



**PZ Cussons Holdings Pty Ltd (ACN 000 327 873) and PZ Cussons Beauty Australia Pty Ltd (ACN 156 106 035)**  
**Slavery and Human Trafficking Statement for the year ended 31 May 2020**

This Statement is made by PZ Cussons (Holdings) Pty Ltd and PZ Cussons Beauty Australia (Holdings) Pty Ltd and their subsidiaries (jointly **PZC Australia**), pursuant to the Modern Slavery Act 2018 (Cth) and sets out the steps which we have taken during the financial year ended 31 May 2020 to ensure that all parts of our business and our supply chains are free from slavery and human trafficking.

This statement covers:

- (i) PZ Cussons (Holdings) Pty Ltd .
- (ii) PZ Cussons Australia Pty Ltd;
- (iii) PZ Cussons (New Zealand) Pty Ltd;
- (iv) United Laboratories Pty Ltd;
- (v) PZ Cussons Beauty Australia (Holdings) Pty Ltd;
- (vi) Five:AM Life Pty Ltd; and
- (vii) Rafferty's Garden Pty Ltd.

Of these companies, the only trading entities are PZ Cussons Australia Pty Ltd and PZ Cussons (New Zealand) Pty Ltd.

## **Introduction**

Our approach to business is encapsulated in our purpose, principles and values which seek to create sustainable value for all of our stakeholders, including our shareholders, customers and consumers, business partners, local communities and our employees. We believe that sustainable, long term value is only possible in an environment which is open, honest and fair and which treats all stakeholders with respect and integrity.

The integrity of our supply chains, supported by our supplier code of conduct and procurement policies, help us to ensure that we do not engage directly or indirectly with slavery or human trafficking. This is a priority for the Board of Directors.

## **Our organisational structure, operations and supply chains**

PZC Australia's ultimate holding company is PZ Cussons plc - a UK-headquartered, FTSE-listed international consumer products business. PZ Cussons plc operates in selected markets in Africa, Asia-Pacific and Europe either directly or through its subsidiaries, including PZC Australia (the **Group**).

PZC Australia distributes some of the well known and loved brands in the following categories: personal care and beauty, home care, food and nutrition, and electricals.

PZC Australia's registered office is at Building A, Level 1, 13-15 Compark Circuit, Mulgrave, Victoria. PZC employs approximately 124 staff. PZC Australia does not have any subsidiaries.

The Group manufactures products in its own factories across multiple countries. In addition, a proportion of total sales is derived from finished goods which are manufactured by third parties. PZC Australia manufactures various yoghurt products from a manufacturing facility it operates in Victoria and distributes them in Australia. PZC Australia also imports and distributes various products manufactured overseas by, or for, the Group, as well as distributing products which are manufactured for it in Australia, New Zealand, Italy and the USA by third parties.

The Group is reliant on a wide range of raw materials for the production of its products, both within its own manufacturing processes and the wider supply chain. Respecting human rights and other ethical and environmental issues in the wider supply chain is a responsibility which must also be borne by the Group's suppliers but the Group members, including PZC Australia, play an active role in supplier development and have adopted various means to clearly communicate our expectations.

### **The risks of modern slavery practices in our operations and supply chains and the actions taken to assess those risks, including due diligence and remediation processes**

In relation to the products manufactured by PZC Australia we deal with a small number of raw material and packaging suppliers in Australia and one packaging supplier based in China. Other products are contract manufactured for us, either in Australia or (for a small number of food products) in New Zealand, France, Italy and the USA. These are our Tier 1 suppliers.

The 'risks of modern slavery practices' means the potential for PZC Australia to cause, contribute to, or be directly linked to any of the defining indicia of modern slavery through our operations and supply chains. In relation to our Tier 1 suppliers the possible risks of modern slavery would be in relation to deceptive recruiting practices, underpayment of wages, exploitation of migrant workers and (in the case of China) bonded labour/servitude.

### **The actions taken to assess and address those risks, including due diligence and remediation processes**

The Group maintains written policies, including our supplier code of conduct, which strictly prohibit the use of slavery or human trafficking in our supply chain. Our Group's Good 4 Business framework strongly condemns - and provides that we shall have no involvement whatsoever in - forced labour, child slavery or any practice

which is exploitative of children or exposes them to risk of harm. We will not work with third parties who are involved in any such practices.

These principles are also set out within the Group Procurement Code of Business Conduct (the “Procurement Code of Business Conduct”) which contains guidance for the Group’s procurement teams on the Group’s values and appropriate business practices. We expect businesses throughout our supply chain to adopt and enforce equivalent policies in their own operations and to encourage their suppliers to do the same. In addition, direct suppliers are required to confirm their compliance with the relevant laws and regulatory standards in all countries in which we operate.

In this regard, in April 2017, the PZC Group enacted the PZ Cussons – Code of Conduct Document (the “Supplier Code of Conduct”). While the Procurement Code of Business Conduct is primarily an internal document to inform and regulate the actions of our employees, the Supplier Code of Conduct is primarily an external document applying to our suppliers. Under the Supplier Code of Conduct, our suppliers are expected to commit to all applicable laws and our Good 4 Business principles, including a ‘zero tolerance’ policy when it comes to unethical business behaviour such as forced and child labour; prohibitions on the use of slavery or human trafficking in the supply chain; and freedom of workers to form associations for collective bargaining. PZC is working with all of its Tier 1 suppliers to ensure they fully understand and agree to their obligations under the Supplier Code of Conduct.

We uphold all international law, including International Labor Organization Conventions and the United Nations Convention on the Rights of the Child.

Our procurement policies, including our Supplier Code of Conduct, contain guidance for the Group’s procurement team on our values and appropriate business practices. We seek to ensure that our suppliers confirm their compliance with all relevant laws and regulatory standards in all countries in which we operate as part of our legal contract with them. In addition, we request copies of our suppliers’ relevant policies and training schedules in order to assure ourselves that they are living up to the commitments they make to us. We also strongly encourage our suppliers to make the same conditions part of their business with other parties and contractors.

The Group has in place a whistleblowing system (our “Speak Up Policy”) which encourages and enables employees as well as suppliers to raise confidentially (and anonymously, if desired) any concerns or issues related to business conduct or activities, including in respect of slavery or human trafficking. For the financial year ended 31 May 2020, we did not receive any complaints via the Speak Up Policy from either our employees or suppliers relating to slavery or human trafficking. This is in operation in all countries where the Group operates and is periodically reviewed, updated and promoted. Our whistleblowing policy explicitly protects everyone who makes a good faith report against reprisals of any kind.

In our dealings with our suppliers, PZC Australia seeks to use its purchasing agreement template which contains specific contractual terms requiring that they:

- warrant that it does not engage in any conduct or omission in breach of modern slavery laws

- warrants that it is not aware of any risks present in its operations and supply chains that may contravene modern slavery laws, or if it is aware of such risks, that it has taken appropriate action to mitigate, remediate and reduce those risks
- must ensure that in their dealings with PZC Australia they do not engage in any conduct which may contravene any modern slavery laws;
- must ensure they comply with our policies relating to modern slavery;
- must promptly notify us if it becomes aware of a possible (or actual) breach of any modern slavery laws; and
- must implement policies and procedures to ensure that it and its staff comply with the above obligations.

In addition to our internal policies and processes, the PZC Group maintains a subscription to SEDEX in order to assist with supply chain transparency.

### **Due diligence and assessment of risk**

While our risk assessment identified that modern slavery risks may exist in our operations, we have assessed the residual risk in relation to our Tier 1 suppliers to be very low. This assessment of residual risk is based on geography (including an assessment of countries considered to be at higher risk of modern slavery), the commodity purchased, supplier performance, the nature of the business transaction and the supporting structures, policies, programs and processes we have in place to help manage the risk.

We seek to identify and do business with companies which have values and standards which are consistent with our own, including working to cascade these expectations throughout their own supply chain.

### **Effectiveness reviews and performance indicators**

A global audit programme has been implemented in relation to third party manufacturing suppliers to the Group. The audit programme aims to conduct audits every 2-3 years, with greater frequency for any Group supplier identified as high risk.

Additionally, PZC Australia periodically reviews its relationships its Tier 1 suppliers in light of our values and the law.

This Statement is approved by the Board of Directors of PZ Cussons (Holdings) Pty Ltd and PZ Cussons Beauty Australia (Holdings) Pty Ltd. The directors of these companies are also the directors of all of their subsidiary companies.

*Rob Spence* 18/2/21

Rob Spence  
Director  
PZ Cussons (Holdings) Pty Ltd

*Rob Spence* 18/2/21

Rob Spence  
Director  
PZ Cussons Beauty Australia  
(Holdings) Pty Ltd

