

## Air Liquide Australia Limited & Air Liquide Healthcare Pty Ltd

### Modern Slavery Statement 2020

#### Introduction

This statement, made pursuant to the Australian Modern Slavery Act 2018 (Cth) (the Act), sets out the actions taken by Air Liquide Australia Limited (ABN 57 004 385 782) and its subsidiaries, including Air Liquide Healthcare Pty Ltd (ABN 41 002 653 045), to address modern slavery risks in our business and supply chain for the financial year ending 31 December 2020. It will be reviewed and updated annually.

Air Liquide in Australia and New Zealand opposes modern slavery in all its forms, including those identified by the Act (slavery, servitude, forced labour, deceptive recruiting for labour or services, forced marriage, debt bondage, trafficking in persons, and the worst forms of child labour).

This statement is submitted as a joint statement on behalf of Air Liquide Australia Limited and Air Liquide Healthcare Pty Ltd, and covers other subsidiaries of Air Liquide Australia Limited:

- Air Liquide New Zealand Limited (NZBN 942903203612)
- Braids Ltd ( ABN 74 001 329 200)

Air Liquide New Zealand Limited, Air Liquide Healthcare Pty Ltd and Braids Ltd are all wholly-owned subsidiaries of Air Liquide Australia Limited.

A reference to “Air Liquide” or “Air Liquide entity” in this document is to the above entities. A reference to “Air Liquide Australia” is a reference to the above Air Liquide entities operating in Australia. A reference to “Air Liquide New Zealand” is to Air Liquide New Zealand Limited.

Air Liquide Australia Limited is also a 55% shareholder of Weldex Dandenong Pty Ltd (Dandy Gas). Dandy Gas is an agent of Air Liquide Australia in the supply of industrial and hospitality gases and otherwise supplies welding equipment and products, industrial abrasives, safety equipment and safety work wear.

#### Structure, operations, and supply chains

##### **Our structure & operations**

The parent company of the above Air Liquide entities is L’AIR LIQUIDE Société Anonyme pour l’Etude et l’Exploitation des Procédés Georges Claude (L’AIR LIQUIDE S.A.) which is headquartered in Paris, France. The Air Liquide Group is a world leader in gases, technologies and services for Industry and Health. It is present in 78 countries with approximately 64,500 employees and serves more than 3.8 million customers and patients.

Air Liquide Australia’s industrial business is headquartered in Melbourne with healthcare headquartered in Sydney and Air Liquide New Zealand’s industrial and healthcare business is headquartered in Auckland.

Air Liquide is the second largest supplier of industrial and medical gases in the Pacific region with an annual turnover of approximately \$400m. In Australia Air Liquide entities have over 100,000+ customers, 600+ employees, operating from 42 sites across Australia. We are active in three business lines including: Large Industries, Industrial Merchant and Healthcare.

##### *Large Industries*

The Large Industries business line produces oxygen, nitrogen and argon, in a number of plants and supplies through pipelines to customers in the metals, chemicals, refining, energy industries as well as to our Industrial Merchant business line. These gases are essential for industrial production, to improve process efficiency.

##### *Industrial Merchant*

The Industrial Merchant business line serves a wide range of markets and customers offering comprehensive

gas solutions for the implementation and optimization of their industrial processes. The Industrial Merchant activity serves five primary markets:

- Materials and Energy
- Automotive and Manufacturing
- Food and Pharmaceuticals
- Technology and Research
- Professionals and Retail

Our Industrial Merchant line is responsible for the processing and liquefaction of CO<sub>2</sub> and supply of packaged gases and bulk liquid through multiple channels to cover all customer needs. Cylinders are delivered directly to the customers (primarily via third party transport providers) or collected by the customer through Air Liquide's agency and distribution network.

#### *Healthcare*

Air Liquide Healthcare is a leading provider of respiratory care services and medical gases and equipment in Australia. We provide patients with oxygen, sleep apnea products, related equipment and services across the country. We also supply medical gases and related equipment and services to thousands of medical facilities, healthcare professionals and laboratories across Australia. Products and services are provided both directly and through a network of partners, including via third party transport providers.

#### **Our Supply chain**

Air Liquide Australia's supply chains include over 100 direct suppliers who provide a variety of goods and services from approximately 11 countries. Key categories of spend are energy, medical equipment, transportation services, water, steam and different types of gases. Third-party products that we sell are imported from New Zealand, China, Japan, Singapore, Malaysia, Qatar, the United Arab Emirates, England, France and Germany. This includes industrial equipment (such as cylinders, valves, digital instrumentation, cryogenic tanks & trailers), medical devices and gas. The majority of what we sell is however produced in Australia using Australian sourced raw materials.

#### **Risks of modern slavery practices in our operations and supply chains**

##### **In our operations**

We consider that modern slavery risks in our operations are low. This takes into account:

- the countries in which the reporting entities are operating (with the majority of products and services we produce or perform occurring in Australia and New Zealand) and the country-specific assessment identified in the Global Slavery Index (Australia and New Zealand);
- the industries in which we operate presenting a low inherent risk of forced labour, child labour and other forms of modern slavery;
- approximately 90% of our workforce being sourced directly, with Air Liquide maintaining a strong policy environment in relation to workplace relations;
- Air Liquide otherwise uses a limited number of recruitment agencies which have passed our supplier approval process and with whom we have long-standing relationships.

As at the date of this statement, there have been no occurrences of modern slavery in our operations reported through our grievance mechanism (described below).

##### **In our supply chain**

The extent of supply chain risk is dependent on a number of factors including the level of human rights protection and/or enforcement in the countries where our service providers such as our transport providers and agents operate or source from (and inherent risks associated with the various product categories) as well as the other suppliers from which we source other products we require to operate.

As a result, Air Liquide Australia Limited assesses the risk of contributing or being directly linked to modern slavery risks in our supply chains as low. This is because the majority of product we supply in our Industrial Merchant and Large Industries is produced in Australia and New Zealand using locally sourced raw materials.

We noted above Air Liquide uses services of external transport providers and supplies its products both directly and indirectly through a national network of suppliers and agents. As such, Air Liquide is aware of the potential risk of contributing to or being linked to modern slavery abuses through its relationships with these businesses and their activities.

To ensure modern slavery is not going undetected in Air Liquide's supply chain, due diligence processes have been implemented and further steps will be identified and implemented as described in the following section.

### [Actions taken to assess and address these risks, including due diligence and remediation processes](#) **Policies**

We aim to uphold high ethical standards in all areas of our business. We are fully committed to ensuring that there is no modern slavery in our supply chains or in any part of our business. Our extensive suite of policies and procedures guide the actions of our people, including how we work with each other, our recruitment and purchasing practices and our engagement with customers to mitigate the risk of modern slavery violations in our supply chains and operations.

In 2020, Air Liquide made a number of amendments to its established policy framework to assist in addressing human rights and modern slavery risk. An Anti-slavery Policy was adopted in 2020 which sets the minimum standards expected of all entities in scope. It includes red flags to enable our personnel and suppliers to identify potential risks of modern slavery. It can be found on our [website](#) and is referred to in Air Liquide's [Terms & Conditions for purchase of goods and/or services](#) as well as the Air Liquide's Packaged Gases [Supply Terms](#), both of which have modern slavery clauses.

Our Anti-slavery Policy encourages the reporting of any instances of suspected modern slavery incidents in accordance with our [Whistleblower Policy](#). There are two channels through which eligible whistleblowers (which include current and former employees and officers, suppliers and their employees, and associates, dependents and relatives of each of the foregoing) can raise grievances or concerns they may have regarding conduct occurring at Air Liquide. Individuals are able to report the matter internally to any of our eligible recipients (which include the HR Business Partner, Legal Counsel or the Ethics Correspondent for their respective business unit), or make a report anonymously via our Air Liquide Group whistleblowing hotline Ethicall (available to employees and regular subcontractors).

Other relevant policies that address modern slavery or human rights in a broader sense include:

- [Supplier Code of Conduct](#)
- Code of Conduct
- Sustainable Procurement policy (a policy designed to implement supplier sustainability risk management processes throughout various sourcing and procurement processes);
- Procurement code of conduct
- HR Policies including in relation to recruitment
- [Principles of Action](#)
- [Anti-Corruption Code of Conduct](#)

Air Liquide reserves the right in its purchasing terms and conditions to verify the Supplier's compliance with such policies by way of asking the Supplier to complete a questionnaire or to participate in an audit, issued or conducted by Air Liquide or by a third party engaged by Air Liquide, as well as to issue the Supplier a Rectification Plan if Air Liquide identifies any shortcomings or areas for improvement.

The day-to-day responsibility for developing these policies and overseeing compliance is assigned to relevant departments including Compliance, HR, Procurement and Legal. Air Liquide requires compliance with these policies and standards. We consider that, on the whole, the implementation of our company values and policies establishes an ethical culture and environment which does not tolerate or knowingly allow modern slavery or abuse to enter Air Liquide's operations or supply chain.

## **Training**

In 2020, modern slavery awareness training was provided to senior and mid-tier management including key stakeholders from procurement and human resources, and this was augmented by additional due diligence training to our procurement personnel. Our procedures now entrench a requirement for regular training.

## **Due Diligence**

The Air Liquide Group has adopted a risk-based approach to Human Rights due diligence, including modern slavery, mainly focusing on direct suppliers.

As part of the supplier engagement process, new suppliers are generally required to accept Air Liquide's standard purchasing terms & conditions (which include a modern slavery clause), and to accept the Air Liquide Group Supplier Code of Conduct which includes minimum standards in respect of broader human rights issues. Prior to engaging a new supplier, Air Liquide Australia conducts an initial check on modern slavery and other corruption issues. A more detailed risk assessment is guided by applying four criteria to suppliers:

- Industry: Risk relating to the nature of the supplier's activity;
- Country: Risk relating to the country in which the supplier carries out the main activity relevant to the product/service is manufactured/provided;
- Expenditure: Air Liquide's current expenditure with the supplier (or forecasted expenditure for new suppliers); and
- Supplier dependency: assessed by reference to Supplier's actual sales to Air Liquide as a percentage of its total sales.

This process informs Air Liquide Australia of the appropriate level of further due diligence by prioritising suppliers by level of inherent risk. The combination of the four selected criteria leads to the identification of the most critical suppliers to which Air Liquide is exposed in its supply chain (Sustainability-Critical Suppliers), who are prioritized in the implementation of further assessment and management measures.

The above risk assessment procedures contemplate that further risk assessment of at least Sustainability-Critical Suppliers be carried out by (a) third party evaluations of Corporate Social Responsibility (CSR) performance or (b) an internal questionnaire established by Air Liquide Group. Questions cover human rights topics, including modern slavery as well as other CSR related topics. In respect of the third party CSR evaluation, the supplier's CSR performance (based on the supplier's achieved score on a scale of 0 to 100), is assessed and used to identify whether suppliers can be considered to be compliant with Air Liquide's responsible procurement practices, or whether a corrective action plan should be considered.

In order to ensure that modern slavery is addressed sufficiently during this risk assessment process, further training sessions for our procurement teams will be held to enhance their awareness of how to apply the risk assessment procedure, to identify red flags and to mitigate modern slavery risks.

## **Grievance mechanism**

Air Liquide's anti-slavery policy and whistleblower policy contain details of how both employees, suppliers and other eligible whistleblowers can report any modern slavery incidents. In addition to discussing any concerns with our Ethics Correspondent, employees can report any grievance or violation to the HR department or anonymously through our Whistleblower hotline EthiCall. We encourage our employees to disclose reportable conduct by making them aware of the policy and hotline through face to face training and via posters around our sites.

## **Remediation**

Air Liquide has built in various contractual protections in its supplier contracts. In the event of a modern slavery violation by its supplier, these could be relied upon to provide leverage to pressure the supplier to provide remediation to any victim of the relevant modern slavery violation. Air Liquide is otherwise developing criteria and an approach to remediation.

### How the reporting entity assesses the effectiveness of these actions

We acknowledge that assessing the effectiveness of the systems and processes we have in place is critical to ensure we can identify and reduce modern slavery risks in our supply chain and operations. As such, in 2020 Air Liquide commenced a review of our potential modern slavery risks across our operations and supply chain.

To establish a clear baseline, this year we conducted a gap analysis of our approach to modern slavery risk management for the reporting year by engaging with key internal stakeholders to identify potential risks and to guide ongoing improvement.

The review highlighted that progress in embedding effective risk management practices varies across the reporting entities which is a key improvement area we are actively working on. Further, going forward, Air Liquide will continue to take actions to assess and improve the effectiveness of our modern slavery risk management framework by:

- Tasking our cross-functional modern slavery committee (which includes representatives across the reporting entities) with responsibility for promoting the importance of robust risk mapping processes, compliance with the anti-slavery policy and due diligence processes in order to drive improvements;
- Aligning (to the extent practicable) modern slavery related risk management practices across the reporting entities by encouraging dialogue between key internal stakeholders and sharing of best practice;
- Undertaking modern slavery risk assessments and due diligence to monitor changes and trends in our risk profile across both our operations and supply chains;
- Conducting an assessment of the current due diligence process to identify aspects which may be ineffective;
- Training employees to enhance awareness of modern slavery risks and understanding of the modern slavery policies and processes in place to identify and address those risks;
- Analysing any complaints or grievances received through our whistleblower mechanism or other channels; and
- Obtaining greater visibility of the modern slavery risks in our indirect supply chain (beyond tier one).

### Process of consultation

In performing the actions described throughout this Statement, each Air Liquide entity was consulted by having discussions with key stakeholders in the reporting entity's procurement, legal and HR teams. As previously stated, our parent company (Air Liquide Group), plays an important role in our overall Procurement Program and practices, and has therefore been consulted in relation to this statement.

Air Liquide also engaged in consultation with Dandy Gas. Due to arrangements concerning management of this entity, Dandy Gas is not covered by Air Liquide procurement procedures and policies. However, it has recently committed to development of its procurement procedures, including by way of risk assessment and seeking confirmation from its suppliers that they comply with acceptable ethical sourcing standards.

### Signatory:

Air Liquide is strongly committed to upholding all human rights and employees' rights and fully supports the Australian Government initiatives with the aim of eliminating all forms of modern slavery. We expect all our business partners, suppliers, contractors and sub-contractors to join us in our approach.

This statement has been approved by the board of directors of Air Liquide Australia Limited and Air Liquide Healthcare Pty Ltd.



Marcos Etcheverrigaray  
Managing Director, Air Liquide Australia Limited  
29 June 2021



Tony Kelly  
Managing Director, Air Liquide Healthcare Pty Ltd  
29 June 2021