



2023 Fighting Against Forced Labour and Child Labour in Supply Chains Act

This report prepared by Archroma Canada, Corporation, (“Archroma Canada”), BN 821297132, is a single report which covers the fiscal period ending September 30, 2023. It outlines the activities and compliance measures taken during the 2023 reporting period.

Archroma is passionate about delivering leading and innovative solutions, enhancing people’s lives, and respecting the planet. We are dedicated to creating positive impacts on the communities we touch and ensuring that all workers are treated with dignity and respect. By upholding these principles, we reinforce our belief that true innovation can only flourish in an ecosystem where human rights are prioritized and protected.

As we strive to lead our industry through sustainability solutions, we are dedicated to fostering a culture of integrity and ethical practices across our entire supply chain. Our commitment to the prevention and eradication of forced labour and child labour is unwavering and integral to our core values of enhancing lives through sustainability. We believe that every individual has the right to work in an environment that is safe, respectful, and free from coercion.

This report outlines the proactive measures we have taken to uphold the highest standards of ethical conduct. We invite you to learn more about our efforts as we foster a future where ethical leadership prevails and workers’ rights are protected. Thank you for your interest in our commitment.

Steps to prevent and reduce risks of forced labour and child labour

We regard the upholding of human rights as a core corporate responsibility and a guiding principle that underpins every facet of our operations. At every juncture of conducting business, regardless of location, we prioritize the utmost respect for human rights. Moreover, we hold our business partners to the same standard, expecting nothing less than a steadfast commitment to respecting human rights in all their endeavors.

Archroma Canada adheres to the ten principles of the United Nations Global Compact (UNGC) in its business practices, for the purpose of this report our focus specific to human rights and labour:

<i>Principle 1:</i>	<i>Business should support and respect the protection of internationally proclaimed human rights.</i>
<i>Principle 2</i>	<i>Make sure that they are not complicit in human rights abuses.</i>
<i>Principle 3</i>	<i>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</i>
<i>Principle 4</i>	<i>The elimination of all forms of forced and compulsory labour.</i>
<i>Principle 5</i>	<i>The effective abolition of child labour.</i>
<i>Principle 6</i>	<i>The elimination of discrimination in respect of employment and occupation.</i>

Company, Activities and Supply Chain

Archroma is a global, diversified provider of specialty chemicals serving the branded and performance textiles, packaging and paper, and coatings, adhesives; and sealants markets. Headquartered in Switzerland, with about 4,498 employees globally, with 176 within North America. Archroma Canada manages the sales and distribution of specialty chemicals in its market.

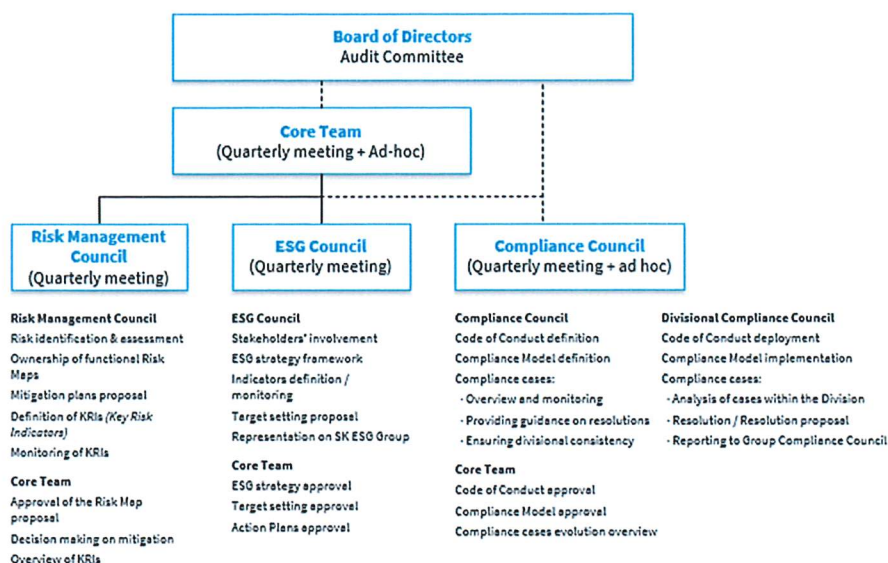
Governance structure Archroma Group



STRATEGY SIGN-OFF & OVERSIGHT

STRATEGY SETTING, DECISION MAKING & "STEERING COMMITTEE"

EXECUTION & DECISION MAKING SUPPORT



Our Environmental, Social and Governance (ESG) council is the delegated body of Archroma Core Team responsible for supervising and monitoring sustainability proposals in the social, environmental and product health and safety areas. The group's commitment on social sustainability is reflected at the highest level of the company, with the CEO chairing the ESG Council ensuring that sustainability is integrated in the decision-making process.

Supply Chain

At Archroma, we rigorously monitor the sustainability performance of all our suppliers through the Archroma Sustainable Supplier Rating (ASSR) system. This comprehensive rating system draws upon various inputs, including EcoVadis assessments, TfS audits, ISO certificates, and other reliable sources. New suppliers must furnish existing sustainability performance data as a prerequisite for the ASSR rating, with a requirement for conducting a sustainability assessment if no such data is available.

All suppliers are provided with a "Supplier Code of Conduct Form", this is to be signed by the supplier. Once received, this is added to their profile.

We hold all our suppliers accountable for executing corrective action plans to address identified improvement areas highlighted during their assessment. Regular monitoring of approved vendors via the ASSR rating ensures ongoing compliance. Our commitment to ethical business practices, human rights, labour standards, and anti-corruption is underscored by our continuous communication and collaboration with suppliers, this allows us to act against forced labour and child labour.

Qualitative screening is conducted for all suppliers, and non-compliant entities face exclusion from further business dealings until demonstrable improvements are made. Archroma strictly refrains from engaging with suppliers from regions associated with high-risk unfair labour practices, such as child labour or forced labour.

During the reporting period, we are pleased to report no instances of non-compliance with forced labour and child labour laws and regulations. In FY2023, a substantial 95% of our suppliers underwent assessment through the ASSR, with over 80% achieving ratings of 'good' or 'outstanding'. Less than 1% of suppliers received unsatisfactory ratings, necessitating the implementation of corrective action plans within agreed timelines. Archroma Canada experienced no violations of child labour or forced labour resulting in remediation at any level of our supply chain.

In addition to ongoing engagement for improvement, we provide supplementary training to support our suppliers, facilitated by a dedicated full-time Sustainable Sourcing Manager who guides both our procurement team and suppliers. The ASSR forms an integral component of monthly reviews with Archroma's procurement organization, complemented by individual follow-up meetings to ensure target achievement.

Policies, Governance and Due Diligence

Archroma wholeheartedly endorses and adheres to the 1989 United Nations Convention on the Rights of Child and the 1998 International Labour Organization (ILO) Declaration on Fundamental Principles and Right at Work. We maintain a firm stance against forced labour and child labour and do not engage in any business transactions with companies that employ such practices.

At Archroma, we utilize survey data sourced from Mercer and Aon Hewitt on a global scale to establish competitive market benchmarks for constructing salary ranges. This data is instrumental in conducting periodic assessments to ensure that our compensation practices consistently exceed the minimum local wage standards. As a commitment to fair labour practices, Archroma does not employ any workforce members who are compensated at or below the minimum wage.

EcoVadis

EcoVadis is one of the largest and most trusted providers of business sustainability ratings. The EcoVadis sustainability assessment methodology is built on international sustainability standards, including the Global Reporting Initiative, the United Nations Global Compact, and the ISO 26000.

Archroma, a global leader in color and specialty chemicals towards sustainable solutions, has been awarded the EcoVadis “Platinum” rating in corporate social responsibility (CSR) 2022 which places our company within the top 1% of the best rated companies in its industry.

Code of Ethics and Conduct

The Code of Ethics and Conduct is a shared commitment to an open culture where people feel secure in seeking advice and in raising concerns. These guidelines and rules uphold ethical practices and safeguards of our brand, mitigate risks, and ensure compliance with laws and regulations. It cultivates an inclusive and respectful workplace environment.

The code details the standards of behaviour expected from everyone within their daily activities, with clear guidance specific to Archroma’s support to the United Nations Convention on the Rights of the Child. We do not accept child labour or forced labour.

Supplier Code of Conduct

While vendors are independent entities from Archroma, the business practices and actions of a vendor, when conducting business with or on behalf of Archroma, may significantly impact and reflect upon our Company.

Archroma expects all vendors and their employees, agents, and subcontractors (“Representatives”) to follow our high ethical standards set forth in the Code of Conduct, while they are conducting business with us or on our behalf. It is the responsibility of our vendors and Representatives to understand and adhere to Archroma’s expectations.

Vendors should notify a member of Archroma management if and when any situation develops that causes the vendor or Representatives to operate in a way that may be in conflict with Archroma’s expectations. Archroma may request the removal of any vendor or Representatives who behaves in a manner that we consider to be acting inconsistent with the Code of Conduct or any Archroma policy.

We have clearly defined within this code the use of forced labour, whether in the form of indentured labour or otherwise, is prohibited. As well as their requirement to comply with local wage and hour and minimum working age laws and requirements; the use of modern slavery and child labour is prohibited.

Our corporate governance specifically outlines Human Rights and Child Labour, responsible supply chain management is important for our business. We do not tolerate the use of forced labour or child labour, slavery or human trafficking in any of our facilities or operations. Archroma fully supports and complies with the 1948 United Nations Universal Declaration of Human Rights, international sanctions regulations worldwide, including those from the United Nations, the USA and the European Union.

Our principles associated with forced labour and child labour are set within our Code of Conduct as well as our Supplier Code of Conduct.

Reporting and Non-Retaliation

Whistleblowing

At Archroma, we uphold a whistleblowing policy that facilitates anonymous reporting of any suspected violations of our Code of Conduct or the law. Our commitment to integrity and transparency is underscored by an open culture where individuals feel empowered to seek guidance or raise concerns, with the assurance that reports will be handled professionally and transparently. We ensure a retaliation-free environment for those who come forward in good faith to ask questions or report violations.

It is the responsibility of all employees and associated persons to take reasonable steps to ensure compliance with this policy. According to our Code of Conduct and Whistleblower Policy, employees are obligated to promptly disclose any knowledge or suspicion of bribery related to the company's business. We encourage employees and third parties to confidentially report any incidents or concerns regarding compliance at Archroma, contrary to our Code of Conduct or the law, through the Archroma Whistleblowing Portal.

This platform, powered by Convercent, a trusted provider of 24/7/365 reporting systems, provides a secure space for individuals to speak up.

Whistleblowers can submit reports via phone or in writing in their native language. Reports are promptly and discreetly forwarded to our Group Compliance Officer for review and appropriate action, with the option for the whistleblower to request follow-up after submission. While anonymity is respected, we encourage individuals to disclose their identity for a more thorough investigation. The mechanism to report is available via our Portal, toll free hotline number, website direct link and a convercent entry page.

Training

For all Archroma employees there is an annual mandatory training requirement. Accessibility is within our online system, recorded and details policies with focus on Code of Ethics and Conduct, which details forced labour and child labour within our Human Rights section. Upon successful completion the employee is provided with a certificate of completion.

At Archroma, people are the core of our business. We operate with the deep belief that only by aligning personal and business goals are we able to achieve sustainable goals.

Responsible supply chain management is important for our business, and we have a responsibility to systematically manage our suppliers to minimize any risks of forced labour and forced labour violation. Our dedication to transparency, collaboration with stakeholders and adherence to international standards underscores our proactive stance against forced or child labour.

We are proud of the progress we have made and remain steadfast in our mission to uphold ethical practices and foster a safe, respectful, and fair working environment for all.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Full name: Alexander Bryan Dill

Title: President

Date: May 31, 2024

Signature: 

"I have the authority to bind Archroma Canada Corporation."