

Modern Slavery Act transparency statement

Introduction

This statement is made in accordance with our obligations under the UK Modern Slavery Act 2015 and sets out the steps we have taken during the 2017 financial year to prevent modern slavery in our business and supply chain.¹

Our business and supply chain overview

Elementis is a global specialty chemicals company that delivers Enhanced Performance Through Applied Innovation. Harnessing our expertise in high performing ingredients to refine and improve stability and flow, we enhance our customers' product performance. We operate across 4 business segments: Personal Care, Coatings, Chromium and Energy.

The Company has a premium listing in the UK and on the London Stock Exchange and is a member of the FTSE 250 and FTSE4Good indices. Group revenue in 2017 was \$830.3 million (total operations both continuing and discontinued).

We employ 1,600 people

Over 4,900 suppliers

Customers in over 100 countries

Our policies

The approach guiding our policies, in relation to modern slavery and ethical behaviour, stem from:

- The statements in the Universal Declaration of Human Rights
- The International Labor Organization's Declaration on Fundamental Principles and Rights at Work
- The principles of the UN Global Compact

Our compliance steering committee oversees all levels of ethical behaviour and training including modern slavery. Our key policies relating to modern slavery include:

Code of conduct ('Code')

Our Code was refreshed in 2017 and sets out the core values that is expected of everyone who works at Elementis. The Code aims to create an environment where employees respect and trust each other and where there is protection from discrimination, harassment or unsafe practices. During the year, we included our position on modern slavery in the Code.

Speak up

The Code provides a number of mechanisms to report violations of the Code, including those relating to modern slavery. One of these mechanisms is 'Alertline' a 24-hour phone reporting service. During 2017, we carried out an internal campaign to increase employees' awareness of Alertline. We are committed to protecting employees when disclosing malpractice and all concerns made in good faith are treated appropriately.

Purchasing code of practice

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.

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.

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 assess and audit our key, major and large 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. On a three yearly basis we require our high risk suppliers to self-certify that they follow our policies and standards on international labour laws. We will be asking our suppliers to self-certify against these policies later in 2018.

Supplier agreements – during the year we updated our purchase order terms and conditions provided to all our direct suppliers, requiring compliance with international labour laws that seek to prohibit slavery and human trafficking.

Integration of acquisition – in 2017, we acquired SummitReheis and we have integrated SummitReheis' suppliers onto our purchasing systems and aligned them with our policies.

Employees

Direct employees – we employ approximately 1,600 individuals in line with local legislation. Wages are paid electronically directly to employees' bank accounts. We do not employ anyone unless the individual has provided the correct right to work evidence which is collected as part of the 'new hire' process.

Agency staff – in terms of indirect labour, we have service level agreements in place with agencies, which obliges them to comply with all regulations and laws applicable to the terms of the agreement, including those relating to anti-slavery and forced labour.

Training and awareness

In 2017, online training on modern slavery and human trafficking in the workplace was rolled out to our executive leadership team, management, manufacturing and sales roles. We aim to roll out additional training to the rest of our people during 2018.

Commitment

We are committed to working to prevent modern slavery of any kind 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.

This statement was approved by the Board of Directors on 20 June 2018 and signed by Paul Waterman.



Paul Waterman, CEO
20 June 2018