



Henkel Sustainability

Modern Slavery Statement 2020

Introduction

This is the first Modern Slavery Statement ("Statement") for Henkel Australia Pty Ltd and Henkel New Zealand Limited (collectively "Henkel"), as informed by the Australian Federal Modern Slavery Act 2018 and applicable legislation in New Zealand ("Legislation"). The purpose of this Statement is to outline Henkel's approach to ensuring that Henkel has frameworks and processes in place to minimise the risk of modern slavery in our business operations and supply chain. At Henkel, it is recognised that slavery and human trafficking can occur in many forms, as set out in the Legislation. This includes slavery, servitude, human trafficking, forced labour, debt bondage, child labour and deceptive recruiting for labour or services.

Henkel is committed to operating responsibly and establishing and adhering to the highest ethical standards. Henkel does not tolerate any forms of slavery or human trafficking throughout its business. Henkel also supports the United Nations Sustainable Development Goals, with one of its priority goals being Goal 8: decent work and economic growth. Henkel supports this goal with the commitment in working to eradicate the forms of modern slavery.

Our Business, Organisational Structure, Operations and Supply Chain

Henkel operates worldwide with leading innovations, brands, and technologies in three business areas: Adhesive Technologies, Beauty Care and Laundry & Home Care. In 2018, there were more than 50,000 Henkel employees worldwide. Henkel has suppliers and other business partners from around 130 countries.

Policies and Procedures

Henkel has an overarching policy of doing business in an ethical and legal manner and has zero tolerance for any form of slavery-like practices. This is inseparably linked with our commitment to supporting the protection of internationally acknowledged human rights. Henkel's policies and procedures contribute to its commitment to prevent violations of human rights such as modern forms of slavery in its business including Henkel's comprehensive set of codes, standards and processes which provide its employees, customers, suppliers, investors and the communities Henkel operates in with a clear definition of the ethical and social values it upholds and underscore its commitment to respecting human rights along the entirety of the supply chain.

Internal Standards and Implementation

From our purpose, vision, mission and values, Henkel has formulated globally binding behavioural rules which are specified in a series of codes and corporate standards. These apply to all employees worldwide, in all business areas and cultural spheres in which Henkel operates. Our key policy documents include our Code of Conduct, Code of Corporate Sustainability, Social Standards, Safety, Health and Environment (SHE) Standards, and Sustainably Sourcing Policy. They can be accessed here: <http://www.henkel.com/company/downloads>

Potential risks in Henkel's Operations and Supply Chain

Henkel has considered risks that may cause, contribute, and/or be linked to modern slavery practices. As a result, Henkel has been able to identify areas with no or low risk particularly in operational activities directly undertaken by Henkel employees and covered by our internal processes. Henkel has



imparted clear rules of conduct to its employees and focuses on regular training courses and communication measures. All of Henkel's managers across the globe must participate in Henkel's mandatory Compliance e-learning program, on a regular basis. The program addresses many different compliance topics, including anti-corruption, antitrust law, data protection, safety topics and human rights topics.

Henkel has identified potential risk 'hotspots' particularly where products and services are received from overseas sources which may have a record of having modern slavery practices still in place. Henkel regularly carries out audits at its production sites and, increasingly, with respect to its subcontractors and logistics centres to verify compliance with Henkel's codes and standards. All audit results are included in the Internal Audit department's annual report to the Henkel Management Board.

Responsible Supply Chain Process

Henkel's suppliers are engaged to drive sustainable practice and promote respect for human rights along the value chain. Compliance with the cross-sector Code of Conduct of the German Association of Materials Management, Purchasing, and Logistics (BME) and the Australian Federal Modern Slavery Act 2018 and applicable legislation in New Zealand is mandatory for all of Henkel's suppliers. Henkel joined the BME in 2009, as its code is based on the 10 principles of the United Nations Global Compact and can therefore be used internationally. The BME code serves as the basis for contractual relationships with our strategic suppliers. This means that they have either recognized the cross-sector BME code - and hence the principles of the Global Compact - or produced their own comparable code of conduct. The BME code has already been translated into 12 languages, and the provisions of the BME code cover topics regarding modern slavery and unethical conduct in Henkel's business relationships, including slavery, servitude, human trafficking, forced labour, debt bondage, child labour, deceptive recruiting for labour or services and fair working conditions.

The BME industry-wide "Code of Conduct" code can be found here:
<https://www.bme.de/en/initiatives/compliance/>

Our six-stage "Sustainable Sourcing Process" is another core element of our supplier assessment approach: It ensures that all suppliers comply with our sustainability standards, and aims to foster purposeful collaboration with strategic suppliers to continuously improve sustainability standards in our value chain. The steps range from risk assessment and onboarding through to assessment, analysis, and auditing. Based on this, Henkel then works intensively with our suppliers to improve sustainability performance.

Our 2019 Sustainability Report includes more information on Henkel's approach to managing compliance and human rights as well as on our supply chain management. The report is publicly available here:

<https://www.henkel.com/sustainability>



This Statement was approved by the Board of Henkel.

Daniel Rudolph

Henkel Australia Pty Ltd

Date: 1 December 2020