

Forced Labour in Canadian Supply Chains Act Statement 2024

The information provided herewith applies to MacDermid Performance Solutions Canada, Inc., and affiliated companies in accordance with the relevant policies of Element Solutions Inc as the ultimate parent company. Specific legal entities identified within scope of this statement include the following Element Solutions Inc subsidiaries:

- MacDermid Performance Solutions Canada, Inc.
- MacDermid, Incorporated
- Alpha Assembly Solutions Inc.
- Compugraphics International Limited
- Compugraphics Jena GmbH
- Compugraphics U.S.A. Inc.

Element Solutions Inc and its subsidiaries, including those listed above, (“Element Solutions”) have implemented a comprehensive corporate social responsibility program intended to help us operate within the highest standards of business ethics and in accordance with all applicable laws and regulations. Element Solutions has a zero-tolerance approach to any use of forced or compulsory labor and child labor in the manufacturing of its products and is committed to ensuring its supply chain is free of human rights abuses.

a) Structure and Activities

Element Solutions is a leading global specialty chemicals company whose businesses supply a broad range of solutions that enhance the performance of products people use every day. Through its two business segments, Electronics and Industrial & Specialty, the company formulates and markets dynamic chemistry solutions that are used in several key industries, including consumer electronics, power electronics, semiconductor fabrication, communications and data storage infrastructure, automotive systems, industrial surface finishing, consumer packaging, and offshore energy.

Element Solutions is headquartered in the United States with locations globally, including 67 manufacturing and R&D sites in 18 countries. With direct operations and over 5,300 full-time employees in more than 30 countries, Element Solutions can service customers directly around the world. Business is generated through the efforts of regional sales, technical and service personnel as well as distributors. In addition to regional sales and service staff, we maintain a group of global personnel focused on coordinating sales projects and obtaining design specifications for complex projects involving multiple customers within the manufacturing supply chain.

b) Supply Chain Overview

Element Solutions businesses formulate a broad range of specialty chemicals, which we create by blending raw materials and incorporating them into multi-step technological processes. Our global operations depend upon obtaining adequate supplies of raw materials on a timely basis. Our priority is to diversify suppliers and source materials locally, where possible, or as needed. We typically purchase our major raw materials as needed from outside sources and work closely with these suppliers to help ensure continuity

of supply while maintaining high quality and reliability. Furthermore, we recycle certain raw materials, primarily tin, in our own smelting and refining facility in the U.S. for further use in our manufacturing process. Customers rely on our capability to timely deliver products of constant quality which are integral to their manufacturing processes and overall product performance. The ability to meet these expectations relies on continuous access to multiple sources of raw materials and working closely with our suppliers and contract manufacturers to help ensure continuity of supply while maintaining high quality. Approved or conformant suppliers worldwide may deliver raw materials, semi-finished and finished components, and products.

c) Relevant Policies

Element Solutions has established robust supply chain risk management policies to guide our responsible supply chain practice, including the materials and minerals we purchase for use in our products and the suppliers with whom we choose to partner. These policies apply to all our suppliers around the world and reinforce our commitment to strictly prohibit the use of forced labor, child labor, and human trafficking in our operations and supply chain.

- **Business Conduct & Ethics Policy** – This policy highlights our support and respect for protecting internationally proclaimed human rights. Element Solutions will not tolerate violations of any laws or regulations pertaining to immigration, promoting reasonable wages, hours, benefits, and working conditions, or prohibiting discrimination, forced or compulsory labor, human trafficking, slavery, and child labor.
- **Supplier Code of Conduct** – We expect our suppliers to hold themselves and their suppliers to the same ethical standards as Element Solutions uses for its own operations. This policy reinforces to our suppliers, that they must abide by fair and humane employment practices and uphold the human rights of workers. Suppliers must also treat employees with dignity and respect as understood by the international community. Issues such as human trafficking, slavery, forced or compulsory labor, and child labor are zero-tolerance violations.
- **Anti-Slavery and Human Trafficking Policy** - This policy applies to all persons working for Element Solutions or on our behalf in any capacity. It underscores our attentiveness to ensuring that forced or compulsory labor and child labor are not taking place within our organization or in any of our supply chains.

These policies are available on the [Policies page](#) of Element Solutions' sustainability website.

Element Solutions will not tolerate suppliers found to be in violation of these policies or have been confirmed to be engaged in any unlawful situations and reserves the right to terminate its business relationship with any such supplier.

d) Due Diligence Process

Element Solutions' comprehensive supplier vetting process utilizes industry-leading platforms. This process allows us to preemptively screen and evaluate for any known ethical and compliance risks

associated with counterparties around the world. Using these platforms assists our business units in validating all new and existing supplier relationships by intelligently identifying risk exposure and mitigation throughout our supply chain. This multi-level risk model covers multiple risk domains and is capable of reporting adverse media flagging known human rights abuses, including forced or compulsory labor and child labor. We regularly review suppliers identified in the database using a standardized risk rating system of low, medium, and high levels. Those associated with a high level of risk are subject to additional due diligence and ethical training based on principles outlined in our supply chain risk management policies. If the additional required information requested is not promptly provided, is considered unsatisfactory, or if the training is not completed, we will escalate to the appropriate manager for review and remediation, including but not limited to, discontinuing that particular business relationship.

Furthermore, Element Solutions' broader legal and compliance organization works closely with our supply chain leaders and procurement teams to maintain responsible sourcing due diligence efforts. Together, we periodically conduct supplier audits and may survey the forced or compulsory labor, child labor, and human trafficking compliance programs and policies of new supplier relationships before or during the onboarding process. Additional emphasis is placed on suppliers located in countries that are perceived to have a higher likelihood of potential forced labor issues. Supply chain risk management efforts and challenges are reported to our ESG Committee, which takes an active role in enforcing the execution of our policies and measuring our ESG performance.

Element Solutions' quality organization also monitors the supply base. This also includes auditing suppliers when concerns arise regarding their adherence to certain requirements. For example, if products are not meeting the applicable specifications a detailed audit is performed. During such audits, a supplier's social compliance efforts, including anti-slavery and human trafficking, will be reviewed according to a standardized checklist.

e) Remediation Measures

To date and to our knowledge, Element Solutions has not had to take any actionable measures to remediate any forced or compulsory labor or child labor violation in our supply chain.

f) Training

Element Solutions requires training on our supply chain risk management policies and all relevant employees are trained to ensure a high level of understanding of the risks of forced or compulsory labor, child labor, and human trafficking in the supply chain. Employees and certain suppliers receive this mandatory training using our online training platform. We also provide related training sessions and refreshers on an annual basis. New modules of existing training courses are added where and when necessary. In addition, we offer targeted specialized ethical and compliance training for those employees in certain locations or functions, either online or in person. In 2024, we plan to introduce training sessions to all relevant procurement teams dedicated to responsible sourcing. We use all these training opportunities to create an awareness of forced or compulsory labor and to foster a culture of ethical and compliant behavior throughout Element Solutions and beyond.

g) Effectiveness


We believe Element Solutions' due diligence process outlined is effective. All business partners within our supply chain are regularly reminded of our zero-tolerance approach to forced or child labor through the requirements established during the contracting process (Purchased Orders, Terms & Conditions, etc.). While Element Solutions is continually evaluating and evolving its supply chain best practices, we are satisfied that our suppliers have devoted sufficient attention and resources to the issue of forced or compulsory labor and child labor. This can further be evidenced by our acceptance into the world's largest industry coalition dedicated to responsible business conduct in global supply chains and active membership in both the Responsible Business Alliance (RBA) and the Responsible Minerals Initiative (RMI). Our supply chain and responsible sourcing practices have also been reviewed and validated by numerous third-party auditors certified by the RBA. For the third consecutive year, Element Solutions has earned an EcoVadis Medal, solidifying our position as a leader in sustainable business practices.

Approval and Attestation

This statement is made pursuant to paragraph (4)(b)(ii) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (“Act”) and constitutes our report for the financial year ending 31st December 2023.

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.

I have the authority to bind MacDermid Performance Solutions Canada, Inc., a subsidiary of Element Solutions Inc.

X 

Paramjit Singh
Country Manager, Canada