

Elementis Plc
Modern Slavery Act transparency statement
for the year ended 31 December 2021 ('Modern Slavery')

INTRODUCTION

This statement is made in accordance with our obligations under section 54 of the UK Modern Slavery Act 2015 and sets out the steps we have taken, during the 52 weeks ended 31 December 2021, to prevent modern slavery and human trafficking in our business and supply chain.¹

OUR COMMITMENT

We remain committed to preventing all aspects of modern slavery 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.

OUR BUSINESS

Elementis is a global specialty chemicals company that offers performance-driven additives that help create innovative formulations for consumer and industrial markets in five core business segments including Coatings, Personal Care, Talc, Chromium and Energy.

For more than 175 years, finding opportunities to enhance our customers' performance is at the heart of what we do. Combining our access to unique natural resources with our market leading innovation expertise, we create performance driven additives that can be found in many products used in everyday life. We own the only high-grade hectorite mine in the world located in the US and talc mines that are one of only two known deposits of scale in Europe. With our advanced technical solutions, we transform those materials to become innovative products that deliver sustainability benefits and better performance for our customers.

Further information regarding our business model and values can be found in our Annual Report which can be found on our website www.elementis.com.

Elementis plc is the parent company of the Elementis group of companies (the "Group"). As at 31 December 2021, the Group employed c.1,300 people. We have 23 manufacturing sites located in Asia, Europe, Latin America and North America.

In 2021, the Group revenue was \$880m (total operations both continuing and discontinued). The Company has a premium listing on the London Stock Exchange and is a member of the FTSE 250 and FTSE4Good indices.

OUR SUPPLY CHAIN

In 2021, our number of suppliers increased from 4,900 to approx. 5,500, ranging 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 with our customers in over 100 countries, holding our suppliers to the same criteria.

OUR VALUES

Elementis has five values which underpin the behaviours expected of our people and which are aligned to our policies and procedures.

¹ Elementis plc and Elementis UK Limited fall within the scope of section 54(2) of the Modern Slavery Act 2015 and the Modern Slavery Act 2015 (Transparency in Supply Chains) Regulations 2015.



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.

On an annual basis, the Board of Directors consider and approve the Elementis modern slavery statement.

During 2021, we set up our Ethics & Compliance Council (ECC) (whose Chair is the Chief Compliance Officer and whose members are the segmental and functional executives and Internal Audit. The mission of the ECC is to uphold and oversee an ethics and compliance culture amongst Elementis staff and third parties that work with Elementis, in line with the Elementis Code of Conduct and Business Ethics and compliance programme; and to ensure that the Elementis Code of Conduct and Business Ethics and related Group Policies and Standards, are effectively communicated and implemented across Elementis.

OUR POLICIES

Our approach to human rights issues is guided by international conventions and standards, including the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights as well as the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the latter being freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation.

We prohibit the use of child and forced labour and are committed to the principles of freedom of association, equality of treatment and non-discrimination. 9.5% of our employees are union members and 24% are subject to collective bargaining agreements. The total voluntary attrition rate in 2021 was 10%.

There were no human rights grievances made against the Company during the year.

Our key policies relating to modern slavery include:

Code of Conduct ('Code')

Our Code sets out the core values that is expected of everyone who works at Elementis and includes our position on modern slavery.

The Code also:

- (a) aims to foster an environment where employees respect and trust each other and where there is protection from discrimination, harassment or unsafe practices;
- (b) upholds our commitment to high ethical standards of fairness and respect in all business dealings including customers, suppliers and distributors;
- (c) requires the people who work in our supply chain to be treated fairly and their human rights respected; and
- (d) is aligned with applicable laws and regulations.

To help our employees understand and adopt our values, principles and standards in their daily work life, information and training are provided via video messages from senior leaders, global and local townhall meetings and e-learning modules.

Our Code of Conduct & Ethics will be relaunched to our employees and third party partners in the first six months of 2022. Suppliers will be required to review and agree to adhere to the principles of the Code. Declarations will be recorded with the supplier's contract and auditable.

Speak up

The Code provides a number of mechanisms to report violations of the Code, including those relating to Modern Slavery.

Elementis maintains an independently hosted Speak Up service, available to suppliers and employees (as an alternative to reporting concerns to their manager, HR or Legal and Compliance) for those that prefer to report anonymously. The Speak Up channel is available 24 hours per day in multiple languages. Posters are displayed in communal areas at each of our manufacturing and corporate sites and were refreshed at every site in 2021.

All reports are investigated at the direction of the Group General Counsel & Chief Compliance Officer or a local delegate where legally required, and we make every effort to investigate confidentially, disclosing information only where necessary. We comply with the timeframes in which to respond and provide feedback to reports set down in the EU Whistleblowing Directive. We are committed to protecting employees from retaliation when disclosing malpractice and all concerns made in good faith are investigated.

Purchasing Code of Practice ('Purchasing Code')

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 which our contractors, suppliers, agents and distributors are required to adhere to.

OUR TRAINING AND AWARENESS

All employees and contractors are regularly provided with training to understand their roles and responsibilities to ensure compliance with our safe work procedures and we conduct regular audits to determine policy compliance.

During 2021, an email from the CEO was cascaded to all employees reinforcing the compliance culture expected at Elementis with a specific focus on completion of online compliance training and how to raise concerns through the Speak Up channel.

All new employees are required to undertake training on the Code and refresher training is required every two years.

On an annual basis, human rights related training, including modern slavery in the supply chain, is cascaded to group employees. The completion rates for all human rights related training in 2021 was 95% and includes courses such as anti-bribery and corruption, modern slavery in the supply chain and anti-money laundering. The Modern Slavery course had a completion rate of 94% within the timeframe of the December year end.

OUR DUE DILIGENCE PROCESSES

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

Suppliers

Risk-based Supplier Assessments and Audits - we risk assess and audit our critical and largest 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. We seek verification of credentials and applicable certifications for suppliers before they are added to our qualified supplier list. We reserve the right to audit and carry out site inspections as may be appropriate.

We send survey style questionnaires on a three yearly basis, to our suppliers requiring them to self-certify against our policies on international labour laws and standards that seek to prohibit slavery and human trafficking. This survey was performed in 2019 and our next questionnaire is scheduled for 2022.

Supplier Agreements – We contract with suppliers both on the basis of our standard purchasing terms and on the basis of bespoke, negotiated agreements. In all cases, agreements include undertakings from suppliers of compliance with international labour laws that seek to prohibit slavery and human trafficking. We reserve the right to take action up to and including termination of agreement where we identify wrongdoing.

Employees

Employees - we employ approximately 1,300 individuals and comply with all local labour and working rights. We provide fair working conditions for all our employees including terms and conditions of employment, market related pay and benefits, working hours and holiday entitlements.

We do not employ anyone unless the individual has provided the correct right to work documentation which is verified as part of the 'new hire' process.

Temporary workers - we employ temporary workers through staffing agencies. Our service level agreements with these agencies require them to comply with all regulations and laws applicable to the terms of the agreement. Forced or compulsory labour is not tolerated within our business.

OUR RISK ASSESSMENT AND MANAGEMENT

The Board has overall responsibility for risk management and sets the Group’s policies, culture and tone on risk as well as providing oversight to management. A risk management framework is in place to identify, assess, mitigate and monitor the risks faced. The Company places the highest priority on preventing loss of life, other harm to people and the environment, legal and regulatory breaches.

Every individual at Elementis has a responsibility to manage risk, irrespective of function, business or role.



The enterprise risk management framework includes identification and mitigation of supply chain related risks, including Modern Slavery which have been documented as part of our ongoing risk management processes.

HUMAN RIGHTS REPORTING AND PERFORMANCE

UN Global Compact

As a current signatory of the UN Global Compact, we fully support the ten Principles relating to human Rights, labor, environment and anti-corruption. As part of our ongoing commitment, our latest communication on progress (COP) report details the steps we have taken in 2021 relating to human

rights, labour, environment and anti-bribery and corruption. A copy of the report can be found <https://www.unglobalcompact.org/participation/report/cop/create-and-submit/active/456436>.

EcoVadis CSR Rating

EcoVadis provides a Corporate Social Responsibility (CSR) ratings service for companies. The rating covers a broad range of non-financial management systems including environmental, labour & human rights, ethics and sustainable procurement impacts. Each company is assessed on the material issues as they pertain to their company's size, location and industry.

These evidence-based assessments are refined into easy to read scorecards and medals (bronze, silver, gold), when applicable. Additionally, the scorecards provide guidance on strengths and improvement areas, which the assessed companies may use to focus their sustainability efforts and develop corrective action plans to improve their CSR performance.

After seven years of being rated silver, in 2021 we were rated gold and Elementis was in the top 5% of all chemical companies rated by EcoVadis. Being rated gold was our ambition and we are very proud of this accomplishment. We have made great progress improving in critical areas such as: protecting the environment, labor practices and human rights, business ethics and sustainable procurement.

Responsible Chromium label

In September 2021, the Chromium business was recognised with the Responsible Chromium label which was awarded by the International Chromium Development Association (ICDA).

Elementis was the only chromium chemical producer in the world to earn this label. The ICDA gives the Responsible Chromium designation for companies that demonstrate high standards of:

- Safe processes and best practices
- Ethical treatment of people and communities
- Eliminating child labour and modern slavery
- Limiting environmental impact and safeguarding the environment
- Fighting corruption

FTSE4Good

We remain part of the FTSE4Good, a leading global responsible investment index. We are recognised as having met the corporate responsibility criteria for inclusion in the membership of the index, which is reviewed on an annual basis, and have been a member since 2009.

OUR PLANS FOR 2022

- Go live of new Code of Conduct & Ethics with QR code/ digital accessibility
- Supplier confirmation of adherence to Code of Conduct & Ethics principles
- Establish global Compliance Champions network
- Launch our 3rd party business integrity risk screening tool globally
- Upgrade new joiner Ethics & Compliance onboarding program

This statement was approved by the Board of Directors on 23 February 2022 and signed by Paul Waterman.

Paul Waterman

CEO

23 February 2022