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# Modern Slavery Statement – 2020

## 1. Introduction

This statement is made pursuant to the Australian Modern Slavery Act 2018 (Cth) and identifies the steps taken to ensure slavery and human trafficking does not form part of our business including our supply chain.

We believe in treating all people with respect and dignity, and we demand that our partners do the same. All Donaldson partners and suppliers must provide working conditions that are fair, non-discriminatory, equitable, and safe. We strongly oppose any person or organization, including our suppliers, using child, slave, or forced labor, or participating in human trafficking. As a global company, Donaldson is committed to compliance with all applicable labour laws, including California's Transparency in Supply Chains Act of 2010, the UK Modern Slavery Act and Australian Modern Slavery Act 2018 (Cth).

## 2. Structure, operations and supply chain

Donaldson Australasia Pty Limited (DAPL) operates throughout Australia, New Zealand, Papua New Guinea and parts of the Pacific Islands and today employs approximately 220 people at its manufacturing and distribution plant located on the New South Wales Central Coast. DAPL is a wholly owned subsidiary of Donaldson Company, Inc. a U.S. NYSE listed company, and is a global provider of filtration systems and replacement parts.

<https://www.donaldson.com/en-us/about-us/who-we-are/at-a-glance/>

Our purpose is advancing filtration for a cleaner world. We do that through a core set of six principles:

- Act with integrity
- Engage and empower our people
- Deliver for our customers
- Cultivate innovation
- Operate safely and sustainably, and
- Enrich our communities

Donaldson conducts business in countries around the world. Our purchases are sourced throughout the world, both in Donaldson owned plants, and third-party suppliers. Our supply chain extends to the United States, the United Kingdom, Australia, New Zealand, Germany, Italy, Indonesia, Japan, China, Mexico, Belgium, The Czech Republic, Poland, Thailand, United Arab Emirates and India. As a global company, Donaldson is committed to compliance with applicable law, in our own operations and those of our suppliers.

## 3. Risk identification

In 2020, DAPL undertook a review of potential risks of modern slavery across our operations and supply chain. As a result of the review, DAPL identified some low risk areas which will likely form part of future assessments. DAPL is confident of the processes and actions we have in place to appropriately assess and address any risks.

## 4. Actions to assess and address risk

Donaldson's Code of Conduct exists to provide a clear understanding of our uncompromising values and expectations in regard to our business relationships, practices and operations. Employees receive annual ethics and compliance training, have access to internet resources and are encouraged to immediately report concerns.



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Donaldson's Code of Conduct (Code) sets forth our commitment to applying uniformly high standards of ethics and business conduct in every country in which we operate and in every business relationship we have worldwide. We are principally guided in this global economy by the laws of the countries in which we are located or do business. This Code is applicable to our global business activities and includes all employees, Officers, and Directors of Donaldson Company, its business units, affiliates, and subsidiaries, where Donaldson has a majority ownership position or exercises management control.

<https://secure.ethicspoint.com/domain/media/en/gui/19744/code.pdf>

All employees are required to promptly report all known or suspected violations of applicable laws, as well as our Code. Donaldson conducts annual Code training for employees and provides multiple ways for employees to ask for help regarding ethical concerns. Donaldson also maintains a Help Line where employees and others may anonymously report any suspected violation of the Code without fear of retaliation.

<https://secure.ethicspoint.com/domain/media/en/gui/19744/index.html>

All new suppliers are carefully vetted by our procurement in order to become a Donaldson Vendor. Suppliers are also required to operate legally and ethically pursuant to the Supplier Code of Conduct.

<https://www.donaldson.com/content/dam/donaldson/legal/suppliers/code-of-conduct/eng/Supplier-Code-of-Conduct.pdf>

### 5. Assessing the effectiveness of our actions

Donaldson assesses the effectiveness of our actions in a number of ways:

#### **Internal training and awareness**

DAPL's operations are predominantly in Australia. We have processes in place to ensure all employees have the necessary support structures, policies and training in governance principles, including Code of Conduct, grievance mechanisms and workplace behaviours. We have significant resources dedicated to human resource management, and to ensure compliance with visa conditions where applicable.

All employees are required to undertake an annual program of ethics training throughout the year.

#### **Supplier compliance**

In keeping with applicable law and the commitments in our Code, we engage in various verification mechanisms of product supply chains to evaluate and address risks of human trafficking and maintain accompanying internal accountability standards. For example, our Supply agreements and purchase terms require our direct suppliers to comply with all applicable laws and Donaldson's Supplier Code of Conduct. Our direct suppliers are also required to operate legally and ethically pursuant to the Supplier Code of Conduct. Donaldson's supply chain management approach drives longer-term relationships and continuous improvements. In the event that we identify a reasonable risk that a supplier fails to meet our expectations, we explore all responses we deem reasonable and necessary, including working with that supplier to ensure compliance and reevaluating our business relationships if that supplier fails to address these concerns.



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When we onboard a new direct material supplier, our supplier quality department may perform a physical audit. The only exception to this where organizations have all required certifications (IATF16949, ISO45000, ISO18001).

### Stakeholder feedback

A confidential, 24-hour Business Conduct Helpline is available to anyone via phone or online to report any conduct concerns. For DAPL, we also have a whistleblower policy for our employees to follow for reporting of such concerns.

### 6. Ongoing assessment of risk

DAPL will continue to increase collaboration with internal and external stakeholders to prevent and address issues of modern slavery. We will continue to evolve our due diligence processes, raise awareness of the forms of modern slavery with our employees and suppliers and explore ways to improve identification and risks throughout our supply chain.

### 7. Revision History

Revision	Issue Date	Changed sections	Nature of changes
1	08 Dec 2020	N/A	Issue

### 8. Approval

This statement was approved by the Board of Donaldson Australasia Pty Ltd on 8 December 2020.

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Gary Olson – Managing Director

Donaldson Australasia Pty Ltd

23 December 2020