

Archroma report on child labor due diligence in our supply chain 2024

Archroma's position on child labour and forced labour, and alignment to various regulations, including the Swiss Code of Obligations, UK Modern Slavery Act, Australian Modern Slavery Act, as well as the US California Transparency in Supply Chain Act, besides others. This report covers Archromas fiscal year 2024 (FY2024), from October 1, 2023 to September 30, 2024, which aligns with its financial reporting cycle. Archroma's Sustainability Reports follow a yearly cycle.

Company, Activities and Supply Chain

Archroma is a global, diversified provider of specialty chemicals serving the branded and performance textiles, packaging and paper, and coatings, adhesives, and sealants markets. Archroma is headquartered in Switzerland.

Steps to prevent and reduce risks of forced labour and child labour

We regard the upholding of human rights as a core corporate responsibility and a guiding principle that underpins every facet of our operations. At every juncture of conducting business, regardless of location, we prioritize the utmost respect for human rights. Moreover, we hold our business partners to the same standard, expecting nothing less than a steadfast commitment to respecting human rights in all their endeavors.

Archroma adheres to the ten principles of the United Nations Global Compact (UNGC) in its business practices, for the purpose of this report our focus specific to human rights and labour:

- Principle 1: Business should support and respect the protection of internationally proclaimed human rights.*
- Principle 2: Make sure that they are not complicit in human rights abuses.*
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.*
- Principle 4: The elimination of all forms of forced and compulsory labour.*
- Principle 5: The effective abolition of child labour.*
- Principle 6: The elimination of discrimination in respect of employment and occupation.*



Policies, Governance and Due Diligence

Archroma does not tolerate the use of child or forced labor, slavery or human trafficking in any of our facilities, operations or supply chain. We fully support and comply with the 1948 United Nations Universal Declaration of Human Rights. Likewise, Archroma fully supports and complies with international sanctions regulations worldwide, including those from the United Nations, the USA, Switzerland and the European Union.

Our principles on these topics are set out in our [Archroma Code of Conduct](#), the [Supplier Code of Conduct](#) and the [Archroma Human Rights Policy](#). We reserve the right to discontinue business relationships with any individual or company that does not follow the same standards. We require our supply partners to support the Supplier Code of Conduct, which incorporates our commitment to conduct business free of slavery and human trafficking risks.

Archroma has a [Whistleblowing Policy and a Whistleblowing Hotline](#) operated 24/7/365 that allows the anonymous reporting of any ethical violations of our Code of Conduct or the law. Violations of the Code may be reported by employees, customers or suppliers. All reporters may remain anonymous if they choose. Archroma has a strict non-retaliation policy to encourage reporting. We require our supply partners to support the Supplier Code of Conduct, which incorporates our commitment to conduct business free of slavery and human trafficking risks.

We do not practise or tolerate any form of child exploitation, and we do not provide employment to children before they have completed their compulsory education, and in any event, not before they reach the age of 15. This applies to employment within Archroma, and we expect the same from partners and suppliers with whom we work. Where we observe young workers engaged in business activities, but not legally qualifying as child labour, we still work towards training and education with the aim of ensuring that they are always protected and that their right to education is not infringed.



Similarly, we do not practise or tolerate any form of exploitation or forced or compulsory labour including prison labour, indentured labour, bonded labour, slave labour or any form of human trafficking.

Governance and accountability

Overall accountability for ensuring we uphold human rights commitments lies with our Chief Executive Officer, supported by our Group Sustainability Council. Internal management roles are responsible for governing the implementation of the mandatory relevant global policies and procedures.

Stakeholder engagement

Human rights is not a subject that we can address alone, and we work with governments, non-governmental organisations, employees, suppliers, customers, communities and all other relevant stakeholders. Suppliers are a particular focus and we help them adhere to our principles through our Code of Conduct and Supplier Code of Conduct, our Archroma Sustainability Sourcing Assessment (ASSR), our Human Rights Policy and our procurement interventions such as vendor quality management, grievance mechanisms and dedicated trainings on topics such as child labour.

Supply Chain

At Archroma, we rigorously monitor the sustainability performance of all our suppliers through the Archroma Supplier Sustainability Rating (ASSR). This comprehensive rating system draws upon various inputs, including EcoVadis assessments, TFS audits, ISO certificates, and other reliable sources. New suppliers must furnish existing sustainability performance data as a prerequisite for the ASSR rating, with a requirement for conducting a sustainability assessment if no such data is available. All suppliers are provided with a “Supplier Code of Conduct Form”, this is to be signed by the supplier. Once received, this is added to their profile. We hold all our suppliers accountable for executing corrective action plans to address identified improvement areas highlighted during their assessment. Regular monitoring of approved vendors via the ASSR rating ensures ongoing compliance. Our commitment to ethical business practices, human rights, labour standards, and anti-corruption is



underscored by our continuous communication and collaboration with suppliers, this allows us to act against forced labour and child labour. Qualitative screening is conducted for all suppliers, and non-compliant entities face exclusion from further business dealings until demonstrable improvements are made. Archroma strictly refrains from engaging with suppliers from regions associated with high-risk unfair labour practices, such as child labour or forced labour.

During the reporting period, we are pleased to report no instances of non-compliance with forced labour and child labour laws and regulations. In FY2024, 95% of Archroma's direct supplier spend was assessed through the ASSR. More than 77% of this direct supplier spend was rated "good" or "outstanding". Less than 1% of this spend received an unsatisfactory assessment, requiring corrective action plans to be set up and implemented within an agreed time frame. Target results for FY2024 are based on FY2023 spend, not on the number of suppliers.

In addition to continuous engagement regarding the improvement roadmap, Archroma provides additional supplier training to support these vendors. In addition to ongoing engagement for improvement, we provide supplementary training to support our suppliers, facilitated by a dedicated full-time Sustainable Sourcing Manager who guides both our procurement team and suppliers. The ASSR forms an integral component of monthly reviews with Archroma's procurement organization, complemented by individual follow-up meetings to ensure target achievement.

Assessing and mitigating risks of child labor

Our supply chain risk management system for Tier 1 suppliers

We enable risk visibility and monitor compliance across the whole supply base with EcoVadis IQPlus. Furthermore, we assess and engage direct and indirect Tier 1 suppliers, through our ASSR system.

We screen all suppliers for negative media coverage on human and labor rights risks through the EcoVadis IQPlus 360° Watch Findings, including child labor. We investigate any suppliers with negative media coverage to understand the potential issue and determine whether corrective action needs to be taken.

In addition, we rank all suppliers on child labor, forced labor and human trafficking and modern slavery risk (critical, strategic or moderate) through



an automated tool based on three factors: country, industry and company-risk of suppliers provided by our third-party provider. In 2024, as part of our risk management plan, we screened approximately 2100 direct suppliers and 10200 indirect suppliers for labor rights risks including child labor. Of these, 8 direct and 10 indirect suppliers were classified as critical risk. Risk mitigation measures and Corrective Action Plans are currently being implemented through our ASSR system (e.g. procedures, trainings, equipment). To date, we have not identified an actual case of child labor in our direct supply chain.

Supply chain traceability system

Names and addresses of all our Tier 1 suppliers, as well as the commodity category of the goods or services they provide, are documented systematically on both our risk management and procurement systems. We keep records of our monitoring activities, assessments and completed IQPlus risk assessment as part of our ASSR process.

Whistleblowing

At Archroma, we uphold a whistleblowing policy that facilitates anonymous reporting of any suspected violations of our Code of Conduct or the law. Our commitment to integrity and transparency is underscored by an open culture where individuals feel empowered to seek guidance or raise concerns, with the assurance that reports will be handled professionally and transparently. We ensure a retaliation-free environment for those who come forward in good faith to ask questions or report violations.

It is the responsibility of all employees and associated persons to take reasonable steps to ensure compliance with this policy. According to our Code of Conduct and Whistleblower Policy, employees are obligated to promptly disclose any knowledge or suspicion of bribery related to the company's business. We encourage employees and third parties to confidentially report any incidents or concerns regarding compliance at Archroma, contrary to our Code of Conduct or the law, through the Archroma Whistleblowing Portal.

This platform, powered by Convercent, a trusted provider of 24/7/365 reporting systems, provides a secure space for individuals to speak up. Whistleblowers can submit reports via phone or in writing in their native language. Reports are promptly and discreetly forwarded to our Group



Compliance Officer for review and appropriate action, with the option for the whistleblower to request follow-up after submission. While anonymity is respected, we encourage individuals to disclose their identity for a more thorough investigation. The mechanism to report is available via our Portal, toll free hotline number, website direct link and a convercent entry page.

Training

For all Archroma employees there is an annual mandatory training requirement. Accessibility is within our online system, recorded and details policies with focus on Code of Ethics and Conduct, which details child labour within our Human Rights section. Upon successful completion the employee is provided with a certificate of completion.

Transparency and reporting

Our Code of Conduct, Human Rights Policy and Supplier Code of Conduct are all publicly available on our [website](#). We provide regular updates on our sustainable sourcing activities in our annual [Sustainability Report](#).