

2023 Modern Slavery Report



1. Introduction

This report is a joint report (the "**Report**") produced by NCH Corporation ("**NCH Corp**"), the controlling entity on behalf of itself and NCH Canada Inc. ("**NCH Canada**"), a subsidiary, (collectively "**NCH**", or the "**Corporation**" or "**our**" or "**we**"). This report is for the fiscal year ending December 31, 2023 (the "**Reporting Period**") and sets out the steps taken to prevent and reduce the risk that forced labour or child labour is used in any step of the production of goods in Canada or elsewhere or of goods imported into Canada by the Corporation.

This Report constitutes the first Report prepared by NCH Corp pursuant to Canada's new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**"). While NCH does not report under any similar reporting regimes, NCH (UK) Limited is a reporting entity under the UK *Modern Slavery Act* of 2015.

NCH has a zero-tolerance approach to child and forced labour. At NCH, we are committed to acting ethically and with integrity in all our business dealings and relationships and strive to prevent and reduce the risk of child and forced labour in our business or supply chains.

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

We consider the respect of human rights to be a fundamental corporate responsibility and a value governing all our activities. We have global operations and are committed to partnering with responsible suppliers who promote human rights and ethical business practices. At NCH we do not tolerate forced labour or child labour within our organization, and we place the highest importance on respecting human rights while conducting our business everywhere we operate. We expect the same of our partners, suppliers and vendors.

During the Reporting Period, NCH internally conducted a preliminary assessment of our risk profile by engaging with select stakeholders that have knowledge of the potential risks of forced and child labour within our global supply chain.

3. Structure, activities and supply chains

NCH Corp is incorporated under US law in Delaware. NCH Corp is a 105-year-old, privately held chemical, industrial maintenance and water treatment company headquartered in Irving, Texas. NCH Corp is the ultimate parent company of a global business with over 6,000 employees in 56 countries and is divided into four regions – North American Chemicals (North America and Canada, our largest and most profitable region), Europe, Asia Pacific and Latin America. NCH Corp operates its business through subsidiaries in these regions, one of which is NCH Canada.¹

NCH Canada is incorporated under the *Canada Business Corporations Act* and maintains an office in Montreal, Quebec and operates a plant in Brampton, Ontario. NCH Canada has five core business groups - Certified, Chem-Aqua, Chemsearch, Pure Solve and Danco/LSP. These business units engage in the sale of chemicals, lubricants, aerosols, water treatment, biologicals, facilities engineering, plumbing products and services.

In Canada, NCH's products are manufactured in Brampton, Ontario, and in the United States, they are manufactured in Irving and Greenville, Texas, Indianapolis, Indiana, and Macon, Georgia. Operations in those facilities manufacture lubricants, water treatment, and industrial maintenance chemicals along with the equipment used in their applications. We are a "business to business" or "B2B" business with no direct sales to individual customers. Many members of our sales force are commissioned employees who engage in direct face to face interactions with prospective customers. If a sale is generated, products are delivered to customers by NCH Corp or NCH Canada.

Marketing of NCH's products are provided both through the local NCH Canada office in Brampton, Ontario and the corporate headquarter office in Irving, Texas. Sales of NCH Corp's products are done through various offices of NCH Corp, or NCH Canada.

NCH's global supply chain consists of product suppliers, providing raw petroleum products, materials and additives such as greases, lubricants, chemicals, aerosols, probiotics, plumbing supplies and water treatment. We provide chemicals, components, items and systems required to manufacture and support water treatment technology that are secured from suppliers around the world and vary from product to product. Most of these materials, components and systems are provided by suppliers with which NCH Corp has long-term contracts.

As part of our business, NCH strives to maintain long-term relationships with major direct and indirect suppliers for the delivery of materials, systems, components to build and deliver chemicals, water treatment and support customers with related services. NCH operates distribution facilities in the US and Canada. NCH also has 15 other supplier locations throughout the world which are independently run and operated by third parties. Within its supply chain, NCH has built relationships with suppliers worldwide in production,

¹ Of NCH Corp's subsidiaries, NCH Canada is the only "entity" as defined by the Act.

indirect goods, services and aftermarket. NCH currently does business with approximately 1,500 product suppliers located in 30 countries.

4. Policies, Governance and Due Diligence processes

4.1 Human Rights Statement

In furtherance of NCH's commitment to upholding human rights our Human Rights Policy and Corporate Modern Slavery & Human Trafficking Policy and Combating Trafficking in Persons Compliance Program, reiterates NCH's global position to not use child or forced labour. In support of this commitment, we expect all employees at all levels, as well as our business partners, to act accordingly.

An excerpt from our policies is set out below with a link to access the full text:

[Human Rights Policy:](#)

NCH is committed to respecting the dignity of all people and communities and has entrenched human rights in all aspects of our business. We believe all of our Associates and Business partners around the world deserve to be treated with dignity and respect and we all have a responsibility, both individually and corporately, to bring this policy to fruition.... NCH respects and adheres to recognized human rights standards and we expect our business partners, including suppliers, to adapt to similar values.

[Corporate Modern Slavery & Human Trafficking Policy and Combating Trafficking in Persons Compliance Program:](#)

NCH is fully committed to complying with all applicable labour and employment laws, rules and regulations and is working diligently to mitigate the risk of human trafficking in our business and supply chains....NCH is opposed to all forms of human trafficking activities to include slavery, servitude, forced or compulsory labour.

4.2 Global Code of Conduct (the "Code")

NCH's Corporation [Global Code of Conduct](#) applies at all times, without exception, to all members of the Board of Directors, all of management and all employees at every level throughout the global business, in every country and from every NCH legal entity.

The Code addresses ethical conduct in our work environment, business practices and relationships with external stakeholders. The principles set out in the Code reflect NCH's belief that honesty and integrity foster a positive work environment that strengthens the confidence of all stakeholder. The Code details the standards of behavior expected from everyone to whom it applies in their daily activities and in dealings with others. It also outlines the key responsibilities of NCH leaders who are to provide a model of high standards of ethical conduct and to create a work environment reflecting both the content and the spirit of the Code. Our Code requires us to uphold our core values and our standards of behavior.

Section 11 of the Code addresses "Procurement" and notes that:

NCH believes in doing business with suppliers that are committed to ethical behavior. Suppliers may not bribe anyone or engage in any other corrupt behavior. Suppliers must follow applicable local and international laws and have workplace standards and business practices that are consistent with applicable legal, ethical, reputable standards and practices.

We believe that following applicable local and internal laws includes a restriction on forced labour and child labour in supply chains.

Section 12.5 of the Code discusses “Human Trafficking” and states that:

Any involvement in Human trafficking is prohibited by NCH. NCH is committed to complying with international labour standards and requires all of its business partners, including manufacturers, suppliers and vendors to comply with those standards. We will not use forced or exploited labour or servitude, whether in the form of prison labour, indentured labour, bonded labour or otherwise. Similarly, NCH and any of its suppliers, manufacturers or vendors will not knowingly use or employ individuals below the age of 16, except if allowed by local law and such exception is consistent with the guidelines of the International Labour Organization (ILO). When transacting with manufacturers, suppliers and vendors, NCH reserves the right to verify, investigate and evaluate their compliance with various laws and their ability to meet product standards and in the event of noncompliance, NCH may terminate the contractual relationships. NCH requires that any and all activity inconsistent with the policy prohibiting trafficking in persons and using forced labour be reported by e-mail, at compliance@nch.com, or nchcorp.ethicspoint.com or calling 833-785-6271 in Canada.

This section addresses any form of human trafficking and allows us to evaluate our suppliers and vendors regarding their compliance with all laws, including those related to forced labour and child labour.

4.3 Reporting and Non-Retaliation

Should employees have concerns regarding any possible violation of the Code, they have the ability to report their suspicions. NCH provides multiple channels for them to report any concerns and suspected violations, on a confidential basis or not, such as reporting:

- To colleagues, including managers, human resources representatives, legal department, or the next level of management;
- To NCH's Compliance Office, by mail or phone, open to both employees and suppliers and to supervisors within NCH's procurement supply chain, at the respective plants, sites or offices; or
- Via compliance@nch.com or nchcorp.ethicspoint.com, our free and confidential hotlines/helplines available to all employees and third parties 24 hours a day, seven days a week, anywhere in the world, accessed by phone or online.

5. Assessing and managing our risk

We use a risk-based approach to assess and manage our risk of forced labour and child labour. Our approach helps us prioritize our efforts and adjust our actions as necessary. We are in the chemical, industrial maintenance and water treatment business and from our internal assessment thus far, and a review of publicly available information, we consider our risk of child and forced labour to be low in the highly technical and regulated industry in which we operate.

With respect to our business operations, NCH considers the risk of child and forced labour occurring within our operations to be low considering our workforce and our policies and procedures that govern our employment relationships. In addition, from a geographical risk perspective, our employees are located in [Canada](#) and the [United States](#) only, which have a low prevalence of child and forced labour, low risk of

vulnerability to child and forced labour and fairly robust governmental responses addressing child and forced labour.²

6. Remediation Measures

Our reporting and Global Code of Conduct and its non-retaliation policy offers a reporting mechanism for our employees and suppliers to report ethical or legal violations, among other concerns.

As of the date of this Report, NCH is not aware of any instances of child or forced labour in our operations or supply chains during the Reporting Period. Accordingly, no steps were required to remediate child or forced labour, or the loss of income associated with remediation efforts.

7. Training

NCH's employees receive regular tailored training on ethical topics and company policies as part of our Core 5 course. The Global Code of Conduct/Ethics has a section that relates to Human Trafficking and Child Labour. The Core 5 Course is taken annually by all employees and requires a passing score. All new employees are assigned a mandatory onboarding training package that includes the taking and passing of the Core 5 test.

8. Assessing Effectiveness

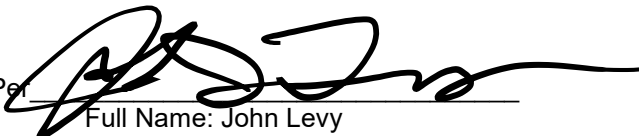
NCH's Global Code of Conduct, Human Rights Policy, and Corporate Modern Slavery & Human Trafficking Policy and Combating Trafficking in Persons Compliance Program reiterate NCH's global position to not use child or forced labour. While we have not yet taken any actions to assess the effectiveness of those policies with respect to preventing and reducing the risk of child and forced labour, as we continue to evaluate our compliance measures in place that are designed to prevent and reduce the risk of child and forced labour, we intend to consider, where appropriate, implementing measures to assess the effectiveness of any of our processes.

9. Approval and Attestation

This Report was approved pursuant to subparagraph section 11(4)(b)(ii) of the Act by the Board of Directors of NCH Corp.

In accordance with the requirements of the Act, and in particular section 11 thereof, I, the undersigned, attest that I have reviewed the information contained in this report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind NCH Corporation and NCH Canada.

Per 

Full Name: John Levy
Title: Co-owner and CEO
Date: June 28, 2024

² Walk Free, Global Slavery Index 2023, found [here](#).