- Not use forced labour, slave labour or other forms of involuntary labour at their work sites
- Not allow any practice that would restrict free movement or freedom of association of employees.

Synthomer will only work with responsible suppliers who adhere to our Supplier Code of Conduct or who have comparable codes and policies with equivalent standards in place. Suppliers must also understand the nature of the products, materials and services that they are supplying, and recognise their responsibility – as we do – to protect the environment and foster good relations with their employees and local communities.

Our Supplier Code of Conduct applies across all our businesses, and sets out our standards and expectations regarding human rights, working conditions, environmental protection and ethical business practices, which our suppliers must meet. Our Code brings together the range of processes we use to oversee our supply chain, including:

- Onboarding and qualification processes that are risk-based for new suppliers before Synthomer engages in business. This is a risk-based approach using low-/medium-/high-risk criteria and questionnaires to ensure robust due diligence before onboarding
- General purchasing conditions for suppliers
- Suppliers accepting our responsible procurement policy
- Conducting supplier risk assessments. Each year, we screen our Group-wide supplier base using four different risk lenses. These include spend, sustainability risk, business risk and human rights risk. We use the proprietary software tool, EcoVadis IQ, which allows us to identify and focus on our highest-risk suppliers.

We have processes in place to ensure we only work and partner with third parties who share our ethical standards. We carry out due diligence activities on all material and higher-risk suppliers (based on location or type of business), and we request suppliers to positively commit to our Supplier Code of Conduct.

We use our risk management platform (Diligent) to manage the onboarding, due diligence and in-life monitoring of our agents and distributors, and we are aiming to use it to onboard other third parties (such as suppliers) from 2025. We also run a weekly screening process on all third parties to identify any new sanctions, trade restrictions or significant adverse media. Our due diligence process continues to improve and provide assurance over the third parties with whom we engage and partner.

We focus our responsible procurement approach on suppliers that we consider 'priority suppliers' through a risk and opportunity assessment, as well as on raw materials that we have identified as having the highest human rights, social, economic and environmental risks. This helps us prioritise and manage the highest risks within our supply chain. It does not mean that we limit our sustainability ambitions to priority suppliers only. We continue to deploy our new supplier onboarding platform, which is now active in all our regions.

Each year, we use our risk assessment process to identify a number of suppliers who we then require to positively commit to our Supplier Code of Conduct or provide clarity on how they ensure equivalent standards of behaviour and conduct. Our targeted suppliers may change, and the number that we approach is increasing each year as we drive an increasing proportion of suppliers to obtain sustainability credentials.

Synthomer's Human Rights Working Group (HRWG) is central to the way we govern our modern slavery programme. Its remit is to develop and oversee initiatives to mitigate modern slavery risks across our business. In 2024, we reviewed and refined that remit to include:

1. Increased oversight of our modern slavery eLearning programme, including content, audience and frequency
2. Continuing to review due diligence and ongoing monitoring measures with respect to global chains of activity, both upstream and downstream. This includes Company operations and subsidiaries, including relevant joint ventures (JVs) with management control and partners
3. Setting and monitoring a set of KPIs, such as modern slavery eLearning completion statistics and supply chain verification statistics, and completed site and supplier audits
4. Tracking actions identified in site or supplier audits related to human rights risks
5. Reviewing cases received through our whistleblowing hotline – EthicsPoint – that are related to any actual or potential breaches of human rights
6. Ensuring our dedicated intranet page on modern slavery and human rights contains clear and useful content for Synthomer employees.

Members of the HRWG include key stakeholders from across Group Legal and Compliance, Sustainability, Operations, HR, and Procurement, and the group is sponsored by our Group General Counsel & Company Secretary.

We are a member of the industry procurement peer group, 'Together for Sustainability' (TfS) whose purpose is to raise corporate social responsibility (CSR) standards throughout the chemical industry and contribute to a more sustainable and responsible chemical industry.

During 2024, we adopted the TfS methodology for site sustainability audits, giving us access to supplier audit reports, and corrective actions taken, that have been conducted by our peer member companies. We can also add the results of our own supplier site audits to help grow this important repository of information.

Our independent multilingual whistleblowing hotline – EthicsPoint – allows all stakeholders, including employees, contractors, suppliers and other external parties working with Synthomer, to raise any concerns or violations of our Code of Conduct. This includes any potential concerns

relating to modern slavery. This is supported by our Non-Retaliation Policy³ and a guidance document with frequently asked questions, both of which we publish on our website.

Our Investigations Protocol includes a process to ensure all reports are reviewed and investigated independently, with actions taken (or action plans agreed) if risks of modern slavery are identified.

Our Conflict Minerals statement commits us to avoiding the use of conflict minerals in all our activities. We recognise that 3TG minerals (gold, tin, tantalum, and tungsten) may be mined in parts of the world where armed conflict and human rights abuses are known to take place. We reviewed and updated our Conflict Minerals policy statement in 2024. It outlines our expectations on suppliers, including a requirement for them to conduct their own due diligence to verify the origin of their materials, and provide certification under recognised initiatives. Read our full Conflict Minerals policy statement⁴ on our website.

Our new Sustainability Academy provides training on all sustainability criteria, including modern slavery. This means we are able to provide dedicated, targeted training to our procurement teams on this important topic, helping them ask more informed questions when working with our suppliers.

3 <https://www.synthomer.com/media/pddlp3lw/non-retaliation-policy.pdf>

4 <https://www.synthomer.com/media/tl4ltxb1/conflict-minerals-policy-statement-dec-2024.pdf>

Our performance in 2024

We have made considerable progress against our Vision 2030 target over the past four years, investing significantly in our procurement teams to develop their skills and expertise. We have particularly focused on helping them understand the challenges we face in addressing human rights, including modern slavery, as well as in reducing our indirect Scope 3 emissions. This year, 53% of our procurement spend was covered by a sustainability rating (versus 46% in 2023) and we achieved our short-term 2025 objective to reach 50%.

We also achieved our short-term 2025 objective to conduct eight supplier site audits in 2024, targeting suppliers that had been selected by our HRWG based on region and sectors. We will target another eight supplier site audits in 2025.

As a member of TfS, our teams have access to specific modern slavery training and resources, which 87% of our procurement team completed or accessed in 2024. We intend to expand modern slavery training to cover all our sites, laboratories and offices in 2025.

Since 2022, we have run an annual programme of compliance roadshows. During 2025, those roadshows will focus on regions where modern slavery risks are considered higher than average, based on Walk Free's Global Slavery Index. Our roadshows emphasise the importance of understanding and following our Code of Conduct, as well as raising awareness of our compliance initiatives, including understanding and addressing modern slavery risks.

This year, 93% of our targeted suppliers provided written agreement to follow our Supplier Code of Conduct, which was 3% higher than our 2024 target of 90%.

Synthomer Group					
Procurement performance	Unit	2024	2023	2022	2021
Procurement spend covered by sustainability rating (Target 55% by 2025)	%	53	45	37	26
Targeted suppliers that have agreed to our Supplier Code of Conduct (Target>90%)	%	93	80	–	–
Targeted suppliers that have gone through a CSR assessment (Ecovadis assessment)	%	43	–	–	–
Targeted suppliers that have gone through a CSR on-site audit (TFS)	#	8	–	–	–
Buyers across all locations who have received training on sustainable procurement	%	88	–	–	–
Audited/assessed suppliers engaged in corrective actions or capacity building	#	8	–	–	–
Targeted suppliers that have ESG clauses	#	0	–	–	–

Our next steps

As well as supporting our plans to continue strengthening our procurement team's skills, our TfS membership will help us address challenges in auditing our suppliers. We are confident that we can accelerate progress in future, both in the number of physical supplier audits we conduct and the number of suppliers covered by TfS's wider audit pool.

We will also take a more centralised approach to working with priority and key suppliers, using key account management models, signing up our highest-risk suppliers to our Supplier Code of Conduct, and continuing our EcoVadis assessments and corrective action plans to help achieve our 2025 objective.

We intend to carry out our first modern slavery risk assessment in 2025. The assessment will focus on our higher-risk operational regions and territories as identified by our modern slavery risk heat map in the 2024 Synthomer Modern Slavery statement. In 2025, with internal and external support, we will assess our operational practices in Saudi Arabia, Mexico, Malaysia and China.

Methodologies

The term *supplier* is used in this document to mean the provider of materials, products, equipment, site works or other services. It is used as a collective term for a material or equipment supplier, sub-contractor, trade contractor, consultant or professional service provider.