



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

2023 Joint Report

Synthomer Inc. and Synthomer Adhesive Technologies LLC

The Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) requires certain entities to disclose actions such entity is taking to prevent and reduce the risk that forced labor or child labor are used in its supply chain. This joint report (the “Report”) is provided by Synthomer Inc. (Business Number 866993942) and its wholly-owned subsidiary, Synthomer Adhesive Technologies LLC (Business Number 747047306) (collectively, the “Reporting Entities”) for the financial year ending December 31, 2023. Synthomer Inc. is a corporation existing under the laws of the State of Ohio and Synthomer Adhesive Technologies LLC is a limited liability company existing under the laws of the State of Delaware. The Reporting Entities are wholly-owned subsidiaries of Synthomer plc (“Synthomer”, the “Group”, “we”, or “our”), a public limited company registered in England and Wales with Company Number 98381 and listed on the London Stock Exchange. The most recent annual report of Synthomer plc is available at www.synthomer.com/ir and incorporated by reference as if fully re-written herein. This Report was approved by the Board of Directors of Synthomer Inc. and Synthomer Inc. as the sole member of Synthomer Adhesive Technologies LLC.

We are committed to the highest ethical standards and sustainable business practices. As a speciality chemicals company, we recognise our pivotal role in contributing to a more sustainable future. Our high standards include an absolute commitment to respecting and protecting human rights across our Group operations and supply chain. We recognise that this is an ongoing challenge, and we continue to build on our actions to strengthen, and improve our processes, practices, and policies. As a Group, we continuously work to identify, raise awareness, and prevent forced labor, child labor, modern slavery, and human trafficking.

Reporting Entities Business and Structure

This year we have continued to restructure our business to be more end market focused, more agile, and in a stronger position to deliver value for our customers by harnessing our expertise in sustainability and innovation. We are a world-leading supplier of high-performance speciality chemical products, and our strategy and business structure enables us to harness our focus on sustainability and innovation to serve customers in highly attractive end markets.

Sustainability is one of the critical enablers of our strategy, and our Vision 2030 roadmap sets out how we are delivering on our commitments on environmental, social and governance (ESG) issues. This year we were upgraded from an ‘A’ to a ‘AA’ ESG rating by MSCI, putting us in the top quartile of ESG performance for our sector. Our approach to sustainability is informed by the issues that matter most to our stakeholders and our participation in industry associations (see pages 30 & 33 of our Annual Report). We obtain independent assurance for our ISO management systems and our Scope 1, 2 and 3 greenhouse gas emissions, this helps us benchmark our sustainability practices and highlight opportunities to improve.

Our global headquarters are in London, UK, and, as of the end of 2023, we operated 36 manufacturing sites, four innovation centres of excellence, and eight technology centres. We have no operations in, or sales into, Russia, Belarus or any comprehensively sanctioned country. The Reporting Entities are wholly-owned subsidiaries of Synthomer.

We serve over 6,000 customers worldwide in more than 12 principal end markets including Health & Protection, Coatings, Construction, Carpets, Compounds and Adhesives.



We employ over 4,200 people in highly skilled manufacturing, innovation, and technical support roles to meet the needs of our customers and our stakeholders in a sustainable way.

Reporting Entities' Supply Chains

Our supply chain comprises a diverse range of over 10,000 suppliers and we spent approximately £2 billion with suppliers in 2023 on raw materials, goods, and services. Our primary supply chain geographies are Europe, North America, and Southeast Asia. Approximately 70% of our procurement (major raw materials) is managed centrally and the remainder is managed locally by our sites. The major materials we purchase include petrochemical monomers (styrene, butadiene, butyl acrylate and acrylonitrile), alongside packaging, machinery parts, gas and electricity to run our plants.

We recognise that Synthomer's global operations and geographical presence creates a need for increased attention to address the risk of human rights abuses in its supply chain. In response to this, Synthomer continues to strengthen its compliance and sustainable procurement framework to ensure that there is no forced labor, child labor, slavery, or human trafficking in its supply chain and operations.

Policies and Due Diligence Processes to Prevent and Reduce the Risk of Forced Labor and Child Labor in the Reporting Entities Supply Chains

Synthomer supports and is committed to the UN Sustainable Development Goals ('UN SDGs') and recognises 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 Rights* and are committed to the *UN Guiding Principles on Business and Human Rights (UNGPs)*. We expect our suppliers to comply with all domestic employment legislation. They are also required to follow the *International Labour Organization (ILO)* conventions and protocols and the *United Nations' Universal Declaration of Human Rights*.

The Group takes a global and group wide approach to raising awareness of modern slavery and human trafficking, identifying and addressing potential instances of abuses. Our policies and practices have been developed to support our commitment that no person in our business or supply chain is at risk of exploitation and acts as a starting point for relationships and expectations of our people and third-party partners. These policies, such as our revised Code of Conduct and Supplier Code of Conduct, help us by providing practical guidance and make the right decisions and choices as we perform our daily work at Synthomer. In 2024, we relaunched our Code of Conduct with dedicated guidance to identify, and commit to our prevention of modern slavery and human rights abuse.

Synthomer's [Core Values and Behaviours](#) set out our aspirations and what is expected of our employees and wider stakeholders. Our Core Values are:

- SHE We always have time to work safely
- Accountability We deliver our promises
- Innovation We welcome change & new ideas
- Integrity We act with integrity & show respect
- Teamwork We are stronger as ONE team

We consider these values to be integral to how we operate and to directly support our sustainability aims and objectives. In relation to forced labor and child labor specifically, our values of SHE, Accountability and Integrity are cornerstones of promoting respect for all our employees, for all individuals in the communities in which we operate and for anyone who is affected by our business – we hold everyone in our business accountable for their own and others' behaviour.



The Reporting Entities' Approach to Assessing and Managing Risk of Forced and Child Labor

Synthomer has a wide range of internal policies, standards, and processes in place across the Group to assist in tackling forced labor, child labor, slavery, and human trafficking, including:

- **Code of Conduct** – our Code of Conduct provides guidance to our workforce and helps us all make ethical decisions, protect our reputation, and uphold our values. It applies to all employees and anyone who works with or on behalf of us. We regularly track awareness and understanding of the Code in our employee surveys and monitor our Code of Conduct training completion. In 2023 we revised our Code of Conduct and included a standalone section on Human Rights. Our Code of Conduct states the expectations of our employees and business partners and is set out to raise awareness and prevent forced labor, child labor, and Modern Slavery within our business. Code of Conduct Roadshows will be performed across our sites in 2024 to raise awareness of our expected behaviours and highlight key areas including Human Rights. Additionally, all employees are required to declare their acceptance to the Code of Conduct through our learning management system.
- **Supplier Code of Conduct** – this is applicable across all of our businesses, with established standards on human rights, working conditions, environmental protection and ethical business practices that Synthomer requires its suppliers to meet. This brings together and develops a range of processes 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 onboarding questionnaires to ensure adequate due-diligence is conducted prior to onboarding;
 - Inclusion of General Purchasing Conditions for suppliers;
 - Acceptance of Sustainable Procurement Policy and Strategy;
 - Conducting supplier risk assessments; each year our group wide supplier base is screened using four different risk lenses. These include, spend, sustainability risk, business risk and human rights risk. For human rights risk we use EcoVadis IQ, this allows use to identify and focus proactively on our highest risk suppliers; and
 - We are undertaking Key Supplier Account Management, to proactively manage and work in partnership with key Targeted Suppliers and piloting a Supplier Sustainability Scorecard Questionnaire which will provide a snapshot of a suppliers Sustainability Journey.
- **Onboarding checks for employees.** We have a well-developed process to check potential new employees to the Group, which includes criminal background checks, where required and we are legally able to do so. We also require employees to commit to adhering to our Code of Conduct as part of their onboarding training and conflict of interest declarations during the onboarding phase.
- **Whistleblowing hotline – EthicsPoint** is our independent multi-lingual reporting channel, which allows employees and all stakeholders to raise any concerns or violations of our Code of Conduct, including any potential concerns relating to forced labor, child labor, and Modern Slavery. This is supported by our non-retaliation policy which is on our website: [non-retaliation-policy.pdf \(synthomer.com\)](#). Our Supplier Code of Conduct also mandates that suppliers will have a grievance process in place to enable anonymous reporting of unethical behaviour and suppliers are also able to raise concerns via EthicsPoint. We made our EthicsPoint system available to all suppliers and external parties via our website to report any concerns anonymously. We have also launched an FAQ guidance document in support of our non-retaliation policy to increase transparency in the reporting process. Our Investigations Protocol was revised in 2023 to ensure all reports made are reviewed independently.
- **Due Diligence** of third parties with whom we engage – following our earlier investment in our new

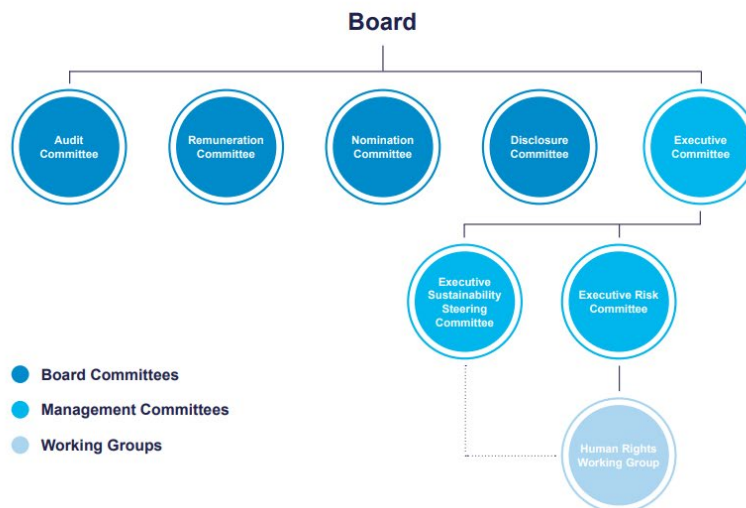
risk management platform (Diligent), which was implemented to help us manage the onboarding, due diligence, and in-life monitoring of our third parties, we have continued our roll out in a phased approach including a successful pilot within our business divisions. Our revised due diligence process gives us greater assurance over the third parties with whom we engage and partner with to ensure we continue to work and partner with those who have the same ethical standards as ours.

- Our **Conflict Minerals Policy 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. Our Conflict Minerals Policy Statement therefore outlines our expectations of our suppliers in this regard, 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 Statement on our website: [Synthomer Conflict Minerals Policy Dec 2021.pdf](#)
- **SHE – Safety, Health and Environment** are at the heart of our Core Values. We have Global SHE Principles across our manufacturing site, laboratory and office translated into local language. The first two Principles are “Look After Yourself” and “Look After Each Other.”
- **Awareness** – in addition to our Roadshows and training we now have a dedicated Modern Slavery resource page on our intranet. We continue to reach out and provide training on site and ensure all our employees are made aware of modern slavery risk and know of the risk factors to look out for, and have made this relevant locally in local languages.

Measures to Remediate Forced Labor or Child Labor and Loss of Income, Training & Assessing Effectiveness

Governance

Modern Slavery Risk Committee



Synthomer’s **Human Rights Working Group** is central to the governance of our Modern Slavery programme, with an agreed remit to develop and oversee initiatives to mitigate Modern Slavery risks across the Synthomer Group. The Group had support from an external Partner, and the Group includes representation from key stakeholders in the business (Group Legal and Compliance, Sustainability, Operations, HR, and Procurement), and is sponsored by the Group’s Chief Legal Counsel & Company Secretary.



Following the launch our first Global Compliance Roadshow in late 2022, we continued these across all our regions, including Europe and the US in 2023. Our roadshows emphasised on several significant Compliance initiatives, including risks relating to Modern Slavery. We kicked off the initiative with a campaign sponsored by the Chair of our Board, with a message to all our people reminding them of the risks of Modern Slavery, our commitment to stopping this serious and hidden crime and encouraging everyone to think about this issue and report any concerns through our Ethicspoint hotline. We are continuing our compliance roadshows as part of our Code of Conduct relaunch across our regions in 2024.

We continue to track training and awareness of our Code of Conduct. In 2023 we provided training and awareness sessions to our suppliers, agents, and distributors, to ensure Modern Slavery vigilance throughout our supply chain. In addition to our existing training, we developed our first Modern Slavery training module to highlight Modern Slavery risks and to raise awareness to all of our employees. Our Modern Slavery training will be rolled out across all our sites, laboratories and offices in 2024. In certain regions where Modern Slavery risks are deemed to be higher, we also provide onsite awareness sessions to provide greater awareness of Modern Slavery risks in roles and regions more relevant.

Each year, a sample of our suppliers are requested to recommit to our Supplier Code of Conduct, which includes making commitments against all forms of unethical labour practices. We are rolling this out to suppliers, prioritising based on a risk assessment of higher-risk geographies and supplier types that warrant priority focus under the Modern Slavery programme. In 2024, we will re-focus our efforts to ensure targeted suppliers agree to our Supplier Code of Conduct or provide clarity that they ensure equivalent standards of behaviour and conduct as mandated by the Synthomer Supplier Code of Conduct. The targeted suppliers will change slightly each year as it is a dynamic risk assessment using our four risk lenses to ensure we target the correct “priority” suppliers. The KPI for 2024 is 100% coverage of the priority suppliers signed up to our Supplier Code of Conduct or equivalent.

During 2022, we applied to join the industry procurement peer group, ‘Together for Sustainability’, and officially joined the group in February 2023. Amongst other benefits, being a part of ‘Together for Sustainability’ gives our Procurement team access to valuable learning resources. During 2023, 80% of our Procurement employees undertook Sustainability. The TfS initiative covers all ESG criteria, including Modern Slavery. We will be able to provide dedicated and targeted training to Procurement staff on the topic of Modern Slavery, so they operate as intelligent and knowledgeable when dealing with our suppliers. We have dedicated auditors who undertake site audits covering ESG criteria. Historically, accredited supplier site audits haven’t been undertaken, so a flight path has been developed and put in place to go from 0 to 15 annual supplier site audits by 2030. The eight site audits for 2024 have been selected by the Human Right Working Group from a list of suppliers that have been flagged from our Supplier Risk Process, taking account of the risk lenses, regions and sectors the suppliers operate within.

Additionally we are committed to conducting our first Modern Slavery Risk Assessment in 2024. The Risk Assessment will focus on our higher risk operational regions and territories identified of being higher risk by our Modern Slavery Risk Heat Map. In 2024 with support from our Legal & Compliance and Internal Audit functions we will conduct a deep dive assessment on our operational practices in Saudi Arabia, Malaysia and China.

In order to drive continual improvement we will assess our current approach to identifying and responding to Modern Slavery and human rights issues against the OECD Due Diligence Guidelines on Responsible Business Conduct, BS25700 Organizational Responses to Modern Slavery, EU Corporate Sustainability Due Diligence Directive (EU CSDDD) and look to revise and strengthen our approach where appropriate.



Attestation

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 entities listed above. Based on my knowledge, and having exercised reasonable due 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.

/s/ Joseph Muska

Joseph Muska
Secretary, Synthomer Inc.
Assistant Secretary, Synthomer Adhesive Technologies LLC
"I have the authority to bind the Reporting Entities"
Dated May 24, 2024