



**Commonwealth Modern Slavery Act 2018 Policy Statement
Financial Year ending 31st December 2024**

This statement is made pursuant to the *Modern Slavery Act 2018 (Cth)* and sets out the actions that Knauf Insulation Pty Ltd has taken, and is continuing to take, to ensure that modern slavery is not occurring within our business or supply chain.

Modern Slavery is a term used to describe serious exploitation. Modern slavery encompasses human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage and child labour. Knauf Insulation Pty Ltd has a zero-tolerance approach to any form of modern slavery.

We are committed to acting ethically, with integrity and transparency in all business dealings and to putting effective systems and controls in place, to safeguard against any form of modern slavery taking place within the business, or our supply chain.

Our Business

Part of the Knauf group, a family-owned multi-national manufacturer with 40 years of experience in the insulation industry, we are leading the change in high performance and sustainable insulation solutions for a better world.

Knauf Insulation is one of the fastest growing and most respected names in insulation worldwide and are committed to helping our customers meet the increasing demand for energy efficiency and sustainability in buildings.

In Australia, Knauf Insulation Pty Ltd imports and distributes glass mineral wool products across the country with our head office based in Brisbane.

Structure, Operations and Supply Chains

Knauf Insulation Pty Ltd is a wholly owned subsidiary of the Knauf Group, a global manufacturer of building materials.

In Australia, the operations of Knauf Insulation Pty Ltd include the importation, warehousing and distribution of glass mineral wool insulation. The majority of the finished goods sold by Knauf Insulation Pty Ltd are produced in Malaysia in a factory that is also part of the Knauf Group. Raw materials are sourced from regions including Europe, North America and Asia.

Finished goods are imported to Australia in shipping containers using established and reputable shipping lines. We also rely on domestic suppliers for logistics, warehousing and various professional services. Logistics services are procured within Australia and via international shipping lines operating primarily out of Southeast Asia. This mapping allows us to better identify higher-risk geographies in our supply chain.

Risks of Modern Slavery

We recognise specific modern slavery risks may arise in our operations and supply chain, including:

- Raw materials sourcing globally, particularly in mining and chemical production sectors, where forced labour and poor labour rights enforcement may occur;
- Logistics and warehousing contractors in Australia where vulnerable or migrant labour may be used;
- International shipping providers, given industry-wide concerns over seafarer working conditions;

These risks are reviewed annually through structured supply chain risk mapping exercises.

Actions taken to assess and address Modern Slavery risks

In addition to supplier due diligence, codes of conduct, and audits outlined in this document, Knauf Insulation Pty Ltd has established remediation processes.

If an instance of modern slavery is identified, Knauf Insulation will act to ensure affected workers are protected and supported. In addition to suspending or terminating supplier contracts, remediation steps may include:

- Working with suppliers to provide immediate relief to impacted workers;
- Ensuring repayment of any recruitment fees or debt bondage;
- Engaging with specialist NGOs to support worker reintegration;
- Implementing corrective action plans with measurable timelines and follow-up audits.

Assessing effectiveness

We have introduced measurable KPIs to assess our effectiveness in combatting modern slavery, including:

- Percentage of key suppliers that have undergone due diligence within the last 12 months;
- Number and percentage of employees who have completed modern slavery training;
- Average time taken to close corrective actions identified in supplier audits;
- Tracking and reporting on the number of whistleblowing or grievance reports received and addressed.

Our Internal Policies

Knauf Insulation operates via several internal policies to ensure that we are conducting business ethically and transparently. These include:

Recruitment Policy

We operate a robust recruitment policy, including conducting eligibility to work in Australia checks for all employees to safeguard against human trafficking or individuals being forced to work against their will. We also conduct police checks for all new employees. All employees are paid above the relevant national minimum award rates for their respective positions.

Breach of Company Rules or Policies – including Whistleblowing policy

Employees are encouraged to raise concerns about any issue or suspicion of modern slavery in any parts of our business or supply chains. If an employee suspects any employee, regardless of their seniority, or the Company of committing a serious breach of this policy, they have a duty to report their concerns to a director and should do so without delay. The information will be treated in confidence.

Employee Handbook and Knauf Group Code of Conduct

These explain the way we behave as an organisation, the rules we all follow, the policies we have in place and how we expect our employees and businesses to act.

External Policies and Suppliers

Knauf Insulation will never knowingly tolerate slavery or forced labour. During 2024, we have not been made aware of any allegations of modern slavery activities against any of our suppliers, but if we were, then we would act immediately and where appropriate, work with our supplier and any necessary authorities to rectify the situation.

We have a complex supply chain providing goods and services to our AU customers. Most of our suppliers are based in AU, but some operate from other parts of the world including Malaysia and mainland Europe. All products sold by Knauf Insulation in Australia are sourced from companies within the Knauf Group who all adhere to Knauf global policies. We continue to maintain and develop tools and processes to identify and mitigate any risk of instances of slavery or human trafficking occurring in our supply chain, some of these are outlined below.

Supplier Code of Conduct

A code for existing and prospective suppliers that, amongst other requirements, sets out expected standards of working conditions for staff employed by the supplier – including free choice of employment, no child labour, remuneration and benefits, hours of work and non-discrimination.

Preferred supplier list

We follow a defined on-boarding process for any new suppliers and due diligence is carried out, before and after, allowing them to become a preferred Knauf Insulation supplier. This due diligence can include desk or field-based audits, self-disclosure questionnaires and collation of any accreditations and standards held. Where applicable, this will include their own company policy for Modern Slavery.

Trading arrangements

Knauf Insulation reserves the right to terminate a supplier contract at any time should any instances of modern slavery become known.

As part of Knauf Insulation's trading arrangements, new suppliers are required to demonstrate that:

- They confirm compliance with the Knauf Insulation Code of Conduct for Suppliers;
- They have taken steps to eradicate any modern slavery within their business;
- They shall notify Knauf Insulation promptly if they become aware, or has reason to believe, that their organisation or any of its agents or subcontractors have breached or potentially breached the Modern Slavery Act 2018;
- They hold their own suppliers to account over modern slavery;
- They pay their employees at least the relevant minimum wage;

Relevant memberships and Accreditations

All the production facilities from which Knauf Insulation sources products are certified for three of the most important International Management Standards: ISO 9001 (Quality Management), ISO 14001 (Environmental Management), and ISO 45001 (Occupational Health & Safety Management).

Training and improving Modern Slavery and Human Trafficking during 2024

We will continue to develop and inform anti-slavery initiatives into our business, existing supply chain and new suppliers during 2024. Initiatives will include:

- Raising awareness amongst all teams in the business of Modern Slavery and what signs to look out for.
- Working with the internal communications to team to introduce the several types of Modern Slavery and what actions to take if someone spots the signs.
- Ensure that details of the internal reporting and complaints process are promoted on notice boards across the business.
- Create a specific induction template for all new starters, detailing information on Modern Slavery and Knauf's responsibilities in relation to reporting any concerns.

- We will continue to utilise internal platforms via Viva Engage, Teams and Microsoft 365 applications, to communicate updates and news in relation to Modern Slavery.
- Explore new training opportunities.
- Continue to review our options for undertaking ethical audits of our supply chain, which may include desk-based audits or third-party assessments and make use of available tools.
- Seeking new partners to move us forward in our understanding and develop modern slavery processes within Knauf Insulation.

This statement was approved by the Board of Directors of Knauf Insulation Pty Ltd, the principal governing body of the reporting entity, in accordance with section 13(2) of the Modern Slavery Act 2018.

This statement was prepared following structured consultation processes, including:


- Internal workshops with Procurement, HR, Compliance, and Logistics teams to assess risks and align actions;
- Direct engagement with Knauf Group compliance representatives in Europe and Asia to ensure alignment with global policies;
- Circulation of draft policies to relevant managers for review and feedback prior to Board approval.

This structured consultation ensures that perspectives from all relevant parts of the business and group entities are considered.

This statement and any relevant policies will be reviewed regularly and at a minimum frequency of once per year.



Stuart Dunbar
Managing Director



Andreas Moutsatsos
Finance Director