

MODERN SLAVERY ACT TRANSPARENCY STATEMENT

INTRODUCTION

This statement is made in accordance with section 54 of the Modern Slavery Act 2015 and sets out the measures Thomas Swan & Co. Ltd. has taken to ensure compliance with the above Act.

Thomas Swan & Co. Ltd. is committed to ensuring that all its business operations are free from involvement with slavery or human trafficking. With sustainability firmly embedded in our company's culture and strategy, we strive to continually improve in this important area.

THOMAS SWAN COMPANY VISION AND STRATEGY

Our Purpose

To inspire and deliver creative and sustainable chemistry.

Our Vision

To become a medium-sized, pioneering, globally recognised, sustainable manufacturer of speciality chemicals.

Our Mission

We will invest in sustainable, innovative technologies and practices, our people and operational excellence to deliver growth in strategically targeted markets together with exceptional customer service.

Our Values

Integrity

We always strive to do the right thing

Teamwork

We are more successful by working together

Respect

We treat everyone with respect

Innovation

We have the courage to pursue new ideas

Excellence

We strive for excellence in everything we do

Ownership

We take the initiative

Strategic Priorities

Business Development

Sustainability

Excellence Through Continuous Improvement

People Development

COMPANY STRUCTURE AND BUSINESS OPERATIONS

Founded in 1926, Thomas Swan & Co. Ltd. is a UK-based independent manufacturer of performance and speciality chemicals. The company turned over £38 million in 2021/22, has approximately 160 employees and is organised into three divisions: Performance Chemicals, Custom Manufacture and Green Feather Innovations. The company's products are sold into the following global market sectors: tyres and rubber, personal care and hygiene, inks and coatings and speciality chemicals.

SUPPLY CHAINS

Offices in the UK, USA and China allow the company to reach a global market. Supply chain and logistics are mostly managed centrally from the UK, with the majority of supplies sourced from Europe.

In keeping with the company's commitment to sustainability, Thomas Swan has continued its appointment with EcoVadis to independently assess the company's performance in this area. The company achieved gold status in 2023 with a score of 77%. Although only 1% lower than the score achieved in 2022, this meant that the award was gold rather than platinum. Whilst disappointing, gold is still an impressive achievement for a medium sized company like Thomas Swan. This award places Thomas Swan in the top 2% of similar companies assessed by EcoVadis.

During 2022/23, Thomas Swan further expanded its use of EcoVadis to assess the sustainability performance of its supply chain in order to encourage its suppliers to adopt more sustainable practices. This uses a points-based system to score suppliers that have an EcoVadis award (i.e. platinum, gold, silver or bronze). All hauliers and suppliers of raw materials and packaging to Thomas Swan were asked to join EcoVadis, if they had not already done so, and connect with us to make their sustainable procurement performance visible to Thomas Swan. A total of 41 of the 71 companies contacted cooperated with this request.

In addition to this, Thomas Swan also subscribes to Sedex to provide a further assessment of the company's sustainability performance. The Sedex system provides more focus on labour practices and human rights than EcoVadis.

Furthermore, our Sustainable Procurement Policy was updated in 2023 and shared with all our suppliers. Our Supplier Code of Conduct document was also updated and sent out to all of our suppliers for signing.

OUR POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

Thomas Swan operates in accordance with strong values, as shown above. These values, such as 'Integrity', are built into the culture of the company and drive us to ensure that our supply chain is free from any instances of slavery or human trafficking.

Policies already in place include the following:

- Modern Slavery Policy
- Anti-Corruption and Bribery Policy
- Fair Competition Policy
- The ETI (Ethical Trading Initiative) Policy
- Equal Opportunities Policy
- Sustainable Procurement Policy
- Labour and Human Rights Policy (new for 2023).

The new Labour and Human Rights policy outlines the company's standards for child labour, forced labour, working conditions, freedom of association, health and safety, diversity / equality and harsh or inhumane treatment. The company takes a 'zero tolerance' approach in these areas.

DUE DILIGENCE

The company carries out an annual sustainability audit as part of the due diligence process.

Raw Materials

An assessment of current procurement patterns shows that around 80-84% of raw materials are sourced from the UK or the EU. Buying patterns have remained relatively stable over the last 2 years, However, it can be seen from the data in the table below that the proportion of raw materials purchased from within UK has increased whilst the quantity purchased from India has reduced by half since 2020.

Sourced from	2020	2021	2022
UK	56%	58%	60%
EU	24%	24%	24%
China	14%	14%	13%
India	6%	4%	3%

Key suppliers to Thomas Swan are audited to assess their compliance with our requirements, including those in China and India. This enables the company to trade with these particular suppliers with confidence.

The company's ongoing investment in the EcoVadis sustainable procurement platform should help secure further improvements in our supply chain. This system will help us to ensure our suppliers are aware of slavery and human trafficking in their own supply chains and drive improvements where necessary.

The Sustainable Procurement Maturity Review carried out by EcoVadis in 2021 helped the company make improvements to its sustainable procurement performance. A further Maturity Review is to be conducted during 2023.

Products

Data compiled and published by the Walk Free Foundationⁱ was used to assess the potential impact of Thomas Swan products in terms of modern slavery. The Walk Free Foundation used their data to produce an overall rating for each country based on the prevalence of modern slavery, the vulnerability of those involved and the government response. In 2022, 92.9% of company products were sold in group A or B countries (down slightly from 93.4% in 2021). Thomas Swan sold no products into the countries in either of the lowest two categories, C or D.

In addition to this, only 16.7% of the tonnage produced by Thomas Swan was marketed in non-OECD countries in 2022 (a slight decrease from 18.4% in 2021).

Identification of a risk of slavery or human trafficking in the supply chain

No instances of slavery or human trafficking are known in our supply chain. If any arise from the assessment currently under way by EcoVadis, these will be investigated and handled appropriately at the time with a zero-tolerance approach.

MEASURING THE EFFECTIVENESS OF SYSTEMS IN PLACE

The company's annual sustainability audit will include an assessment of the effectiveness of the EcoVadis system in detecting potential slavery or human trafficking.

The EcoVadis supplier CSR assessment covers Labour and Human Rights as one of the four key themes in its methodology. This evaluates policies and actions implemented by suppliers to enforce compliance with internationally recognised human rights standards and frameworks related to slavery and human trafficking. Suppliers provide information regarding their policies and actions through sector specific questionnaires, which cover human rights due diligence and certification schemes used to verify that products are manufactured under fair labour practices.

EcoVadis questionnaires also ask suppliers to disclose information about their sustainable procurement selection criteria, third party audits and supplier capacity building, thus providing buyers with higher visibility of their upstream suppliers' efforts to prevent slavery and human trafficking.

The EcoVadis scorecard will identify when companies get a low score on the Labour & Human Rights theme. If corrective actions are not implemented, proportionate actions will be considered against those suppliers on an individual basis. In the case of very low scores or if the supplier is unwilling to engage in improvements, termination of the commercial relationship may result.

TRAINING

Training on ethical subjects is to be expanded during 2023 to include the following:

- Anti-bribery and corruption
- Fair competition
- Unconscious bias
- Equity, diversity and inclusion.

The Modern Slavery Policy has been publicised and made available to all employees.

APPROVAL

This Modern Slavery Act Transparency Statement was approved by the Chemical Business Board of Thomas Swan & Co. Ltd. and signed by the Chief Executive Officer, Mr. Harry Swan.



Harry Swan
CEO

28th September 2023

ⁱ Global Slavery Index 2018 Dataset, Walk Free, available from: www.globalslaveryindex.org . Data used with the permission of the Walk Free Foundation and in accordance with their terms of their Terms and Conditions.