



3 November 2023

Hon Clare O’Neil MP
Member for Hotham, Victoria
Minister for Home Affairs
PO Box 6022
House of Representatives
Parliament House
Canberra ACT, 2600

Dear Minister,

**Modern Slavery Statement 2023
For Financial Year 2023: 1 July 2022 to 30 June 2023**

Reporting Entity

This statement is provided by the reporting entity, Henkel Australia Pty Ltd ACN 001 302 996 (“Henkel”) pursuant to the Modern Slavery Act 2018 (Cth) (“Act”) and is prepared and presented in satisfaction of Henkel’s reporting obligations pursuant to the Act.

The Act and this statement are entirely consistent with Henkel’s values and existing business operations. Henkel is proud to participate in this process and to provide this statement to the Minister.

The statement below is set out on the basis of section 16 of the Act.

Introduction

This is the Modern Slavery Statement (“Statement”) for Henkel, as informed by the Act. 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 Act. 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 to working to eradicate the forms of modern slavery.

Our Business, Organisational Structure, Operations and Supply Chain

Henkel operates globally with a well-balanced and diversified portfolio with a strong focus on adhesive technologies, hair care, laundry, and home care. The company holds leading positions with its two business units in both industrial and consumer businesses thanks to strong brands, innovations and technologies. Founded in 1876, Henkel looks back on more than 147 years of success. Henkel employs about 53,000 people worldwide, around 85 per cent of whom work outside of Germany. As a recognized leader in sustainability, Henkel holds top positions in many international ratings and rankings.

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. These internal features 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.

Henkel has introduced mandatory provisions in all its supplier agreements and contracts prohibiting conduct in connection with slavery and human trafficking. The introduced provisions also obligate the supplier to apply ethical sourcing practices, comply with and encourage compliance with relevant labour standards and laws and take reasonable steps to identify modern slavery risks in its operations and supply chains. Any breach of these provisions by a supplier would entitle Henkel to bring the respective supply agreement or contract to an end.

Internal Standards and Implementation

From Henkel's 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 of Henkel's 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](#).

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. Henkel recognises that the supply chains and sectors which generally involve greater risk of modern slavery include textiles, cleaning services, general agriculture and farming. 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 focus on regular training courses and communication measures. All of Henkel's managers across the globe must participate in Henkel's mandatory Compliance eLearning 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's Management Board. Henkel also addresses such risks by including modern slavery clauses in all new contracts with any and all suppliers, as set out in Henkel's policy on modern slavery.

Responsible Supply Chain Process and Actions

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 entire BME code can be found here: [BME Code of Conduct - BME](#)

Henkel's 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>

Assessment of Effectiveness of Actions

Henkel is committed to better understanding the effectiveness and impact of the actions taken to assess and address Modern Slavery risks. It is currently monitoring performance through a combination of internal and external mechanisms and tracking its actions and the outcomes of those actions. This monitoring is undertaken through regular audits by senior management particularly for high-risk locations and the results reported at a board level in the Company.

During the reporting period, Henkel has continued to review and track the effectiveness of its processes by:

- Conducting Board training and awareness;
 - Conducting employee training and awareness;
 - Undertaking Supplier Self-Assessment Questionnaires in order to reassess the Modern Slavery Risks within our supply chains;
 - Ensuring modern slavery measures are continually developed in our procurement tools and processes;
 - Engage with suppliers to provide periodic communication and information, as well as seeking their feedback on our progress and approach. Regularly review supplier specific action plans;
 - Conduct audits of historical contractual agreements to identify and rectify any gaps that may not reflect our new modern slavery requirements and introduced provisions.
-

Process of Consultation with any Entities Henkel Owns or Controls.

Henkel does not control or own other entities and therefore is not required to consult on this statement pursuant to section 16(1)(f) of the Act.

This Statement was approved by the Board of Henkel Australia Pty Ltd.

A handwritten signature in black ink, appearing to read 'Daniel Rudolph', is positioned above the printed name.

Daniel Rudolph

President Henkel ANZ

Henkel Australia Pty Ltd

Date: 03-Nov-2023