Modern Slavery Act Statement

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.

In our sustainability report for 2019, we report on child labour and forced or compulsory labour according to the GRI Standard (indicators 408-1 and 409-1). In 2019, Elkem had zero recorded incidents of child labor or forced or compulsory labor in operations or in the supply chain.

As we grow and enter into new and challenging markets, we see the need to take on a more systematic approach to human rights. In 2020, we will develop a human rights due diligence tool in line with the UN Guiding Principles on Business and Human Rights (UNGPs). This will include impact assessments to identify actual and potential adverse impacts in the countries where we operate, both in our own operations and in our supply chain.

Building on this work, we will update our Human Rights Policy, launch a human rights training program and develop a compliance monitoring program on human rights. We are also committed to updating our impact assessment on a regular basis, or whenever external factors or Elkem’s operations require it, for instance where we enter new markets, develop new products or acquire new business entities.

1. 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 four business areas and about 6370 employees across the world, with a large presence in Norway, France and China. Elkem AS is headquartered in Oslo, Norway. As we do business in the UK the new Modern Slavery Act (2015) applies to Elkem.

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 Silicon Materials is one of the world’s leading suppliers of metallurgical silicon and microsilica. Elkem Silicon Materials delivers special products to customers in the chemical, solar, electronics, aluminium, construction, refractory and oilfield industries worldwide.

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 Foundry Products is the leading metal treatment solution provider to the cast iron industry and a supplier of high quality special ferrosilicon to the steel industry. The products, supported by Elkem Foundry Products’ experienced technical service teams, provide innovative solutions for iron foundries and steel mills worldwide.

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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 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 (quartz and carbon containing materials like coal, coke and bio-carbon), indirect procurement (goods and services to facilitate production) and logistics.

Elkem has taken the following steps to ensure that slavery and human trafficking does not occur within our organisation or supply chain:

2. Responsibilities

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

Elkem’s Board of directors: Governing documents for responsible business conduct are subject to board approval.

Elkem’s CSR Steering Committee is responsible for defining the policy and principles for social responsibility and overall implementation of the principles, including supplier follow-up. The CSR steering committee is also responsible for Elkem’s yearly sustainability/CSR reporting.

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

Elkem’s Corporate Supply Chain organization supports business operations and ensures compliance by reviewing and approving new supplier’s responsible business conduct, and routine evaluation of existing suppliers.

3. Policies and requirements

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 policy for Corporate Social Responsibility (CSR) explains the content of Elkem’s definition of responsible business conduct, allocates responsibilities and describes the routines and measures introduced to ensure that our conduct is in line with our principles of social responsibility.

Elkem’s policy for evaluation and approval of new suppliers of goods and services clearly states that purchasing of goods and services shall be carried out with respect for Elkem’s principles for Corporate Social Responsibility (CSR). The process of selecting new suppliers includes an assessment

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of whether or not the supplier is able and willing to comply with Elkem’s principles for Corporate Social Responsibility. New suppliers are subject to pre-qualification and risk assessment. Suppliers that fall into ‘high risk’ categories during the risk assessment are subject to specific detailed requirements from Elkem. Elkem also requires suppliers to influence their sub-contractors and suppliers to follow Elkem’s principles. Elkem has developed tools for initial risk evaluation of suppliers; implementation of supplier self-assessment and obtaining documented supplier approval. The tools are regularly updated and improved.

**Elkem’s general EHS & SA requirements** are included in all significant contracts. This means reference to the UN Global Compact and SA8000 and an acceptance from both parties to abide by these principles. A copy of Elkem’s Principles of Social Responsibility is also to be attached to the contract.

**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 CSR policy 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 CSR policy.

**Elkem code of conduct for business partners**

In October 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.

**4. Follow-up on requirements**

Social responsibility and ethics are included as topics in Elkem’s internal audit program. Auditing of all production locations is done by corporate EHS minimum every other year. Auditing of administrative functions such as purchasing, sales, logistics and accounting is done by other appropriate functions in Elkem.

Observed/identified internal discrepancies/deviations are documented and resolved with necessary actions within a reasonable amount of time.

Elkem’s Corporate Supply Chain organization is responsible for routine on-going evaluation of existing suppliers. Follow-up is based on the initial risk evaluation, self-assessment and approval process.

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Elkem has developed detailed requirements for suppliers of operations like mining, transportation, storage and loading, and is actively involved in the promotion and monitoring of safe and decent working conditions at its high-risk suppliers and contractors. 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 on fair terms, and that they give them information about, and the ability to organise and collectively bargain with management.

Elkem’s requirements are regularly discussed in meetings with suppliers. High-risk suppliers must document 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 normal visits for sampling 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 and requests for improvements. Repeated violations lead to requirements for speedy implementation of improvement plans approved by Elkem or termination of contracts with immediate effect.

5. 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 CSR 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.

6. Training and education

All Elkem employees are required to understand and sign Elkem’s Code of Conduct. Each location is responsible for its own implementation and documentation of training with support from the corporate HR and Legal department.

Training activities in connection with CSR include details about all Elkem policies related to social responsibility and focus on understanding how culture and local customs can influence the perception of what is acceptable in different situations.

Employees who conduct supplier audits shall have additional training in recognised international standards for social responsibility and the use of audit tools.

7. Key performance indicators

- Number of audits; internal and external; description of audits
- Number of incidents of slavery and other violations reported in the supply chain, description of findings, including results of implementation of corrective action plan.

Michael Koenig
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Elkem ASA

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