

# ELEMENTIS

A global specialty chemicals company

**PAUL WATERMAN**  
Chief Executive Officer

To our Stakeholders:

The year 2020 has been unprecedented with the global impact of the COVID-19 pandemic across many communities and businesses. Now, more than ever, there is more importance placed on our commitment and support for the collective work of the United Nations Global Compact.

In the face of incredible challenges, our colleagues continued to be focused on making progress in the areas that really matter – our impact on the environment, our people, our communities and how we do business the right way. This is due to our strong company values, strategic priorities and organizational culture.

The work that has been accomplished in 2020 will impact our communities for years to come. I am especially proud to highlight Elementis Global LLC's progress in this year's 'Communication on Progress' and am looking forward to continued steps forward in the coming year.

Sincerely,



Paul Waterman  
CEO

**Elementis**

469 Old Trenton Road  
East Windsor  
NJ 08512, USA

## HUMAN RIGHTS

### Commitment

As a responsible global corporation, we have robust policies and compliance standards in place to ensure fair practices across the globe through our supply chain in every part of the world. Built upon a culture of strong values, our organization has committed through our Code of Conduct to respect all human rights through our own business practices as well as suppliers, distributors, customers and business partners.

Our approach to human rights issues are guided by international conventions and standards, including the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights as well as the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the latter being freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation. We prohibit the use of child and forced labour and are committed to the principles of freedom of association, equality of treatment and non-discrimination.

### Implementation

- We prohibit the use of child and forced labour and such practices from our supply chain.
- We comply with and communicate UK and US anti-slavery laws in our supply chain and have implemented those policies across all countries in which we operate. This is done via signed paperwork where Elementis is the buyer.
- Our Board of Directors annually approve our Modern Slavery transparency statement which is made publicly available on our corporate website and describes the steps that the Company has taken to prevent modern slavery and human trafficking in our business and supply chain.
- We will terminate our agreement with any supplier that is in breach of international labor laws and standards.

### Measurement

- Over 700 hours of Slavery and Human trafficking in Supply Chains training and over 700 hours of Anti-bribery and corruption training in 2020 has been completed by our employees.
- We undertake ongoing risk assessments and due diligence processes to monitor compliance with our supply chain partners. All our contracts where Elementis is the buyer include human rights clauses which our suppliers are requested to adhere to.
- 9.5% of our employees are union members and 20% are subject to collective bargaining agreements. The total voluntary attrition rate in 2020 was 7.9%. There were no human rights grievances made against the Company during the year.

## LABOUR

### Commitment

We believe in a culture driven by strong values and an environment that promotes safety, accountability and high performance. Each individual is valued and given the chance to fully contribute and make a difference. We recognize and appreciate diversity of view and including employees across the organization in providing input and feedback into initiatives that advance our organization's strategy.

### Implementation

Our culture built upon strong values and our Code of Conduct sets out the standards expected from everyone who works at Elementis starting from the board to across the organization. We provide the tools and support to empower our employees to grow and thrive.

- Updated and publicized our Board Diversity policy and appointed a designated non-executive director for workforce engagement
- Launched volunteering program where employees can receive an additional day of paid time-off to volunteer in their local communities
- Launched our Diversity, Equity and Inclusion Council and developed a multi year strategy to embed diversity, equity and inclusion into the Elementis culture. The Council's objective is to attract, develop and retain a diverse and talented team that will enable Elementis to respond to the business challenges of the future. In 2020, specific initiatives included ; global Women in Leadership events, dashboards to track progress with DEI metrics (ethnicity, race and gender), DEI training for employees, regional DEI champions and employee resource groups, review of our policy and processes and facilities.
- Ensure the company complies with labor codes and practices through training and use of Equality and Diversity policies
- Launched LinkedIn learning to support employees' professional and personal growth – over 600 activated users within 6 months of launch.
- Reinforced safe work practices for employees and contractors through a new safety campaign that engages each and every employee in safety excellence and working towards zero injuries.
- Implemented robust safety and behavioral training across the entire organization.
- Executed several HSE audits at our facilities even in the midst of a pandemic.
- Implemented action planning and communicated change initiatives based on employee engagement survey. We continue to obtain input, create conversations, and drive improvement in work environment, culture and engagement of employees.
- Trainings for sexual harassment and diversity and inclusion were conducted across the organization

## Measurement

- Senior management at Elementis have participated in the UN Global Compact UK working group for Diversity and Inclusion
- Improved our EcoVadis Corporate Social Responsibility scoring putting us in the top 10% of over 2000 companies in our sector (EcoVadis includes a section on Labour), overall Elementis achieved a Silver rating for 2020
- Safety statistics and measurements are presented every quarter both internally and externally
- Engagement survey scores are on a rolling basis and formally reviewed every six months and benchmarked against global organisations
- A Global review of gender pay is conducted every two years with the review findings and any subsequent actions disclosed in our Annual Report. The review was conducted for 2020 and no major findings were noted.

During the COVID-19 pandemic, employee wellbeing has been a key priority and a set of principles was developed to provide guaranteed income and social benefits in line with local regulations to demonstrate our commitment to employees in respect of pay, benefits and furlough mandatory leave/temporary unemployment or reduced hours

- To provide insight and track progress on Diversity we measure and review a variety of statistics at the Executive Team Level which include:
  - overall company gender split
  - salaried gender split
  - hourly gender split
  - gender split by function
  - US employees by race / ethnicity
  - gender split of new hires by ELT member
  - race/ethnicity of new hires US

## ENVIRONMENT

### Commitment

Elementis is driven with the purpose to achieve sustainable progress. While we have made great strides in adopting more environmentally conscious programs, our work is not done. Our commitment by 2030 is to reduce greenhouse gas emissions by 25%, increase energy efficiency by 20%, reduce water usage by 10% and reduce waste by 10%. We have formalized our efforts to achieve these ambitious sustainability targets working towards carbon neutrality. Through a focus on Innovation, Efficiency and People we will make meaningful change for a better, more sustainable tomorrow.

### Implementation

- ❑ 54% of our product sales in 2020 were Natural (ISO 16128)
- ❑ We have launched an executive management committee to oversee environmental sustainability and drive science-based metrics for continuous improvement (Elementis Sustainability Council).
- ❑ Invested over \$19m in HSE (including maintenance) related capex in 2020
- ❑ Measured our manufacturing and carbon intensity ratios and used this data to drive improvements in operations that impact waste, water, energy and GHG.
- ❑ Elementis annually reports environmental performance and Green House Gas (GHG) emissions in our Annual Report and through the Carbon Disclosure Project (CDP).
- ❑ Implemented a sustainability index for products that compares attributes against a more environmentally friendly feature
- ❑ Increased our offering of products that are COSMOS certified

### Measurement

- ❑ Improved our EcoVadis Corporate Social Responsibility scoring putting us in the top 10% for 2020 of over 2000 companies in our sector (EcoVadis includes a section on Environment)
- ❑ 2020 is considered a year of preparation for climate related financial disclosures (TCFD)
- ❑ We disclose our environmental, social and governance performance through the CDP climate change programme. CDP scoring has resulted in a C for 2020 which is the global average.
- ❑ Developed and made public our commitment to water stewardship
- ❑ Elementis has had no Tier 2 or 3 environmental incidents in 2020
- ❑ Reduced our Scope 1+2 GHG emissions from 2019 by over 25000MT CO<sub>2</sub>e

## ANTI-CORRUPTION

The global nature of Elementis' operations means that the Group is subject to a wide range of legislation and regulation, including anti-bribery legislation, that we take seriously and comply with in all countries we operate in. Built upon strong values, our culture promotes the highest standards of ethics and compliance. We have a zero tolerance policy for corruption and bribery anywhere in our organization or with our business partners.

### Implementation

- Elementis has an active compliance and risk management function, supported by the Elementis Compliance Team to oversee policies, procedures and training
- Every employee commits to our Code of Conduct which includes robust and clear anti-corruption policies.
- All employees are required to complete annual online and in-person training on anti-corruption, bribery and ethical business practices, as well as Model Code of Conduct for 3rd Party Suppliers and Global Financial Fraud Prevention
- A 24-hour anonymous multi-lingual phone and online reporting service is available to report concerns supported by comprehensive whistleblowing procedures and an anti-retaliation policy. Employees may also raise concerns to their line managers or through the HR department. We are committed to protecting employees when disclosing malpractice and all concerns made in good faith are treated appropriately.

### Measurement

- In 2020, there were a total of 6 speak up reports (2019: 4). All of these reports were investigated fully and closed during the year. We regard the increase in reports as a positive sign that our employees have greater awareness and understanding of the values and policies.
- Conducted required training of certain personnel in specific job functions regarding policies and regulations on the following:

Course/Subject	% Completed
Giving and Receiving Gifts	95%
Data Protection/GDPR/CCPA	96%
Anti Bribery & Corruption	97%
Slavery and Human Trafficking in Supply Chains	96%
Creating a Harassment Free Workplace (US/ELT)	90%
Competitive Intelligence/Trade Secrets	100%