



MODERN SLAVERY TRANSPARENCY STATEMENT 2021

INTRODUCTION

This is the Modern Slavery Transparency Statement of Element Materials Technology Group Limited and all other relevant group companies (Element or the Group) for the financial year ended 31 December 2021. This statement is made pursuant to section 54 of the Modern Slavery Act 2015 (the Act). (1)

The Act creates offences in respect of slavery, servitude, forced or compulsory labour and human trafficking (Modern Slavery). Element is committed to combatting all forms of Modern Slavery.

ABOUT ELEMENT AND SUPPLY CHAINS

Element is one of the world's leading laboratory-based testing companies. Originally formed from the in-house materials testing and product testing laboratories of the Netherlands-based Stork Engineering Group, Element can trace its testing pedigree back to 1827. Element itself was formed in 2010, following a management buyout from Stork Engineering Group. Through acquisitions and organic growth, Element has significantly extended its technical capability, operational capacity and geographic footprint. This supports our strategy to satisfy our client's future testing requirements and our mission to become the world's most trusted testing partner.

The Group specializes in providing a comprehensive range of materials testing, product qualification testing, inspection, consultancy and certification services. Element is headquartered in the UK with around 7,000 employees, operating from around 200 sites located in more than 30 countries throughout the world. Element operates 7 business units within two regions (the Americas and Europe, Middle East, Asia, Australia & Africa (EMEAA)) providing its services to advanced industrial end markets including in the Aerospace; Fire & Building Products; Energy; Connected Technologies; Life Sciences; and Transportation & Industrials sectors. Most of our services are carried out in Element's laboratories, however some inspections and audits are also performed at clients' sites.

Element is committed to conducting its business in a socially responsible manner, respecting the needs of its customers, employees, investors and other stakeholders. Many of our customers and other stakeholders carry out Modern Slavery and other social and governance due diligence on their own supply chains. We respond to their requests for information in relation to the steps we take to mitigate the risks of Modern Slavery in our own business and supply chain. The Group's reputation, together with the trust and confidence of those stakeholders, is one of its most valuable assets and Element strives to maintain the highest ethical standards in all its business activities.

Element provides technically demanding services and skilled people and excellent processes are key to its success. Element recognizes however that Modern Slavery is an issue that could affect its business and its supply chain. For example, Element's key supplies include laboratory equipment, clothing and personal protective equipment and there is a recognized risk of Modern Slavery impacting these supply chains.

(1) This statement sets out the steps taken by Element Materials Technology Group Limited and Warringtonfire Testing and Certification Limited both of which 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.



TIC COUNCIL AND ESG RATING

Our Purpose at Element is “Making tomorrow safer than today”. Environmental, Social and Governance (ESG) responsibility are core to how we bring this purpose to life. At Element, we believe that the TIC industry can play a significant, and meaningful, role in leading the way in environmental sustainability, in partnership with customers around the world.

Element is a member of the TIC Council, an international association representing independent testing, inspection and certification companies, and must abide by the TIC Council’s Compliance Code. Element is committed to meeting the obligations that are laid down by the TIC Council and our Compliance Programme reflects the requirements of the TIC Council Compliance Code, including one of the core principles on fair labour. Element has a Compliance Committee with responsibility for oversight of compliance matters including in relation to Modern Slavery.

Recognised as industry leader by [Sustainalytics](#), a global leader in ESG research and rating, Element has the highest rating of any major TIC player. What’s more, we are in the top 200 of the almost 15,000 companies rated by Sustainalytics.

RELEVANT POLICIES AND PROCEDURES

■ Modern Slavery Policy

Element has a zero tolerance approach to Modern Slavery and the following principles apply to Element’s business and its supply chain: (i) child labour must not be used; (ii) any form of forced or compulsory labour must not be used. Workers must be free to leave employment or work after reasonable notice; (iii) passports, visas and other personal documentation should not be taken from employees unless requested to be held by the employee for safekeeping purposes (and, if held for safekeeping purposes, they should be returned to the employee on request); (iv) all forms of debt bondage are prohibited. Workers should not be subject to contracts that tie them into repaying a loan (other than small loans to cover items such as transport costs), excessive accommodation expenses or other costs that they have no or little opportunity to repay; (v) compensation and benefits must comply with local laws relating to minimum wages, overtime hours and other benefits; and (vi) the formation of trade unions and powers of collective bargaining should be respected. The Modern Slavery Policy is available at <https://www.element.com/about-element/modern-slavery-act>.

■ Independent third-party whistleblowing hotline

An independent third-party whistleblowing hotline is available to Element employees. The hotline can be used to report any ethical, integrity or compliance issue including human rights violations such as Modern Slavery. All reports are notified immediately to the Chief People Officer and/or Group General Counsel who ensure that reports are followed up and appropriate actions are taken. The Audit Committee is provided with details of reports made and reviews how those reports are handled.

■ Element Code of Conduct

Element has established a wide range of policies, procedures and guidelines which set out how we operate - what is expected of our people, and what they can expect from Element in return. They are regularly updated and routinely communicated to colleagues. The principal policies, procedures and guidelines have been brought together in an overarching Code of Conduct, which reflects our commitment to conducting business with honesty and integrity wherever we operate. In 2021, members of the Leadership Team were required to complete online training supporting the Element Code of Conduct. Click [here](#) to read the Element Code of Conduct.

■ Supplier Code of Conduct

A Supplier Code of Conduct sets out details of the behaviours and principles Element expects its suppliers to follow including in respect of ethics and integrity, compliance with laws, anti-bribery and corruption, hospitality and gifts, fraud prevention, fair competition, health and safety and environmental matters and human rights and slavery. This is available at <https://www.element.com/about-element/modern-slavery-act>.



DUE DILIGENCE OF SUPPLY CHAIN AND SUPPLIERS

Element has Group-wide procurement policies in place and undertakes due diligence when evaluating certain new suppliers. Many new suppliers onboarded by the shared service centres and procurement team are now considered from a Modern Slavery perspective prior to being engaged. A large proportion of new suppliers onboarded by the shared service centres and procurement team are provided with and are required to comply with Element's Modern Slavery Policy and Supplier Code of Conduct. Element has not detected any violations of the Act within the Group's supply chains to date.

CONTRACTUAL TERMS

Element's Standard Terms of Purchase are used in the United Kingdom, the United States, Canada, China, Germany, India, Japan, Oman, Qatar, Saudi Arabia, Singapore, South Korea, Sweden and the UAE (covering its main shared service centres) and include requirements in respect of Modern Slavery.

ASSESSMENT OF MODERN SLAVERY RISK WITH OUR SUPPLY CHAIN

In 2020, Element carried out a Group-wide Modern Slavery risk assessment of higher risk suppliers including those providing cleaning services and temporary labour. Personnel from Element's procurement, Internal Audit and legal teams were involved in the exercise. The risk assessment focused on higher risk jurisdictions and also considered Element's wider supply chain.

TRAINING AND EMPLOYEE ENGAGEMENT

In 2021, members of the Procurement Teams attended a classroom based training covering modern slavery. The training was provided by Pinsons Masons LLP, a law firm.

In 2021, Element carried out a Your Voice Colleague Survey and a Your Voice pulse survey as part of its continuous colleague listening strategy. Willis Towers Watson, an independent firm, was responsible for collecting and analyzing the responses to the surveys and feeding back summary results to Element's leadership. The Your Voice surveys asked Element's employees for their opinions about a range of topics, such as: day-to-day work, diversity & inclusion, safety aspects and what it's like to work at Element. The responses, combined with others helped management to understand what is important to Element's employees, what's working well, and what can be improved to make Element an even better place to work.

NEXT STEPS

During the 2022 financial year, Modern Slavery risks and anti-slavery measures will continue to be reviewed and developed. Element will also review its Supplier Code of Conduct. The Regional Procurement Teams will continue to enhance the due diligence carried out on Element's supply chain. The Group will also continue to rationalize its supply chain, allowing increased governance of preferred suppliers.

This statement was approved by the Board of Element Materials Technology Group Limited on 28 April 2022 and by the Board of Warringtonfire Testing and Certification Limited on 12 May 2022.

A stylized, handwritten signature in black ink, consisting of a large, sweeping loop.

Joseph Wetz

Chief Executive Officer

Element Materials Technology Group Limited

A handwritten signature in black ink, appearing to read "Matthew Hopkinson".

Matthew Hopkinson

Director

Warringtonfire Testing and Certification Limited