



**IMERYS MINERALS LIMITED, IMERYS ALUMINATES LIMITED, IMERYS PCC UK LIMITED AND CALDERYS NGJ LIMITED**

## **MODERN SLAVERY STATEMENT - APRIL 2021**

The world leader in mineral-based specialties for industry, Imerys delivers high value functional solutions to a great number of sectors, from processing industries to consumer goods and building products.

The Group draws on its knowledge of applications, scientific expertise and technological know-how to offer solutions to beneficiate its mineral resources, produce synthetic minerals and develop formulations. Imerys thus contributes essential properties to customers' products and performance, such as refractoriness, hardness, conductivity, opacity, durability, purity, lightness, filtration, absorption and repellency.

Imerys respects the world in which it operates. The Group is committed to play a role in society, to meet its obligations to the countries and communities within which it does business, and to act as responsible environment stewards and thereby contribute to a long term sustainable development.

### **ENSURE COMPLIANCE TO INTERNATIONAL STANDARDS RELATED TO CHILD FORCED LABOUR**

Imerys supports Human Rights as defined in the Universal Declaration of Human Rights, monitors the risk associated with the Groups swift growth in emerging countries and requires that they are respected in its operations worldwide. The Group also engages its main suppliers on Environmental, Social and Governance (ESG) Standards based on the UN Global Compact 10 principles.

Imerys is fully committed to taking effective measures to end discrimination and to eradicate child labour and forced labour. Compliance with Group protocols on human rights and labour practices, including preventing child labour and enforced labour, is included within due diligence assessment for new projects and within the scope of internal auditing missions for the Group existing activities. Protocols on prohibition of child labour and forced labour have been in place since 2009 and were reviewed and updated in 2017.

### **COMPLIANCE AND BUSINESS ETHICS**

Imerys Code of Business Conduct and Ethics (the Code) summarises the principles of ethical behaviour the Group expects from all of its employees, suppliers, and other partners. The umbrella principles set forth in the Code are supported by a series of policies and protocols applying to both the general conduct of Imerys and the individual conduct of each employee. The subjects covered by the Code include compliance with laws and regulations, protection of environment and human rights, relations with local communities and trade unions, occupational Safety & Health, diversity and inclusion, confidentiality, prevention of

fraud, prevention of corruption, prevention of insider trading and conflicts of interest, protection of the Group's assets, fair competition, transparency and integrity.

The Code is a "living document", regularly reviewed and updated under the supervision of the Ethics Committee, in order to take into account internal and external changes and developments in applicable international regulations. This Code, introduced by the Group CEO, and translated into 23 languages, applies to all Imerys employees, Imerys controlled joint ventures and partners with whom Imerys does business. The Code was updated in 2020 to include additional details on the Group anti-bribery policy.

## **SUPPLIERS' ENGAGEMENT**

Imerys believes that high standards in all environmental, social and governance areas are essential for all of its business operations across the globe. The Group expects its suppliers to adhere to the same principles as elaborated with the Group Code. In 2018, Imerys launched its Supplier Environmental, Social and Governments Standards (Supplier ESG Standards). These Supplier ESG Standards, based on the Group Code and sustainability Charter and aligned with Imerys' SustainAgility ambition, have been translated into 23 languages. The Supplier ESG Standards, which must be acknowledged and complied with, are applicable to all suppliers and form an important part of the Group Purchasing Policy.

## **FAIR OPERATING PRACTICES & RESPONSIBLE SUPPLY CHAIN**

The Group works continuously to strengthen its compliance, duty of care and responsible purchasing programmes. The purpose of these programmes is to identify risks, implement preventative measures and detect non-compliance with local and international rules and regulations related to the fight against corruption and anti competitive behaviours, the respect of international sanctions and embargoes and the protection of data privacy, human rights, health, safety and environment in Group operations around the world as well as within the Group value chain.

The Group compliance programmes are supported by numerous procedures linked with the Code of Business Conduct and Ethics, including but not limited to, the Group Anti-bribery, Antitrust policy, Data Privacy policy, Gifts and Hospitality, Conflict of Interest, Sponsorship and Charitable Donations and Stakeholder Management and Community Relations procedures. All the aforementioned policies as well as other policies and procedures clearly outline the process, reporting and necessary levels of control to ensure compliance with the procedures.

The Group tax policy is fully in line with the best international standards with respect to anti-tax avoidance and tax evasion practices. The Group operates in countries chosen solely for industrial or commercial purposes and does not enter into artificial arrangement for tax planning purposes. It is committed to full compliance with its tax obligations, paying the right amount of tax in the right country at the right time.

Imerys fully supports the principle of open and accountable management of mineral resources. To this effect and in accordance with the provisions of article L.225-103-3 of the French Code of Commerce, Imerys reports on payments greater than or equal to €100,000 made in favour of governmental authorities by Group entities conducting activities in exploration, prospecting, discovery, development or extraction of minerals. The report is filed

with the French Register of Commerce and available on the website of the Company as per the conditions prescribed by the Law.

## **CONTROL MEASURES**

The Group management systems and procedures are articulated through a series of policies, protocols and procedures based upon the ambitions and commitments expressed in The Code and the Sustainability Charter. This framework, covering human rights, health, safety and environment, amongst other themes, defines clear requirements for all Group operations. Implementation of Group policies, protocols and procedures are the responsibility of all business and support Functions.

Based on The Code, Group requirements for all Suppliers are clearly defined within the Supplier ESG Standards. The Group Purchasing policy clearly defines the roles and responsibilities, requirements, reporting and necessary approvals of the purchasing processes. The policy requirements in terms of Supplier Environmental Social and Governance performance are based on the following principles:

### **1. Supplier Environmental, Social and Governance Standards**

The Group is committed to build strong transparent relationships and mutual trust with its Suppliers. All Suppliers must acknowledge and accept to comply with the Supplier ESG Standards. The roll-out of these Standards shall continue over the next few years. In 2021, the purchasing organisation verified over 385 suppliers to ensure the effective cascade of the Supplier ESG Standards across all purchasing categories and geographies.

### **2. Supplier risk identification and assessment**

The assessment of ESG performance of Suppliers starts during Supplier qualification and onboarding. Purchasing teams are responsible for carrying out reasonable controls before considering and accepting a Supplier, including in particular any Supplier that may be classified as higher risk (due to a country or category-related risk classification) during the Supplier onboarding process in order to make sure that Suppliers are able to demonstrate compliance with the Supplier ESG Standards. In 2021, the Group redefined the process to qualify, screen and monitor Suppliers environmental, social and governance performance. The newly revisited process will be rolled out progressively based on risk level and will require all new Suppliers to pass through a series of validations and third-party screening prior to being accepted as Suppliers for the Group. The new onboarding process has been designed to ensure that Suppliers are aware of and commit to comply with the Supplier ESG Standards, but also to support Suppliers development and continuous improvement in ESG performance.

From mid 2020, within the responsible purchasing program the Group launched the deployment of a sustainability rating scheme for Suppliers conducted together with EcoVadis. This comprehensive assessment covers environment, labour and human rights, ethics and sustainable procurement, with customised assessments based on

the size of the company and type of activity. Purchasing teams have the responsibility to contribute to the identification and prioritisation of Suppliers to review within the responsible purchasing program. The role of the program was launched in priority for Suppliers regions and categories that had been assessed as higher risk during the risk mapping process described above. At the end of 2021, 35% of Group Suppliers by spend have been assessed. These assessments cover over 800 suppliers and represent all categories of suppliers, including over 40% of raw material suppliers by spend and over 30% of suppliers within priority countries.

### 3. Risk reduction includes awareness and training.

Awareness of and training on the requirements of the Group Code are provided to help managers and employees to understand and respect the Code. Employees are trained through digital learning courses, as well as through in-class training and internal expert presentations, which ensures the strong protection of all employees through the awareness of ethical issues.

In addition to the aforementioned e-learning, Imerys also punctually conducts training and workshops with the purchasing organisation focused on the UN Guiding Principles on Business and Human Rights and their application within Imerys. The purpose of these workshop sessions is to train the purchasing teams on the fundamental elements of the Guiding Principles, helping them to recognise signs of potential violations and based on their knowledge of the Supplier panel, prioritise the Suppliers where additional risk reduction measures may be required. In 2019, the Group organised dedicated purchasing workshops that included approximately 62% of purchasing teams from across the different geographic areas. Unfortunately additional training could not be held in 2021 as a result of Covid-19 restrictions, thus a new digital course developed by UN Global Compact Academy focusing on “How Procurement Decisions can Advance Decent Work in Supply Chains” was made available in the Learning Hub.

The Supplier assessments conducted through EcoVadis likewise support risk management and reduction as the assessment results provide a detailed view on the specific areas where improvements are needed.

### 4. Supplier ESG audits

While Imerys is fully committed to support Supplier development and continuous improvement, Suppliers must be able to demonstrate that they can meet the minimum ESG criteria and where any gaps are identified, through formal or informal assessments or audits, Suppliers must be willing to develop a corrective action plan within an agreed timeframe.

Imerys verifies alignment to the Supplier ESG Standards through the use of Supplier self-declaration, self-assessments, and assessments by Imerys teams as appropriate to the situation. In designated high-risk countries third-party audits may be conducted. The Group developed an ESG Supplier assessment checklist to monitor the existing Supplier's operations and identify their performance according to the Group's Environmental Social Governance Standards.

For example, in India, the Group has focused on raw material suppliers, launching a Strategic Supplier Relationship (SSR) project aimed at improving operations of a set of strategic Suppliers. The project started with a study to categorise the suppliers based on the needs and resources for the strategic relationship of the Group. Based on the categorisation criteria, critical suppliers have been selected to implement necessary strategic projects such as reducing the raw material consumption, increasing recycling, providing additional safety training and improving the work conditions of employees. The Group has likewise conducted a series of inspections and audits of other raw material suppliers in specific regions to verify compliance with the Group ESG Standards and develop improvement plans where gaps have been identified.

The Group focuses in particular on assessments and audits of Suppliers ranked as “high risk” based on the Group risk mapping and evaluation process described above. In specific cases the Group may conduct additional due diligence or specialised external third-party audits prior to or after contract award.

## **ALERT MECHANISM**

Enabling stakeholders, internal and external, to safely voice concerns and having the infrastructure and support in place to hear and deal with those concerns is a cornerstone of good governance and is the core of Imerys’ Code. The Group’s ‘Speak up!’ system enables reporting via internal channels, be it via the employee’s manager, HR, or other functions, or directly via a dedicated digital platform at [www.speak-up.imerys.com](http://www.speak-up.imerys.com). The Group digital alerts system, operated by an independent qualified third party and open to all employees and external parties enables the reporting of any suspected violations of the Group Code. Reports can be made either by telephone or via the Speak up! platform. Both telephone and web platform reporting are available in all main Imerys languages 24 hours per day, seven days per week. This platform safeguards confidentiality throughout the entire process.

Based on the facts presented in all preliminary reports, the Group assigns an investigative team of trained, in-house professionals in the relevant fields to conduct the investigation. The investigative team collects and reviews documents, conducts interviews, inspects locations and performs any other tasks necessary to come to a conclusion about the allegations in the report. Imerys encourages its employees and stakeholders to share any information believed to represent a threat to the ethical conduct of its business. Communication and awareness raising campaigns are conducted to ensure information on Speak up! is well known and the information is visible externally on the Group Website. Accordingly, Imerys and its employees shall take no action in retaliation against any person for making a good faith report or participating in an investigation under the alert system policy. For more information on the Group Alert mechanism Speak up!, see [www.imerys.com](http://www.imerys.com).

Imerys’ Ethics Committee, chaired by the Group General Counsel with the Antitrust & Compliance General Counsel acting as Secretary, has the principal mission to validate the Group Compliance program, including specific annual objectives and priorities. The Ethics Committee receives statistics on the alert system and establishes a periodic assessment of the reported cases in a Compliance Report that is presented to the Audit Committee.

## **MONITORING AND EVALUATION OF THE EFFECTIVENESS OF CONTROL MEASURES**

In 2021, 21 cases of suspected violations of the Group Code were reported through Speak up! Five of these cases were reported by external stakeholders. The reported cases were thoroughly reviewed and investigated as per the Group policy. Following investigation, only four of the reported cases were confirmed to be cases of violations of the Group Code. The confirmed violations related to suspicions of fraud, safety, moral harassment, and a case of non-compliance with internal policies. Once the reported cases are confirmed, appropriate remedial actions are defined, implemented and are monitored by the Internal Audit and Control department.

Every year, the Group Internal Control function conducts Internal Control Self-Assessment (ICSA) campaigns. These campaigns are conducted in order to identify any key missing controls and define action plans where any missing internal controls are identified. In 2021, the ICSA campaigns focused on the integration of newly acquired entities to ensure that Group control requirements were properly deployed as per Imerys requirements.

During the risk assessment workshops annually, workshop participants review the mitigation effectiveness of existing control measures for each of the human rights, health, safety and environmental risk scenarios. The consolidated review of internal mitigation effectiveness assessed the level of current control as “adequate” for nearly all scenarios and in some cases “requires minor improvements”. For scenarios where minor improvements are required, specific actions have been identified and are monitored by the Ethics Committee as well as by the functional teams responsible for each action.

The verification of compliance with the Group Code and other Group policies and protocols is conducted through different internal assessment processes at both local and Group level. Such processes are led by different functions within the Group organisation, including but not limited to Legal, Sustainability, Health and Safety, Mining and Resources Planning and Internal Control.

Statement approved by the Board of Directors of Imerys Minerals Limited

Imerys Minerals Limited - financial year ended on 31st December 2021