

KNAUF

***KNAUF GYPSUM
MODERN SLAVERY
STATEMENT***



Build on us.



Contents

- 01 *Introduction*
- 02 *Our operations*
- 03 *Modern slavery risks*
- 04 *Our approach*
- 05 *Assessing effectiveness*
- 06 *FY2023 actions*
- 07 *FY2024 planned activities*

01 Introduction

This Modern Slavery Statement (Statement) is provided by Knauf Gypsum Pty Ltd (ABN 84 004 231 976) to report our activities in the financial year ending 31 December 2023 with respect to modern slavery. The information within this statement is correct as of 31 December 2023.

Knauf Gypsum Pty Ltd is part of the Knauf group of companies. With corporate headquarters in Germany, the Knauf group is one of the world's leading manufacturers of building materials, operating in more than 90 countries with over 80 raw materials processing plants and over 300 manufacturing plants on five continents. Knauf Gypsum owns gypsum-based wall and ceiling operations in Australia¹.

Knauf is committed to complying with high ethical and legal standards in both strategic considerations and daily business. The Knauf Code of Conduct and the Knauf values provide our fundamental guiding principles. Our value of Menschlichkeit recognises the importance of treating people fairly and acting with social responsibility. We recognise the inherent dignity of all people and the importance of respecting and promoting human rights.

Modern slavery remains a pervasive yet often hidden issue in global supply chains and has severe and devastating consequences for victims. We acknowledge the potential for its presence in our operations and supply chains and are taking a risk-based

approach as part of an ongoing commitment to mitigate the risk of modern slavery. Through a multi-year strategy, Knauf Gypsum continues to increase transparency and due diligence in our supply chains. We aim to deepen

our understanding of our supply chain risks, extend modern slavery assessment and due diligence across the breadth of our sourcing activities, and increase engagement with our suppliers to identify risks further down our supply chain. A summary of the actions we completed since our last report and our planned activities for FY2024 are presented in sections 6 and 7 of this Statement respectively. Knauf Gypsum remains committed to ongoing improvement and will continually monitor best practice developments through collaboration with industry partners. Knauf Gypsum is

progressively leveraging the resources of the Knauf Group in relation to supplier due diligence including systems and processes deployed as part of compliance with the German Supply Chain Due Diligence Act.

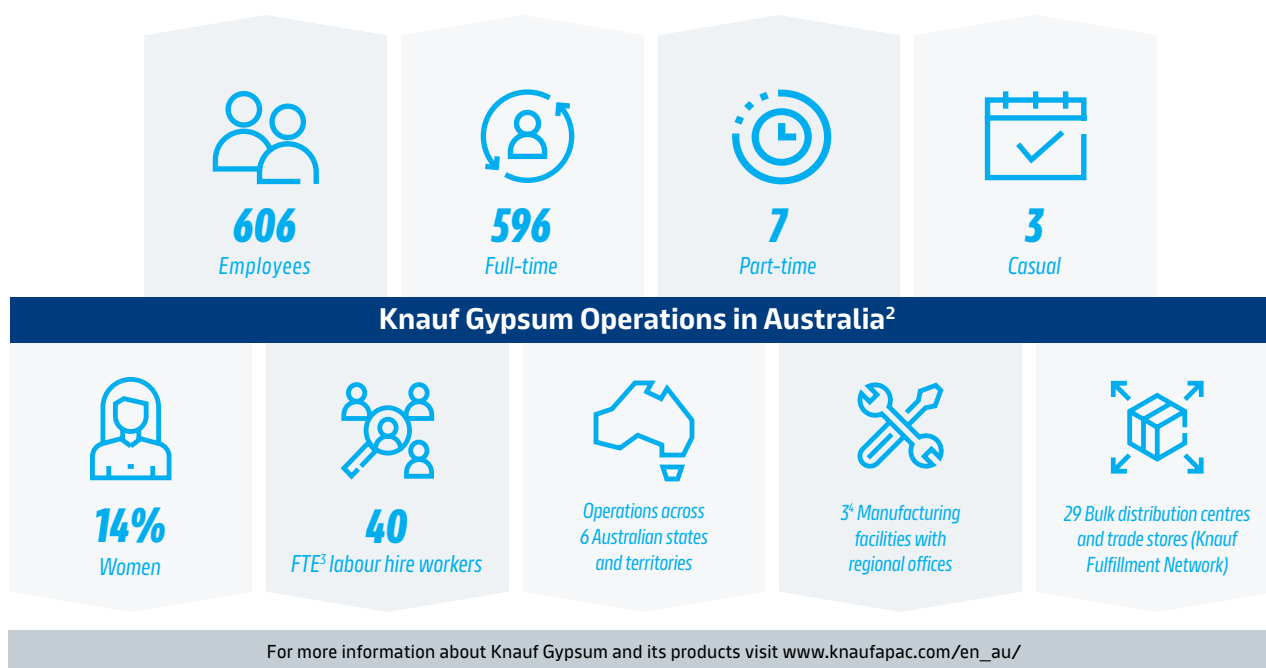
Modern slavery, as defined by the Modern Slavery Act, includes trafficking in persons, slavery, servitude, forced labour, debt bondage, deceptive recruitment, forced marriage, and the worst forms of child labour: situations where children are subjected to slavery or similar practices, or engaged in hazardous work.

¹ Gebr Knauf KG (Knauf) is a German registered company and international manufacturer of gypsum boards, plasters and accessories, ceilings, insulation material, drylining systems, thermal insulation composite systems, paints, floor screed, floor systems, and construction equipment and tools. Knauf is headquartered in Iphofen, Germany and has subsidiaries and business activities worldwide.

02 Our operations

Manufacturing and supply operations

Knauf Gypsum in Australia is a subsidiary of the Knauf Group of companies, and a leading supplier of wall and ceiling solutions to the Australian building industry through a comprehensive distribution network of company-owned trade stores and independent resellers and distributors. The Knauf Gypsum business in Australia produces gypsum-based wall and ceiling linings, cornices, and joint compounds manufactured locally at three locations in Queensland (Pinkenba), New South Wales (Camellia) and Victoria (Port Melbourne). Knauf Gypsum also supplies metal framing, high performance wall and ceiling panels, DIY tools, and accessories.



Knauf Linings operations

Knauf Gypsum also conducts a business of supplying and installing interior linings in residential premises in Australia using the gypsum-based products (plasterboard, cornices, and joint compounds) that it manufactures, as well as some third-party products. The installation business is conducted under the name Knauf Linings. Knauf Linings sub-contracts to builders of new residential houses. Knauf Linings engages skilled contractors to perform the installation work.

How we engage with joint ventures

Knauf Gypsum regularly engages with our joint ventures⁵, however, we do not have direct control or responsibility for their management. Through board representation and senior management engagement, we aim to promote the adoption of modern slavery risk mitigation practices that align with our own standards, which are applied across all Australian operations. We also provide support and share knowledge to help our joint ventures identify and address potential modern slavery risks.

2. All figures are correct as at 31 December 2023.

3. Average full-time equivalent. Engaged as part of Knauf Gypsum's preferred labour hire supplier agreements.

4. Manufacturing facilities at Camellia NSW, Port Melbourne VIC and Pinkenba QLD, as at 31 December 2023.

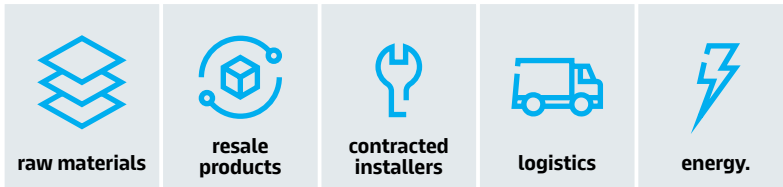
5. Gypsum Resources Australia Pty Limited and Rondo Building Services Pty Limited are joint ventures owned equally with CSR Limited.

Our supply chains

In FY2023, Knauf Gypsum made payments to approximately 1,100 suppliers across nineteen countries.

Our international suppliers are located in Western Europe, the US, and Asia.

Knauf Gypsum's predominant procurement spend was for:



Approximately 91 per cent of Knauf Gypsum procurement spend during FY2023 was with Australian- and New Zealand-based suppliers. Key raw materials purchased from Australian suppliers were gypsum and paper used for plasterboard lining. Gypsum is sourced from Gypsum Resources Australia Pty Ltd, an Australia-based joint venture equally owned by Knauf Gypsum and CSR Limited.

Knauf Gypsum's procurement activities in Asia relate to plasterboard and ceiling products sourced from other members of the Knauf group, as well as key raw materials.

In FY2023, Knauf Linings engaged 268 contractors to install plasterboard and related products into new build residential dwellings as part of the Knauf Gypsum supply and install offering. These contractors were a combination of companies, trusts, and sole traders. Where the contractor is a company or trust, those entities typically subcontract to individuals who perform the supply and install services.



Approximately 91 per cent of Knauf Gypsum procurement spend during FY2023 was with Australian- and New Zealand-based suppliers.

03 Modern slavery risks

Knauf Gypsum assesses modern slavery risks based on the potential to cause, contribute, or be directly linked to modern slavery concerns in our operations and supply chains, as defined in the Modern Slavery Act 2018 Guidance for Reporting Entities.

Manufacturing and supply operations

In FY2023, Knauf Gypsum continued to assess the risk of modern slavery in our operations as being low. Knauf Gypsum has strict human resources controls in place for onboarding new employees, reviewing employees' wages and salary agreements, and verifying corresponding payments. Approximately 34 per cent of our employees are covered by enterprise or industrial agreements, and 66 per cent through contracts of employment. The onboarding process includes employment checks managed by Knauf Gypsum's central recruitment team to ensure all new employees have valid working rights. Employee induction processes require new employees to confirm they have read and understood our policies and minimum standards, including the Knauf Code of Conduct.

Knauf Linings operations

In FY2023, Knauf Gypsum continued to assess the risk of modern slavery in our Knauf Linings operations as being low. It recognises that the intermediary nature of some of its subcontract relationships and the engagement of migrant or less literate workers could result in an elevated risk of modern slavery. Knauf Linings seeks to help mitigate

this elevated risk through contractual arrangements with contractors and through undertaking training of field teams who engage on a day-to-day basis with plasterboard installers to assist in identifying indicators of potential modern slavery situations.

Our supply chain

Knauf Gypsum has identified tier 1 suppliers where it has a direct arrangement and has assessed them using the Modern Slavery Supplier Risk Profile Assessment (MSSRPA) tool described below. Assessments take into account key categories of goods and services, as well as countries of origin. In FY2023 we refreshed the risk assessment of our international suppliers.

Country of origin

The MSSRPA tool applies an initial risk rating to Knauf Gypsum's suppliers based on the risk of modern slavery practices in the geographies and industry sectors where they operate. The rating is based on the Global Slavery Index 2018, published by The Minderoo Foundation and Transparency International's Corruption Perceptions Index. The Global Slavery Index assesses risk variables across governance issues, lack of basic needs, inequality, disenfranchised groups, and the effects of conflict. The Corruption Perceptions Index ranks regions based on how experts and business executives perceive corruption in each region's public sector.

Country of origin risk

Risk rating	Risk of modern slavery practices	Regions that supply Knauf Gypsum
Low	Unlikely risk	Australia, New Zealand, Singapore, United States, Western Europe
Medium	Possible risk	Malaysia, Taiwan
High	Likely risk	China, Indonesia, India, Thailand

Category risk

Categories of goods and services that are at higher risk of modern slavery practices have been identified based on information published by The Minderoo Foundation Walk Free initiative. These categories apply to extraction, manufacturing, and unskilled labour hire. Knauf Gypsum does not directly engage unskilled labour from high-risk countries.

Areas of highest risk

Taking into account the country of origin and category risks of Knauf Gypsum's tier 1 suppliers, we have identified areas in the supply chain that present a modern slavery risk, as shown in the table below.



Areas of highest risk

Goods and services categories at risk of modern slavery practices

Raw materials and mining

Manufacturing

Sourced directly from countries assessed as a high risk of modern slavery

Specialist raw materials

Steelwork, specialised machinery and equipment, repair and maintenance supplies, hardware and metal materials and printing inks



In FY2023, Knauf Gypsum had fewer than four tier 1, third-party suppliers that were located in countries rated as having a high risk of modern slavery practices, and in categories assessed a higher risk. Knauf Gypsum is undertaking a more detailed assessment of these suppliers.

04 Our approach

Knauf Gypsum recognises the importance of respecting the dignity of all people and the promotion of human rights, including the rights of our employees, suppliers, and communities in areas where we operate. This reflects Knauf Gypsum's company purpose to make tomorrow a home for all of us, and its value of Menschlichkeit. We also expect our suppliers and contractors to respect and promote human rights, and actively encourage and support our joint venture partners to adopt a similar approach. Knauf Gypsum's approach to identifying and addressing modern slavery and human rights aligns with the United Nations Guiding Principles on Business and Human Rights. It is supported by robust corporate governance policies, standards, and procedures that provide consistent controls for how Knauf Gypsum manages modern slavery and human rights risks throughout our operations. For example, Knauf Gypsum requires our employees to comply with the Knauf group Code of Conduct and our contractors and suppliers to comply with our Supplier Code of Conduct.⁶

Governance and oversight

Governance and oversight of modern slavery policies and processes, as well as broader human rights risks, is encompassed within Knauf Gypsum's corporate governance framework. Knauf Gypsum has a modern slavery working group to guide, monitor, and review operational and

supply chain activities with respect to requirements of the Modern Slavery Act. The working group involves senior representatives across human resources, procurement, supply chain, marketing, Knauf Linings, and legal teams. The group has reviewed and endorsed information contained within this Statement. The working group aims to establish a common understanding across the organisation and our suppliers regarding Knauf Gypsum's approach to identifying, assessing, and addressing modern slavery risks.

Policies and standards

Foundational policies and standards that form the basis of Knauf Gypsum's commitment to human rights and addressing modern slavery include: the Knauf Code of Conduct, the Knauf Policy Statement on Human Rights, and the Supplier Code of Conduct. These are also supported by our suite of Human Resources policies and complaint investigation procedures. Senior management takes breaches of our codes and policies very seriously, and we have consistent and transparent practices in place to address any non-compliance. Formal consequences include additional training, impact on reward and promotion, formal warnings, and termination for severe or ongoing non-compliance.



⁶ Knauf AU Supplier Code of Conduct_website.pdf (knaufapac.com)

Knauf Gypsum policies

<p>Knauf Code of Conduct</p>	<p>Defines our standards for doing business in an ethical and transparent manner at all times, and directs employees and people representing Knauf Gypsum to maintain the highest standards of integrity. It also outlines our commitment to working with third parties whose business ethics and behaviour are consistent with our own.</p>
<p>Knauf Group's Human Rights Policy statement</p>	<p>Knauf Gypsum follows The Knauf Group's Human Rights Policy statement, which upholds internationally recognised human rights and commits to complying with all applicable local human rights laws. It sets out what we expect of employees and suppliers, and our approach to respecting and promoting human rights.</p>
<p>Supplier Code of Conduct</p>	<p>Standards we expect our suppliers to adhere to with regard to modern slavery and human rights, and environmental, social, and governance issues.</p>
<p>Working with Respect Policy and Discrimination, Bullying and Harassment Policy and Procedure</p>	<p>Sets out our expectations that staff conduct themselves in a manner whereby the workplace is free from unlawful discrimination, bullying, harassment, vilification, and/or victimisation, and the processes for staff to make complaints.</p>
<p>Diversity Policy</p>	<p>Our commitment to a work environment that recognises, respects, and values differences among people.</p>
<p>Speak Up Policy</p>	<p>The Speak Up policy is a Knauf Group policy for employees, former employees, and external stakeholders. It enables internal and external stakeholders to raise concerns of misconduct in confidence and without risk of retaliation by making a Speak-Up report via the Knauf Speak-Up line. Reports can be made via a website or by telephone and are investigated in accordance with the policy.</p>

Procurement

Knauf Gypsum's procurement spend is managed by a centralised procurement team that reports to the head of procurement in accordance with established procurement policies. Depending on the goods and services provided, we have various arrangements in place with suppliers, ranging from detailed procurement agreements to standard purchase order terms and conditions. Modern slavery clauses are included in procurement supplier agreements and in our standard purchase order terms and conditions.

Supplier due diligence

Suppliers are selected for a more detailed due diligence review based on their location, size, category of goods or services, frequency of supply, and expenditure. Procurement agreements require suppliers to comply with all Knauf Gypsum policies, including our Supplier Code of Conduct.⁷ For example, Knauf Gypsum may monitor and conduct safety and modern slavery assessments at supplier sites and records to ensure compliance with the requirements of the Modern Slavery Act 2018 (Cth). Appropriate steps are taken for any identified non-compliance with the Supplier Code of Conduct. This may include working with the supplier to ensure that any deficiencies are remediated according to an agreed action plan.

⁷ [KNAUF_CODE_OF_CONDUCT_POLICY.pdf \(knaufapac.com\)](#)

Knauf Linings

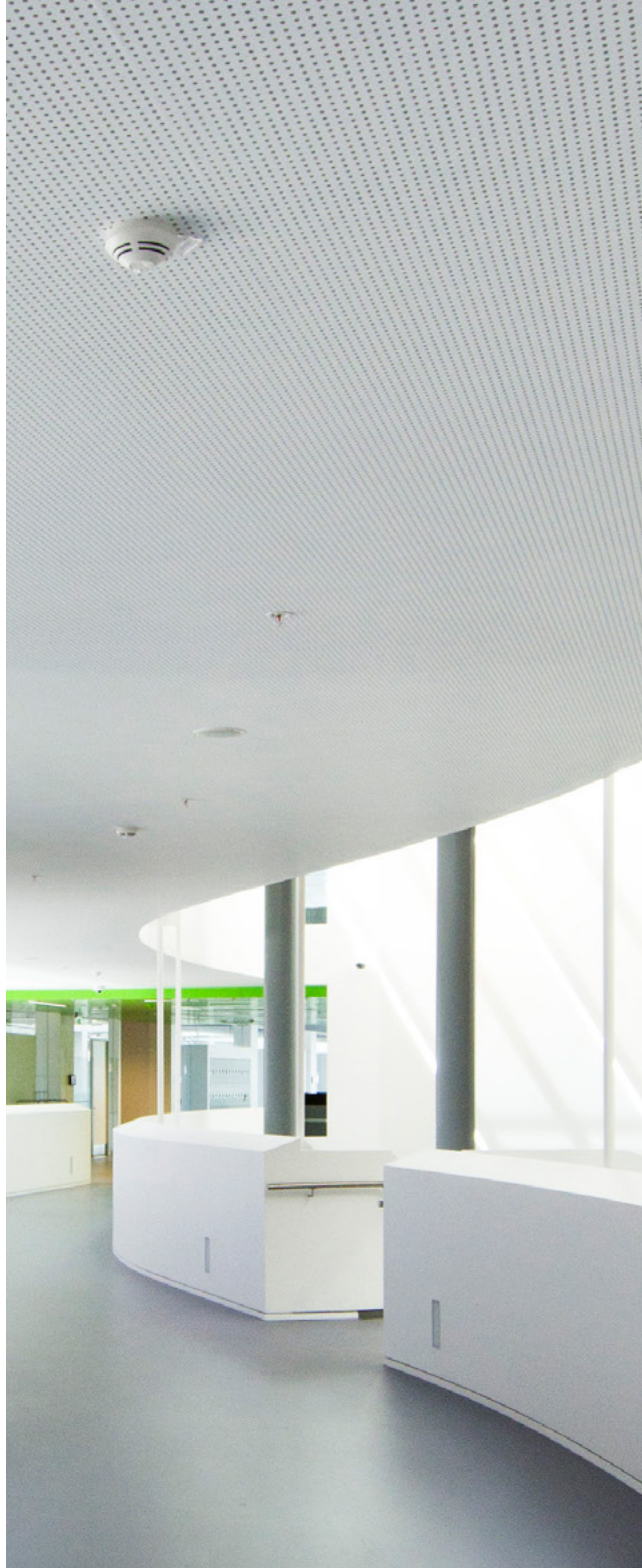
Knauf Linings agreements with subcontractors require them to comply with our Supplier Code of Conduct and also contain Modern Slavery clauses. Knauf Linings has also undertaken training of field teams who engage on a day-to-day basis with plasterboard installers to assist in identifying indicators of potential modern slavery situations.

Grievances and remediation

Clear and easy grievance mechanisms are crucial to addressing modern slavery risks. Knauf Gypsum actively promotes its FairCall and SpeakUp reporting mechanisms to our employees, contractors, and suppliers to report concerns regarding modern slavery practices. Employees and contractors can also report concerns through escalation to senior management, human resources, or legal teams.

Incident reporting and remediation

Modern slavery concerns or incidents may be raised in various ways by suppliers, employees, third parties, or anonymously through the FairCall and SpeakUp services. Knauf Gypsum investigates any reported concerns and will take action to address issues where required. To maintain the integrity of the reporting and investigation processes, all substantiated incidents are formally documented, investigated, and reported to the Knauf Gypsum modern slavery working group. In FY2023, there were no reported concerns of modern slavery practices, and no instances of modern slavery identified in Knauf Gypsum's operations or supply chains.



Awareness and training

Following Knauf Gypsum's last modern slavery statement, we replaced FairCall with Speak Up to align with the Knauf Group. Speak Up has been rolled out across the business, with ongoing employee communications explaining what Speak Up is and when to use it. The Speak Up number is displayed on the modern slavery posters and communications, and employees are urged to act if they suspect or believe they have witnessed any unethical practices.

All employees receive training on the Code of Conduct (which includes information about the Speak Up hotline) as part of their induction and periodically thereafter.

Knauf Gypsum conducts regular training and awareness programs for its employees on its Knauf Code of Conduct and other key human resources (HR) policies. Training on the risks of modern slavery is open to all employees. It

is mandatory for those responsible for HR, procurement, Knauf Linings, and managers in other areas responsible for the controls that reduce our modern slavery risks.

Knauf Gypsum continues to raise awareness of our modern slavery policy commitments to all employees, contractors, and suppliers through communication such as emails, posters, and toolbox talks. This aims to highlight our policies and codes of conduct and reinforce how to report any modern slavery concerns.

Internal communications are sent to employees after each modern slavery statement is completed via internal email, newsletter, toolbox talks, and posters for bulletin boards.

Additional face-to-face training has been undertaken with Knauf Linings field teams who engage on a day-to-day basis with plasterboard installers to assist in identifying indicators of potential modern slavery situations.

BE AN ADVOCATE AGAINST MODERN SLAVERY

SPEAKUP 1800 763 983

Knauf is committed to identifying and reducing the risk of modern slavery within its operations and supply chain.

BE INFORMED

understand the Knauf Code of Conduct and participate in training programs.

WORK ETHICALLY

use approved suppliers and contractors when sourcing on behalf of Knauf.

TAKE ACTION

report any concerns about the potential presence of modern slavery in our operations or supply chain to your manager or SPEAKUP on 1800 763 983.

Knauf is



deepening its understanding of the supply chain risks.



increasing engagement with its suppliers to identify risks further down the supply chain.



extending modern slavery assessment and due diligence across all sourcing activities.

Learn more about Knauf's efforts to mitigate the pervasive issue of modern slavery, and the action being taken to identify, assess and address the risk at www.knaufapac.com/en_au/Modern-Slavery.html

KNAUF



05 *Assessing effectiveness*

The Knauf Gypsum modern slavery working group conducts an annual review of the effectiveness of Knauf Gypsum's approach to identifying and reducing the risk of Modern Slavery in its operations and supply chain. This includes reviewing the risk factors and any operational changes that might change the risk factors, reviewing the established practices such as policies and procedures, tools and processes used, grievance mechanisms, and awareness and training to maintain the most appropriate method for assessing the effectiveness of the company's approach to modern slavery risks. This includes reviews of the following tools and processes:

- existence and availability of relevant policies
- the MSSRPA tool and how it is implemented
- our supplier assessments and how they are conducted, as well as supplier selection and reporting
- concerns raised through methods such as FairCall and SpeakUp and the escalation process, as well as remediation actions
- best practice benchmarking
- training and capacity building for teams involved in modern slavery controls, such as procurement, Knauf Linings, and human resources employees
- communication to further develop awareness and understanding of modern slavery and Knauf Gypsum's responsibilities.

The review for FY2023 helped inform areas where we should continue to focus our efforts to best identify and address modern slavery risks and additional methods to measure effectiveness.

06 FY2023 activities

- Conducted annual review of supplier and supply chain risk profiles and updated MSSRPA tool.
- Conducted annual review of operational changes to identify changes in risk factors.
- Conducted training on the Knauf Code of Conduct.
- Reviewed supplier contract clauses to ensure alignment with standard operating procedures for suppliers with respect to compliance with the Modern Slavery Act 2018 (Cth).
- Conducted annual detailed assessments of tier 1 suppliers to identify which contracted suppliers have their own modern slavery statements and developed action plans to mitigate any risks identified in the assessments.
- Replaced FairCall reporting mechanism with Speak Up to align with the Knauf Group. Conducted training on Speak Up and replaced all FairCall contact details with Speak Up contact details. Implemented regular internal communications regarding Speak Up and how and when to use the reporting channel, and continued to raise awareness of grievance reporting channels to employees, contractors, and suppliers.
- Released and rolled out Knauf Group Human Rights Policy statement, which replaced the Knauf Gypsum policy.
- Finalised and approved the draft modern slavery guidelines.
- Made information about policies available to employees online and onsite, with ongoing communications campaigns directing employees to Knauf Centre, via the Code of Conduct page and Modern Slavery message.
- Assessed 100 per cent of new international suppliers. Most international suppliers are sourced through the Knauf Group and assessed as per the group's processes.
- Implemented new onboarding and performance management processes for suppliers that include modern slavery.
- Continued with the modern slavery training program and identified other relevant training opportunities for employees, contractors, and suppliers, such as in relation to Knauf Linings.
- Included modern slavery clauses in purchase order (PO) terms and all new contracted procurement agreements as well as new Knauf Linings subcontracts.
- Conducted an internal communication campaign relating to modern slavery in September 2023 through employee emails and distribution of on-site posters.
- Achieved 100 per cent completion of online training awareness program. More detailed training sessions were conducted for procurement, HR, finance, sales and marketing, and Knauf Linings in November and December 2023.
- Conducted a participant survey for corporate/sales regarding usefulness of training.

07 FY2024 planned activities

- Add the modern slavery guidelines to Knauf Centre, with a focus on continuously improving policy accessibility on Knauf Centre.

- Supplement all policies with the internal approved modern slavery guidelines, setting out Knauf Gypsum's approach to identifying and reducing the risks of modern slavery in its operations and supply chain.

- Conduct a new tender for domestic labour hire; this will include discussions relating to modern slavery.

- Replace the MSSRPA tool with Knauf group supplier due diligence tool that assesses against additional indices.

- Continue detailed assessments of tier 1 suppliers and develop action plans to mitigate any risks identified in the assessments.

- Continue to review which contracted suppliers publish their own modern slavery statements, particularly new suppliers.

- Monitor modern slavery risks within the supplier performance program for high-risk suppliers.

- Assess modern slavery risks for all new suppliers as part of the onboarding process.

- Ongoing training and development of skillsets regarding modern slavery identification and reporting.

- Continue to refine and broaden supply chain mapping to encompass tier 2 suppliers for high-risk supplies.

- Introduce any additional key performance indicators (KPIs) considered necessary to measure the effectiveness of Knauf Gypsum's approach to identifying and reducing the risks of modern slavery in its operations and supply chain.

- Notify customers of our updated modern slavery statement in FY2024.



Contact us

Knauf Gypsum Pty Ltd

(ABN 84 004 231 976)

3 Thackeray Street
Camellia NSW 2142

T: +61 (3) 9898 7807

www.knaufapac.com/en_au/

This statement has been approved by the Board of Directors of Knauf Gypsum Pty Ltd, and is hereby signed by a member of the Board.

Tony Charnock

Managing Director Australia and New Zealand
Knauf Gypsum