



Modern Slavery Policy & Statement



Modern Slavery Policy & Statement

Introduction

Karex Group, with high ethical business standards, acknowledges that slavery, servitude, forced labor and human trafficking is a global phenomenon and growing issue affecting men, women and children of all ages and across the population in every region of the world. The Company does not in any way tolerate nor contribute to Modern Slavery of any kind within their operations and supply chains. We identify appropriate steps to be taken to ensure that employees, contractors and suppliers understand the Company's commitments to human and labor rights.

Definition

Forms of modern slavery:

Forced labor – any work or services which people are forced to do against their will under the threat of some form of punishment.

Debt bondage or bonded labor – when people borrow money they cannot repay and are required to work to pay off the debt, then losing control over the conditions of both their employment and the debt.

Human trafficking – involves transporting, recruiting or harboring people for the purpose of exploitation, using violence, threats or coercion.

Descent-based slavery – where people are born into slavery because their ancestors were captured and enslaved; they remain in slavery by descent.

Child Slavery – occurs when a child is exploited for someone else's gain. It can include child trafficking, child soldiers, child marriage and child domestic slavery.

Forced and early marriage - when someone is married against their will and cannot leave the marriage. Most child marriages can be considered slavery.

Company approach and principles

We are also committed to ensuring there is transparency in our business and operations and in our approach to tackling modern slavery throughout our supply chain. We expect the same high standards from all of our contractors, suppliers and other business partners. As part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labor, or anyone held in slavery or servitude and we expect that our suppliers will hold their own suppliers to the same high standards.

This policy applies to all persons working for us or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, agents, contractors, external consultants, third-party representatives and business partners.

We do not accept any form of discrimination, harassment or bullying within Karex or its supply chain. Hence, we require all of our managers and leaders to implement processes designed to ensure equality of opportunity and inclusion for all employees as well as for individuals employed in our supply chain. Being aware of the extremely complex nature of modern slavery, we continue to emphasize the importance of collaboration and learning from others, by engaging with human rights NGOs.

In regards to forced labor, human trafficking and child labor, in the conduct of its business, Karex:

- Will not employ children that fall into the definition as stipulated by ILO Convention, notwithstanding any national law or local regulation;
- Will comply with all other applicable child labor laws, including those related to wages, hours worked, overtime and working conditions;
- The company does not provide employment to children before they have reached the legal age to have completed their compulsory education, as defined by the relevant authorities;

- Expects its business partners and associates to have and uphold similar standards and abide by country-governing laws in countries wherein they operate. Should violation of these Principles become known to Karex and not be remediated, we will take serious action, including discontinuation of the business relationship;
- Develop a remediation plan that secures the children's education and protects their economic well-being, in consultation with Karex and where possible a local NGO, and in consultation with and respecting the views of the child;
- It is the responsibility of the local management and Human Resource Department to implement and ensure compliance with this policy at all Karex operations and facilities;
- Seek advice and help from a recognized local non-governmental organization that deals with child labor or the welfare of children.

Risk Assessment

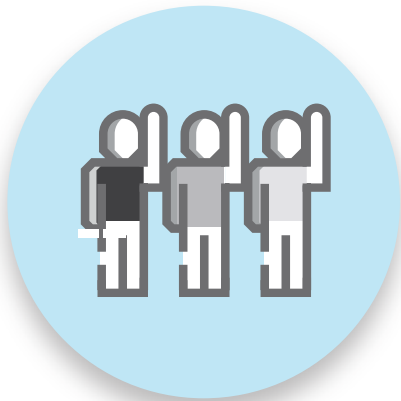
The Company implemented due diligence process which covers the identification of potential human rights issues, the mitigation actions and monitoring in relation to both our operations and our supply chains. Modern slavery and human rights risks are included within the Company's Risk Management Framework which is both top down and bottom up, ensuring that we identify, review and escalate, where appropriate, any risks arising from our business activities.

The Business Leaders and Senior Management are responsible for Karex's risk management and internal control systems and for reviewing their effectiveness. While responsibility for overseeing these processes rests with the Audit and Risk Committee, Karex as a whole is informed of outcomes and all relevant issues. Implement the following measures:

- Regular risk assessments within markets and corporate office support functions to assess progress with risk management strategies.
- Identify and assess potential risk areas when considering taking on new suppliers and regularly review our existing supply chains.
- Review the potential for risk at regular intervals, including the possibility of re-auditing a supplier or conducting spot checks.
- Protect whistle blowers.
- The suppliers to develop and implement appropriate internal business processes to ensure compliance with the company's supplier pre-assessment process.
- If a supplier fails to uphold any aspect of the requirements of the supplier pre-assessment process and guidelines, the supplier is expected to implement corrective actions.
- Introduce contractual provisions for our suppliers to confirm their adherence to this policy and accept our right to audit their activities and (where practicable) relationships, both routinely and at times of reasonable suspicion.



Actions to report Modern Slavery or Human Trafficking



Internal

Employees are encouraged to raise any concerns about suspected modern slavery associated with the Group or our suppliers and should do this through their managers or business leaders.



External

We aim to encourage openness and support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. We are committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith their suspicion that modern slavery of whatever form is or may be taking place in any part of our own business or in any of our supply chains. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with raising a concern. Karex will accept and take serious concern when communicated anonymously as well.

Breaches of this policy

- If an issue is identified with the supplier, we will work with them to prepare a corrective action plan and resolve all violations within an agreed upon time period.
- We reserve the right to terminate our relationship with individuals and organizations in our supply chain if they breach this policy.

Communication and Awareness of this policy

Our zero-tolerance approach to modern slavery must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and reinforced as appropriate thereafter.

We provide training to all employees to maintain awareness and ensure a high level of understanding of the risks of modern slavery and human trafficking.

