

# Modern Slavery Act statement 2022

## Introduction

Our approach to addressing modern slavery is part of our broader human rights agenda which seeks to support the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

Since 2021, human rights are listed as one of Elkem's material topics and reported on accordingly. Hereunder, we prioritise securing our workers' right to a safe working space, environmentally and socially. In 2021, Elkem had zero confirmed incidents of child labour or forced or compulsory labour in own operations.

In the Elkem-spirit of continuous improvements, we are taking steps to strengthen our framework to safeguard human rights. In 2021 we established a cross-functional Human Rights Working Group with representatives from Compliance, EHS, ESG Office, HR, Supply Chain, and the labour unions. In 2022, we will conduct a company-wide human rights risk- and impact assessment (HRIA) with support from external experts. Based on the HRIA, we will identify Elkem's human rights priorities and launch a human rights action plan.

## About Elkem

Elkem is one of the world's leading companies for environmentally responsible production of materials. Our principal products are silicon, silicones, ferrosilicon, foundry alloys, carbon materials and microsilica. The company has three business areas and about 7076 employees across the world, with a large presence in Norway, France, and China. Elkem ASA is headquartered in Oslo, Norway. As we do business in the UK the Modern Slavery Act (2015) applies to Elkem.

## Our business areas

**Elkem Silicones** is one of the world's leaders in integrated silicone manufacturing, with R&D laboratories, production sites and sales offices located in Europe, North America, Latin America and Asia Pacific.

**Elkem Silicon Products** is one of the world's leading suppliers of metallurgical silicon, ferrosilicon, foundry alloys, microsilica and related specialty products. Elkem Silicon Products deliver special products to customers in the chemical, solar, electronics, aluminium, construction, refractory, steel, cast iron and oilfield industries worldwide.

**Elkem Carbon** is a world-leading supplier of carbon electrode materials, lining materials and specialty carbon products to metallurgical processes for the production of ferroalloys, base metals and primary aluminium. Elkem Carbon serves the metallurgical smelting and primary aluminium industries from its operations in Norway, South Africa, Brazil, China, and Malaysia, complemented by a global sales network.

For more detailed information of our business, we refer to [www.elkem.com](http://www.elkem.com) and our annual reports and sustainability reports.

## Our supply chain

As Elkem has production facilities worldwide, it also has substantial procurement activities in many different countries, including countries with challenges in respect to human rights and worker's rights. Elkem's main procurement categories are raw materials, indirect procurement (goods and services to facilitate production) and logistics.

Below, we describe the steps Elkem has taken to ensure that slavery and human trafficking does not occur within our own organisation or supply chain.

## Responsibilities

**Elkem's board of directors** approve governing documents for responsible business conduct.

**Elkem's CEO** is the formal owner of Elkem's policy and program for responsible business conduct.

**Elkem's ESG steering committee** is responsible for defining the policy and principles for responsible business conduct, and overall implementation of the principles. The ESG steering committee is led by the CFO and responsible for Elkem's annual sustainability / ESG reporting.

**Each location** is responsible for conducting its business in accordance with Elkem's policies for responsible business conduct.

**Elkem's corporate supply chain organisation** supports business operations and ensures compliance by reviewing and approving new suppliers' responsible business conduct, and routine evaluation of existing suppliers.

## Policies and requirements

Respect for human rights, including the prohibition of forced labour and slavery, is subject to key policy documents that apply group wide. Elkem is signatory to UN Global Compact.

**Elkem's code of conduct** anchors our commitment to conduct our business in accordance with the Universal Declaration and conventions on Human Rights.

**Elkem's general policy** underlines the importance of running the company in line with internationally recognized UN and ILO conventions on human rights and worker's rights. In the general policy we also acknowledge the responsibility to influence our suppliers and business partners as far as reasonably possible.

**Elkem's human rights policy** describes Elkem's fundament on human and workers' rights. The policy commits the company to avoid complicity in human rights abuses, and to respect, protect and promote human rights throughout the company's operations. It is developed in accordance with key international standards such as the UN Universal Declaration of Human Rights. It is a guiding tool in how the organisation relate to our employees, contractors, suppliers, partners, and communities affected by our business activities.

**Elkem's policy for environmental, social and governance (ESG)** describe Elkem's key principles for corporate sustainability, allocate responsibilities and outline the key activities the company implements to ensure sustainable operations with reference to relevant governing documents and tools for implementation.

### **Elkem's requirements to joint venture or long-term contract partners**

Partners are defined as joint venture or long-term contract partners for the development/supply of products/services. Even where Elkem is not managing partner, partnership agreements shall contain clear obligations to comply with Elkem's Policy for ESG and include provisions to follow this up through reporting and auditing. The partnership agreements shall also include provisions to terminate the collaboration if serious discrepancies are identified and not corrected within a reasonable amount of time.

### **Agents and distributors**

Any agreement initiated between Elkem and a distributor or agent must include provisions to ensure that any business done by the distributor or agent with Elkem products is in accordance with Elkem's Policy for ESG.

### **Elkem code of conduct for business partners**

In 2019, Elkem launched the code of conduct for Elkem's business partners ("the business partner code"). The business partner code sets out Elkem's expectations of our suppliers and other third parties with regards to ethics, labour rights and social and environmental issues. We require all new suppliers and third parties to endorse the business partner code and maintain their commitment throughout the relationship. The business partner code is considered an integral part of any agreement that regulates the relationship between Elkem and a supplier or a third party. The business partner code will be subject to a revision and update in 2022.

### **Follow-up on requirements**

Social responsibility and ethics are included as topics in Elkem's internal audit program. Auditing of all major production locations is done by corporate EHS minimum every other year. The EHS audits include several material ESG topics. Observed /identified internal discrepancies/deviations are documented and resolved with necessary actions within a reasonable amount of time.

The procurement function is responsible for carrying out pre-qualification and risk assessments of suppliers based on corporate requirements within environment, health and safety, social responsibility, anti-corruption and compliance with laws and regulations. In 2021 a new contract lifecycle management system went live. In 2022 Elkem plans to implement a new supplier relation management system and process for supplier prequalification, including strengthening the processes for ensuring responsible business conduct in the supply chain.

All new suppliers of raw materials are screened against environmental and social criteria aligned with the expectations of the GRI framework. For high-risk suppliers, additional integrity due diligence assessments are performed. The new system will enable a more unified process for screening and vetting of suppliers across all divisions and jurisdictions, tracking and monitoring suppliers' compliance throughout the contract lifecycle, as well as identifying and managing supplier risk.

Regular audits are performed by plant personnel or corporate personnel, focusing on suppliers that are associated with high risk. Elkem is also using external partners to perform audits on our behalf. Historically, Elkem has conducted audits on 100% of new raw material suppliers. Due to limitations resulting from the global pandemic we have not been able to keep this level in 2021. The target is to get back on a high level when the restrictions are lifted.

Elkem has developed detailed requirements for high-risk suppliers and contractors regarding health, safety, and environmental standards for operations like mining, transportation, storage, and loading, and is actively involved in the promotion and monitoring of safe and decent working conditions. This includes health and safety training and providing correct personal protection equipment for suppliers' employees when necessary. Age control to prevent child labour and ensure responsible working conditions for young employees is also carried out. Elkem requires suppliers and contractors to engage their employees with written contracts on fair terms, and to give them information about their right to organise and collectively bargain with management where this is legally possible.

Elkem's requirements are regularly discussed in meetings with suppliers. High-risk suppliers must demonstrate their understanding of legal requirements and hazards in their operations and present plans showing how risk will be eliminated or controlled while working for Elkem. Elkem performs audits and inspections, both in connection with routine visits for quality, technical and business follow-up, and as unannounced site visits. External auditors also conduct supplier audits on Elkem's behalf.

Violations of Elkem's requirements are registered and addressed with verbal or written warnings in addition to requests for improvements when necessary. Repeated violations may lead to requirements for speedy implementation of improvement plans, financial penalties, or termination of contracts with immediate effect.

### **Risk evaluation**

Elkem considers the production of its main raw materials in certain countries to be associated with risk for violation of Elkem's principles for responsible business conduct, including prohibition of slavery and

forced labour. Sourcing of raw materials from these areas is therefore subject to special requirements. Elkem cooperates with NGOs and academia to secure good understanding of environmental, social, and human rights challenges related to sourcing and production in these countries.

## Training and education

All Elkem employees are required to understand and sign Elkem's Code of Conduct. The Compliance department facilitates annual Code of Conduct eLearning for all employees. Each location is responsible for its own implementation and documentation of training with support from the corporate HR and Compliance department.

Elkem recognises that respecting human rights begins with understanding what human rights are and how our business activities may impact them. That is why we also launched a new human rights eLearning in 2021. The eLearning will be promoted to the wider Elkem organisation in 2022.

*This statement has been approved by Elkem ASA's board of directors.  
The board has delegated authority to sign the statement to Elkem ASA's CEO.*

Helge Aasen  
CEO Elkem ASA  
March 2022