

Modern Slavery Act transparency statement

Introduction

This statement is made in accordance with our obligations under the UK Modern Slavery Act 2015 and sets out the steps we have taken during the year ended 31 December 2018 to prevent modern slavery in our business and supply chain. Elementis plc and Elementis UK Limited fall within the scope of the Modern Slavery Act 2015.

In 2018, we signed the commitment letter to become a signatory of the UN Global Compact, the world's largest corporate sustainability initiative to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption and take actions that advance societal goals.

Our business and supply chain overview

Elementis is a global specialty chemicals company with a premium listing on the London Stock Exchange and is a member of the FTSE 250 and FTSE4Good indices. Group revenue from continuing operations in 2018 was \$822 million.

Elementis delivers enhanced performance through applied innovation. Harnessing our expertise in high performing ingredients to refine and improve stability and flow, we enhance our customers' product performance. We operate across five business segments: Personal Care, Coatings, Energy, Chromium and Talc.

We directly employ over 1,500 people with 23 manufacturing sites. We have a diverse supply chain of approximately 4,900 suppliers, with sourcing from over 100 countries. These suppliers range in size from small and medium-sized enterprises to large multinationals, each of which has its own supply chain. We strive for the highest ethical standards in our business dealings, holding our suppliers to the same criteria.

In October 2018, we acquired Mondo Minerals Holding BV ('Mondo'). During 2019 we will continue to align our business practices, processes, policies and training including those on international labour laws and standards that seek to prohibit slavery and human trafficking.

Governance

We recognise that having the right governance framework to address human rights and ethical behaviours is fundamental to managing the risk of modern slavery in our business and supply chains.

Our compliance steering committee oversees the processes in place for maintaining ethical behaviour and training including the prevention of modern slavery. This committee is sponsored by our Group General Counsel and Compliance Officer ('GC') and chaired by our Director of Legal Operations and Compliance with representatives from the business and the Company Secretariat, Finance, Human Resources, Product Stewardship, Manufacturing and Procurement functions.

Our Executive Leadership team, Audit Committee and Board have visibility of our compliance programmes through regular reporting from our GC.

Our policies and values

During 2018, we launched five values which we expect all our people to emulate and against which we align our policies and procedures.

Safety



Solutions



Ambition



Respect



Team



The approach guiding our policies, in relation to modern slavery and ethical behaviour, stems from:

- The statements in the Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work

Code of conduct ('Code')

Our Code sets out the behaviours that are expected of everyone who works at Elementis and includes our position on modern slavery. The Code is given to every employee at Elementis and aims to create an environment where employees respect and trust each other and where there is protection from discrimination, harassment or unsafe practices.

Speak up

The Code provides a number of mechanisms to report violations of the Code, including those relating to modern slavery. One of these mechanisms is 'Alertline' a 24-hour multi-lingual phone reporting service. Following the acquisition of Mondo, we have recently made this service available in Finnish, to improve accessibility to those people working at our Finnish sites. As such our Alertline service is now available in seven languages. We are committed to protecting employees when disclosing malpractice and all concerns made in good faith are treated appropriately.

Purchasing code of practice

Our global purchasing code of practice reflects the requirements of the US California Transparency in Supply Chains Act of 2010 and the UK Modern Slavery Act 2015. Modern slavery clauses are included in the terms and conditions of our purchasing and supply contracts, which require compliance from our supply chain partners.

Our due diligence processes

Our due diligence processes in relation to slavery and human trafficking include the following:

Suppliers

Risk-based Supplier Assessments – we assess and require our key and large suppliers and potential suppliers to ensure conformity and consistency with our policies, including compliance with international labour laws and the absence of slavery and human trafficking. This includes the use of questionnaires which are assessed by our procurement team. If a supplier is found to be in breach of international labour laws and standards that seek to prohibit slavery and human trafficking we will terminate our agreement with them immediately.

Supplier Agreements – our purchase order terms and conditions provided to all our direct suppliers, require compliance with international labour laws that seek to prohibit slavery and human trafficking.

Employees

Direct staff – we employ approximately 1,500 individuals in line with local legislation. Our Human Resources function has safeguards in place to prevent slavery in the workplace. Our preference is to have salaries paid directly to employees' bank accounts, although in certain jurisdictions a small number of employees have the right to request payment in form of a cheque, which we securely provide to them. During recruitment processes we collect and verify the right to work evidence individuals provide us.

Agency staff – in terms of indirect labour, we have service level agreements in place with agencies, which obliges them to comply with all regulations and laws applicable to the terms of the agreement, including those relating to anti-slavery and forced labour.

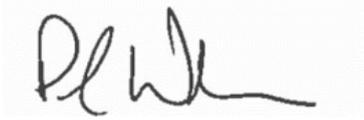
Training and awareness

In 2018 we assessed the training needs in respect of the prevention of modern slavery in the workplace and we rolled out an online training course on sustainable supply chain management to all employees globally. This online training will be provided to all new hires as part of their compliance training requirements. This compliance training programme will also be launched later in 2019 to those employees who have recently joined us from Mondo.

Commitment

We are committed to working to prevent modern slavery of any kind and have a responsibility to be alert to the risks, however small, in our business and in the wider supply chain. We aim to demonstrate that this is the case by undertaking the steps outlined in this transparency statement, working with our supply chain partners and by ongoing risk assessments and due diligence processes.

This statement was approved by the Board of Directors on 5 March 2019 and signed by Paul Waterman.

A handwritten signature in black ink, appearing to read 'P. Waterman', is centered on a light gray rectangular background.

Paul Waterman, CEO

5 March 2019