

MODERN SLAVERY STATEMENT ACT STATEMENT

For the financial year ending June 2023

This statement has been prepared in accordance with the *Modern Slavery Act 2018* (Cth) (Act).

OUR COMMITMENT

We are committed to acting ethically and with integrity and transparency in all our business dealings.

Specifically, we are committed to ensuring that we identify and eliminate, as far as is possible, modern slavery practices within our operations and supply chains.

We recognise our responsibility to contribute to the elimination of modern slavery and that responding effectively to risks of modern slavery within our supply chains is a process of continuous improvement. Our approach aims to be consistent with the UN Guiding Principles on Business and Human Rights.

This is our first modern slavery statement made in accordance with the requirements of the Act. It has been prepared in respect of the financial year 1 July 2022 to 30 June 2023 (**Reporting Period**). It addresses the risks of modern slavery practices in our operations and supply chains and sets out the actions taken by us to assess and address modern slavery risk over the Reporting Period. It also outlines how we assess the effectiveness of these actions.

The term 'modern slavery' as used in this modern slavery statement has the meaning given to it in the Act.

REPORTING ENTITY

This statement covers Sabco Australia Pty Ltd (ACN 108 341 911) (**Sabco**) which is a reporting entity under the Act.

OUR BUSINESS

Our approach

Sabco was founded in 1892 and is a leading manufacturer of cleaning products.

Steeped in heritage, we plan to be around for the next one hundred years by constantly searching for opportunities to improve, by way of innovation and with a passion to provide our customers with the best quality product possible.

We are driven by wanting to remain the trusted cleaning brand that consumers have enjoyed since 1892.

Consumer trust extends to our business practices and our commitment to trade with like-minded businesses that like Sabco 'do the right thing'. We always act with integrity – taking responsibility for our work, caring for our people, and staying focused on safety and sustainability.

We make investments in our clients, people, and communities, so we can grow together. Guided by our values, we have taken a variety of actions to assess and address the risk of modern slavery in our operations and supply chains.

Structure

Sabco Australia Pty Ltd (ACN 108 341 911) is an Australian Proprietary Company. Its registered office is located at:

9-13 Link Way
Laverton North Vic 3026

Sabco is wholly owned by The Libman Company, a company registered in Illinois, United States.

Sabco owns two subsidiaries, Innotrade Group Limited (company number: 013954V) (**Innotrade**), a foreign company registered in the Isle of Man, and Libman APB Pty Ltd (ACN 078 635 195) (**Libman APB**), an Australian Proprietary Company (together, **Subsidiaries**).

Operations

Sabco is the Australian operating company. It imports and manufactures in its facility located in Laverton North, Victoria, Australia a range of cleaning products and distributes products locally and overseas.

Libman APB operates in Australia with its main brand being Mr Clean & Turtle Wax.

Innotrade operates factories in the United Kingdom and manufactures a range of household cleaning products and exports and distributes some of these products to Australia through Libman Australia Pty Ltd.

Sabco sells products under the following brands:



Sabco brands are sold in four countries, being China, South Korea, the United Kingdom, and New Zealand, primarily through grocery stores, department stores, hardware stores, online and via mass-market distributors.

Supply chain

Sabco's supply chains include the import and export of the products we sell including both international and national transportation. Sabco imports products from Europe, NZ, South Korea, India, Asia, and the United States of America.

In this context, Sabco's supply chain includes local suppliers and overseas suppliers from countries including China, the United States of America, Malaysia, Pakistan, Fiji, PNG, Europe, and the United Kingdom where materials and products are manufactured and packaged and transported to our Australian warehouse based in Melbourne, Victoria. As set out above, Sabco also manufactures a range of products in Australia, including products for domestic and professional use.

Sabco's supply chain also includes products and services it procures. The main goods and services we source are:

- ingredients and raw materials used to manufacture our products.
- logistics, including road freight and third-party logistics warehouses.
- packaging.
- manufacturing equipment.
- plant and equipment maintenance services.
- office-based support and equipment, including electronic goods, information technology and telecommunications hardware and systems.
- cleaning and facilities management services.
- gardening and maintenance services.
- use of contingent labour as required to supplement the permanent workforce; and
- professional services, including insurance, legal and accounting services.

RISKS OF MODERN SLAVERY PRACTICES

Sabco and its Subsidiaries acknowledge that although no direct evidence of modern slavery practices was identified in its supply chains within the Reporting Period, due to the nature of our business, being a manufacturing company, and the global nature of our supply chains, there is an inherent risk of modern slavery practices existing within our operations and supply chains.

Sabco is continuing to map its operations and supply chains to understand the risks of modern slavery practices in greater detail, and within deeper levels of our supply chains.

The following potential risks have been identified in Sabco's supply chains and those of its Subsidiaries:

Vulnerable populations

We have used the "Global Slavery Index" to determine the risk level regarding the prevalence of modern slavery for each country within our supply chains as follows:

- Low risk countries regarding prevalence of modern slavery – Australia, the United Kingdom, New Zealand, and the United States of America
- Moderate risk countries regarding prevalence of modern slavery – Brazil, Europe, and Thailand
- High risk countries regarding prevalence of modern slavery – Pakistan, Sri Lanka, Malaysia, and China

Where no index was available for a relevant country, we have assigned a risk level of 'high'.

Our assessment included a review of the origin of commodities purchased by our business. We determined that for purchases of commodities from suppliers within Australia and New Zealand, their commodities originated within these countries.

For commodities purchased from suppliers based outside of Australia and New Zealand, we note that these commodities may have originated in countries different to that of the supplier, and that the commodity may have originated from multiple countries, such that this would qualify as a high-risk area and require greater diligence, manifesting in the actions described within this statement.

Products and services

The continuous COVID-19 virus has seen unprecedented demand for cleaning products which has put additional pressure on suppliers and may also require unreasonably tight production turnaround heightening the risk of labour exploitation. International logistics may also be subject to cost pressures and delivery timeframes which may have the unintended consequence of influencing suppliers to compromise on labour conditions.

Sabco also recognises the risks in the materials and labour used in manufacturing processes, and the possible high-risk geographic location of their manufacture. Additionally, Sabco's procurement of cleaning services, facilities management and services involving the use of manual labour typically have high modern slavery risks.

Sabco procures electronic goods and information technology infrastructure. We recognise the existence of modern slavery risks in the raw material extraction, manufacturing and disposal stages of these products, stages which are known to attract vulnerable populations in high-risk geographies.

Geographies

Sabco has relationships with suppliers in Asia and recognises that when considering various forms of modern slavery, the Asia and Pacific region has a high prevalence of modern slavery practices.

ACTIONS TO ASSESS AND ADDRESS RISKS

Sabco has taken the following actions to assess and address modern slavery risks:

- Forming a working group responsible for assessing and addressing modern slavery risks, involving distinct roles such as HR, Finance, Procurement, Export & senior leadership. This group meets every six weeks.
- Complete the Sabco – Ethical Self-Assessment Questionnaire
- Requesting information from suppliers about sub-suppliers, including country of origin.
- Tracing the source of products used by Sabco.
- Introduced a policy to allow people to safely report modern slavery risks, including updating Sabco’s Whistleblower policy.
- Incentivising entities in Sabco’s supply chain to improve performance (e.g., future business opportunities).
- Being prepared to end business relationships with entities causing any modern slavery risk.
- Building partnerships with business peers, community groups and industry bodies to improve understanding of modern slavery risks.
- Consistently reviewing and improving policies and procedures, including supplier codes of conduct and sourcing policies.
- Introduced and conducted internal training on modern slavery, and policies and processes for incident reporting.
- Taking action to identify and address any practices that may lead to modern slavery such as unlawful wage deductions, sham contracting, underpayment.
- Obtaining contractual warranties from suppliers which require the supplier to warrant that there are no modern slavery practices in the supplier’s business and that necessary policies and processes have been implemented.
- Obtaining a contractual right to request compliance-related information from suppliers and the right to second party audit suppliers at Sabco’s discretion.

Over this Reporting Period, and in addition to the above, Sabco has made progress to implement actions to assess and address modern slavery risks in our operations and supply chains. Some of these actions are described below.

Supplier management

Sabco has confirmed to our suppliers our zero-tolerance approach to human rights violations within our supply chains.

An organisation-wide review of the contractual arrangements with our suppliers has been a priority during this Reporting Period.

Before doing business with a supplier, as part of our standard supplier due diligence and screening procedures, Sabco:

- conducts online searches against each supplier to determine whether the supplier and/or its directors and officers have been involved in any legal proceedings involving underpayment claims and/or human rights abuses.
- requires suppliers complete a Modern Slavery Questionnaire
- provides a copy of Sabco's Code of Conduct/Supplier Policy to each supplier.
- requires suppliers to confirm in writing employees are paid the local minimum wage and that employment conditions conform to local employment standards.
- requires suppliers to confirm in writing the steps they have taken to address the risk of modern slavery within their own operations and supply chains.
- requires suppliers to adhere to the United Nations Universal Declaration of Human Rights and the Ten Principles of the United Nation's Global Compact.

If Sabco is advised/learns of specific concerns regarding modern slavery within a supplier, Sabco will undertake an appropriate investigation and review.

Sabco suppliers are required to provide us with written confirmation they have informed their suppliers of Sabco's requirements.

Sustainable supply chain

As part of our Sustainability Charter, Sabco is committed to investing in local suppliers and production and reducing the environmental impacts associated with the manufacture of our products.

Sabco is also taking steps to reduce the use of and reliance on international manufacturers, with a view to increasing supply chain visibility.

We have purchased machinery to commence manufacturing in Australia (installed & commissioned) Q3 2022/23.

This represents a major step in controlling the supply chain (transparency) and reducing the environmental impact of overseas manufacturing and transport.

Training

All employees of Sabco are made aware of the Act and its requirements, and internal training was conducted during the Reporting Period in relation to the identification and reporting of modern slavery risks.

Sabco is also conducting internal training to provide support to suppliers in high-risk areas – as identified above.

EFFECTIVENESS OF ACTIONS TO ASSESS AND ADDRESS RISKS

In accordance with the Act, Sabco is monitoring the effectiveness of its processes and procedures to address the modern slavery risks that our business causes, contributes to or is directly linked to.

While Sabco cannot visit every supplier within our supply chain network, we have now implemented “site inspections” when visiting local and overseas manufactures during trade visits. Our CEO has personally visited all the owners of our key suppliers and will continue to make this standard business practice.

The recent appointment of a GM – Export & International Trade is a further commitment to both assess and address modern slavery risks.

We are also taking the following steps to check whether actions to assess and address modern slavery risks are working:

- Introduced an annual senior management review of Sabco’s actions.
- Ensuring risk assessment processes are kept up to date.
- Monitoring changing legislation and information relating to the Act.
- Establishing feedback process.
- Conducting internal audits/monitoring actions taken.
- Recording the actions taken and tracking their impact.
- Keeping up to date with trends in modern slavery risks and how cases are managed.
- Developing modern slavery KPIs, including the number of modern slavery training programs delivered, the number of contracts that include modern slavery clauses, and the number of actions taken with suppliers to improve their ability to respond to modern slavery risks.

CONSULTATION PROCESS

Sabco has introduced a modern slavery review/update agenda item to the monthly managers meeting, where our Supply Chain, Procurement team and the GM Export/International Trade, provide data, alerts and news pertaining to:

- Breaches of the Act or the Sabco Modern Slavery statement
- Potential breaches
- Media/social platform alerts
- Trade news alerts
- Competitor alerts

This information is actioned locally and (where required) forms part of the international Board meeting which now includes a monthly discussion about:

- Modern slavery risks identified
- Modern slavery risks assessed
- Modern slavery risks addressed

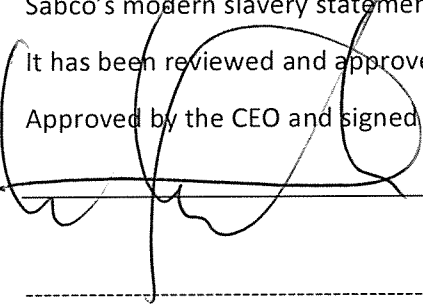
Sabco's modern slavery statement has been prepared in consultation between Sabco and the Subsidiaries.

STATEMENT APPROVAL

This Statement is made pursuant to the *Modern Slavery Act 2018* (Cth) and constitutes Sabco's modern slavery statement for the budget year ending 2023.

It has been reviewed and approved by the board of Sabco Australia Pty Ltd.

Approved by the CEO and signed by Mr Herman Verhofstadt



Mr Herman Verhofstadt

CEO

Sabco Australia Pty Ltd

Date: 5/12/23

Andrew Libman

Chairperson Sabco Australia Pty Ltd

Date: 5/12/23



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