



Ontex Modern Slavery Statement 2023

June 2024

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Context

One in four victims of modern slavery are children. Modern slavery encompasses various forms of exploitation that are severe violations of human rights, such as human trafficking, slavery, servitude, and forced labour. Such exploitation is against our core principles and our commitment to preserving the rights of our workforce.

Source: According to the International Labour Organisation (ILO), there are more than 40 million people (about twice the population of New York) in slavery globally, of whom 25 million are in forced labour.

About this Statement

Ontex Group firmly stands for the eradication of all types of modern slavery. The actions that Ontex Group NV and its wholly owned subsidiaries collectively, "Ontex", "Ontex Group", or "The Company") have taken to ensure that slavery and human trafficking are not taking place either in our supply chain or our own business during the fiscal year of 2023 are described below.

This Modern Slavery Statement outlines the ongoing efforts of the Company and subsidiaries to prevent any form of modern slavery in our business and supply chain and is published in accordance with the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018.

Scope: All companies covered by the Statement are listed in Appendix I.



Our Structure, Business
and Supply Chain

01

Our Presence

Ontex Group NV was founded in Belgium in 1979, and is headquartered in Aalst, Belgium. Ontex Group has evolved into a global leader in personal hygiene solutions for baby, feminine, and adult care. With a workforce of approximately 7,500 employees worldwide, we operate 16 production facilities, 15 sales and marketing sites and 6 research and development centers.

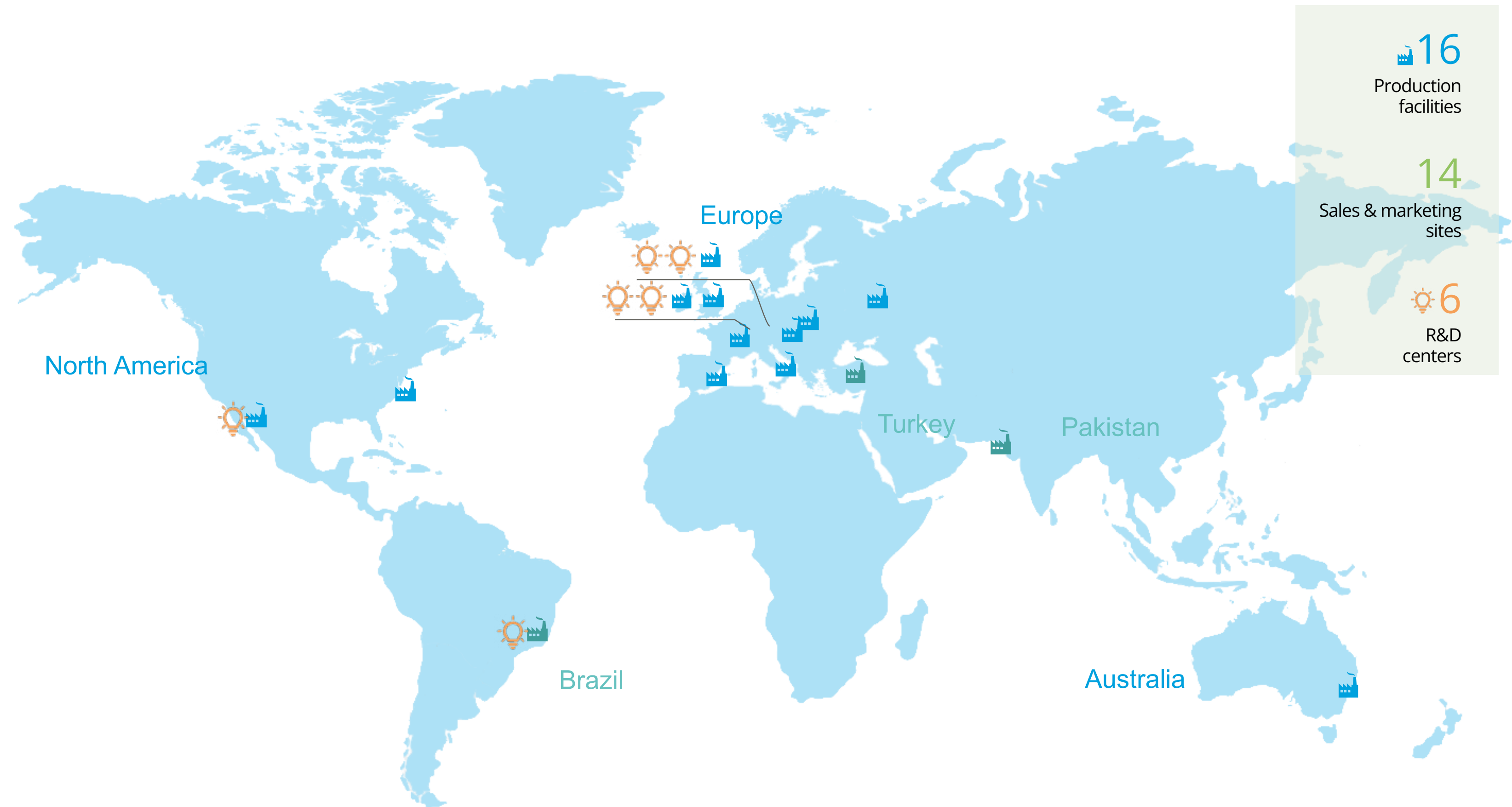
Our Sourcing

Most of our suppliers are located in Europe (60%), and Latin America (29%). Raw material suppliers represent slightly over 70% of Ontex spending.

For more information on our business structure, workforce, and operations see:

[Ontex Annual Report 2023](#).

This map shows the Ontex presence in fiscal 2023. Due to restructuring divestiture may vary in 2024.



Ontex Value Chain

Ontex value chain encompasses a comprehensive process that extends from the sourcing of raw materials to the responsible management of end-of-life waste. Our value chain is designed to reflect our commitment to sustainability, quality, and innovation at every step.



Our Value Chain



How do we tackle Modern Slavery?

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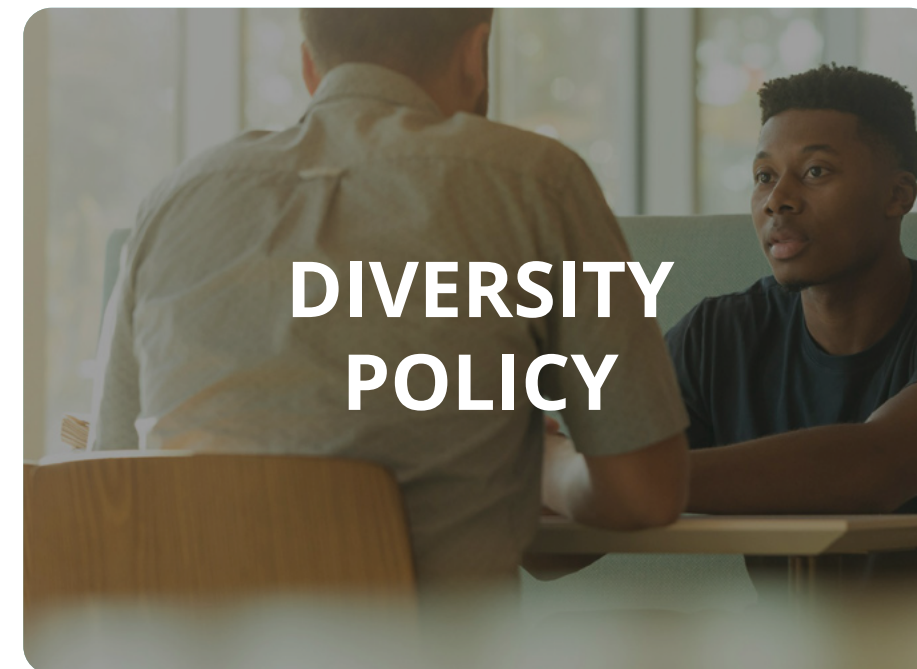
02

Our Policies

We are committed to ensuring that Ontex Group has appropriate frameworks and processes in place to minimize the risk of modern slavery in our business operations and supply chain. We have formal policies that are intended to promote ethical and legally compliant business practices.



Our Policies





Our Policies

All Ontex employees, contractors, and others who perform work or services to or on behalf of Ontex, are required to adhere to our [Code of Ethics](#), supported by additional policies such as the [Supplier Code of Conduct](#), the Speak Up Policy, and Human Rights Policy. Our Code of Ethics and Supplier Code of Conduct are available on the [corporate website](#).

These policies not only confirm our commitment to a zero-tolerance for illegal practices but also assist Ontex employees to identify situations where there may be a hidden risk of modern slavery and encourage them to speak up about it. Breaches to our Code of Ethics can be reported via various channels within the organization or through our (anonymous) online ['Speak Up!' web platform](#) or phone.



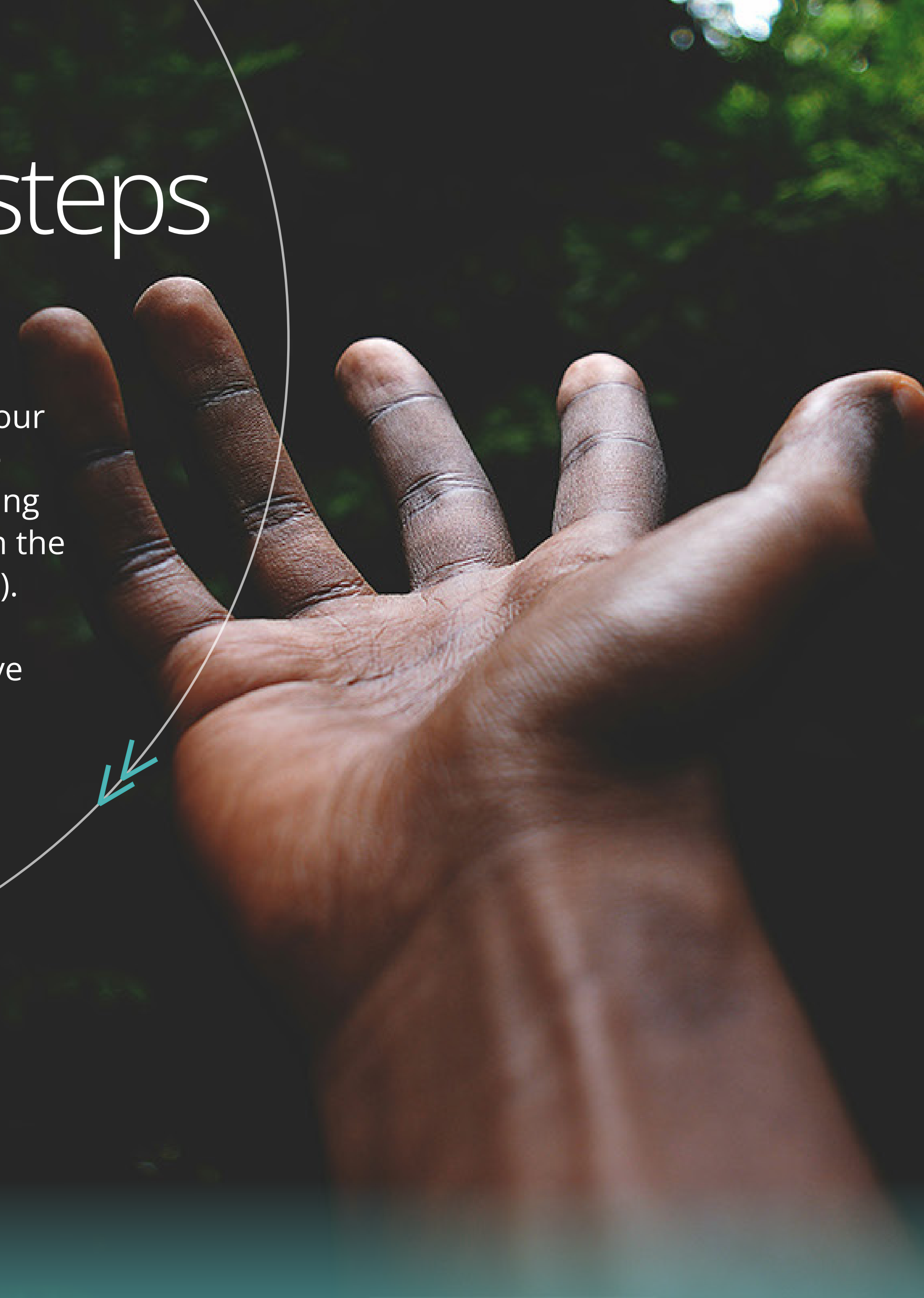
Our [Supplier Code of Conduct](#) outlines the values and standards expected of our suppliers and their representatives. Among many key considerations, it sets forth the expectations of our suppliers with respect to forced labor and child hiring practices. The Code of Conduct draws from the internationally recognized standards and norms including the Universal Declaration of Human Rights, International Labor Standards and OECD Guidelines for Multinational Enterprises. In our Supplier Code of Conduct we require all our suppliers to safeguard human rights and prevent modern slavery down their own supply chains.

At a local level, for instance in the UK and the Australian sites, additional policies are enforced to ensure compliance with relevant legislations, including the Recruitment & Selection Policy, Anti-Discrimination & Employee Equal Opportunity Policy, Workplace Bullying Policy, and Grievance & Dispute Resolution Policy.

Due diligence and steps to address risks

To help us assess the risk of modern slavery in our supply chain, we follow the OECD Due Diligence Guiding Principles and the United Nations Guiding Principles on Business and Human Rights within the Human Rights Due Diligence Framework (HRDD).

This work has led us to develop a comprehensive risk assessment approach for our supply chain and to establish a robust corporate governance framework to identify, assess, and address any potential negative impacts on human rights.



Our due diligence approach

We acknowledge the responsibility of companies to conduct human rights and environmental due diligence. **Our due diligence process follow these steps.**

Supplier due diligence program, designed and starting to implement in 2023.slavery globally, of whom 25 million are in forced labour.

What is the focus?
Actual and potential adverse impacts

Step 4.
Report and communicate findings

Step 3.
Cease, prevent and mitigate negative impacts

Step 5.
Provide for or cooperate in remediation when appropriate



Step 1.
Embed Responsible Business conduct into policies and management systems

Step 2.
Identify and Assess adverse impacts

Where in operations?
Ontex own operations
Ontex supply chains
Other business relationships

Steps for conducting due diligence

Step 1: Embed Responsible Business Conduct into Policies and Management Systems. Integrate responsible business practices into our core policies and operations. Aligning policies with international human rights and environmental standards.

Step 2: Identify and Assess Adverse Impacts. Conduct risk assessments to identify potential human rights and environmental impacts. Gather data from stakeholders, industry research, and on-site evaluations. Prioritize risks based on their severity and likelihood.

Step 3: Cease, Prevent, and Mitigate Negative Impacts Implement strategies to tackle and mitigate harmful practices and prevent future risks. Develop and enforce corrective action plans. Collaborate with affected parties to ensure effective mitigation and remediation.

Step 4: Report and Communicate Findings. Document and report the due diligence process, including risks, actions, and outcomes. Engage in open dialogue to address concerns and gather feedback for continuous improvement.



Risk assessment and management for prevention

In 2023, we intensified our efforts to enhance social compliance through a Supplier Due Diligence program. We initiated a risk-based due diligence exercise to identify, assess, and mitigate any actual or potential human rights impact.

Our analysis is based on SEDEX's risk-based assessment methodology, focusing on identifying high-risk countries, sectors, and commodities.



We acknowledge that modern slavery risks are not static, therefore, our due diligence approach to preventing and addressing them is periodically assessed to ensure effectiveness. Conducting this mapping annually enables us to identify areas posing the greatest risk of modern slavery, empowering us to tailor processes to better protect and support our and third-party workers that touch our business.

Conducting risk assessments is a critical part of sourcing and operating responsibly. The analysis of environmental and human rights impacts began with the mapping of our value chain based on SEDEX methodology to evaluate risks by country (manufacturing sites), sector, and commodities. The risk tool, Radar, helps us understand human rights and environmental risks across our global supply chain and focus on where to act. In a systemic and comprehensive approach, we focused on identifying negative impacts in our operations and upstream raw material suppliers.

Encompassing the risks of modern slavery practices in our operations and supply chains, as well as any entities owned or controlled by Ontex.

Our human rights strategy is interconnected with the managing steps for prevention



Management for prevention

Ethical and responsible sourcing is part of the procurement process. To ensure that our suppliers understand and share our values, and meet our mandatory ethical, labor, and environmental principles, we are integrating sustainability into every step of the sourcing process.



Risk Controls

Supplier criteria selection: Potential suppliers must complete a self-assessment questionnaire including sustainability-related questions (covering environment & social topics).

Sustainability criteria in tenders: Our purchasing tenders encompass a set of sustainability-related questions.

Supplier contracts: To become a supplier, companies must sign the Ontex Supplier Code of Conduct. The document is added to our Supplier contracts and includes a reference to our Ethical Sourcing Policy.

Supplier performance monitoring: Sustainability is a distinct part of our supplier performance review process. Suppliers are evaluated regularly on their social and environmental performance so that together we understand and can mitigate risks.



Potential risks in our operations and supply chains

Due to the complexity of the production and movement of goods between countries, particularly in the manufacturing value chain, the diverse levels of regulations in the markets where we operate, and the inherent risk in our industry, sector and commodities, the risk of being affected by modern slavery is potentially high.

Based on external source of references, for instance, the ILO regularly publishes reports and statistics on forced labor, child labor, and unsafe working conditions in various industries, including manufacturing. Their conventions and recommendations also provide a framework for understanding labor rights violations.



We acknowledge that the challenges associated with modern slavery are continuously evolving. Therefore, our approach to risk management will be guided by insights from our operations, commodities, and high-risk profiles.

Building on our previous criteria, there are risks of modern slavery at each stage of the manufacturing supply chain, from growing and producing raw materials, processing these into inputs, to manufacturing and selling final products to consumers and end users.

This approach ensures that our supplier network aligns with our risk management standards.

Based on external source of reference, and in the risk-based due diligence assessment, we observed that suppliers in regions with lax regulations concerning labor, business ethics and human rights tend to lack a robust compliance system.

The following risk factors associated with modern slavery guides our ongoing risk analysis:

Geographic locations: Certain countries are associated with a higher risk of modern slavery practices (for example, as listed in the Global Slavery Index). These criteria help us to define and identify the high-risk country.

Industry sector: Certain industry sectors are deemed higher risk in international and national guidance documentation (for example, as set out in the ACSI guide on Modern Slavery Risks, Rights & Responsibilities, 2019).

Commodity and Products: Certain commodities and products are deemed higher risk in international guidance documentation (for example, as set out in US Department of Labor's 2022 List of Goods Produced by Child and Forced Labor). These criteria help us to define and identify whether the commodity or the product are high-risk.

Note: High-risk country, according to international human rights standards and the SMETA methodology, is one with significant concerns about human rights violations, including poor labor practices, limited civil liberties, weak rule of law, conflict, and systemic discrimination. High-risk product or commodity is one that has a higher likelihood of being associated with human rights violations, environmental harm, or unethical practices in its production or supply chain.



Grievance & Remediation Mechanisms

Grievances, as defined by the Global Reporting Initiative, is perceived injustice evoking an individual's or a group's sense of entitlement, which may be based on law, contract, explicit or implicit promises, customary practice, or general notions of fairness of aggrieved communities.

At Ontex this definition is applied to concerns, problems, complaints, or other feedback related to our business, including environmental, social and governance topics. Raised grievances relate to perceived violation of our values, policies and other sustainability obligations adopted by our company and included in our Code of Ethics.

At Ontex there are various channels to address grievances depending on the stakeholder group which raises them.

Main Stakeholders

1.
Internal stakeholders
employees,
shareholders

2.
Suppliers, clients,
customers, and
consumers

3.
Authorities, agencies,
certification, and
accreditation bodies

4.
Other external
stakeholders, e.g.,
members of the public



Grievance & Remediation Mechanism

In line with our public commitments and adherence to international standards in human rights, at Ontex, we have implemented Grievance Mechanisms to address internal and external complaints regarding human rights and modern slavery potential violations. Various channels are available to address grievances, depending on the stakeholder group.

Employees are invited to report potential breaches of our Code of Ethics to managers, people of trust or using technology-driven mechanisms that allow for anonymous complaints to be sent, be duly registered and tracked up to a resolution. Each complaint is treated on a confidential basis and benefits from multi-functional resources to investigate and address potential breaches (in-house resources and, if needed, partnering with third parties – e.g. outside counsel and other specialists).

General complaints and feedback from clients, customers and consumers concerning environment, social and governance matters are channeled via Ontex commercial community and registered via a special dedicated database. Ontex's Speak-Up line is also available for them to raise concerns via our website.

The grievances authorities, agencies, certification, and accreditation bodies raise are typically non-conformities and corrective and preventive actions as part of third-party social audits, certification audits and inspections.



There is a separate process for each of these channels outlined in dedicated Ontex procedures. The common denominator is that all of them entail acknowledgement, investigation, implementation of actions to sanction wrongdoings, prevent, mitigate, and eventually remediate. The effectiveness of the grievance mechanisms is being evaluated during annual management reviews. These reviews also serve as a platform for reporting to upper management on the number of raised grievances and spotlighting the most critical ones.

Ontex strives to provide effective grievance mechanisms while safeguarding confidentiality, anonymity, and protection of suppliers and employee whistleblowers as much as applicable law provides.

Social Audits

Social compliance audits are essential for addressing modern slavery within supply chains. In 2023, third-party social audits were carried out in most of Ontex Group's plants, transitioning from the BSCI social audit to the SMETA scheme.

These audits entail workers and workers unions interviews, which are conducted by an independent external auditor and focus on several human & labour rights and environmental matters, including discrimination, forced or compulsory labour.



Finding

In 2023, 12 of our plants were subject to a third-party social audit assessment. No modern slavery issues were encountered.

In addition, we request our suppliers located in high-risk countries to provide us with a valid third-party social audit report within six months upon starting doing business with Ontex.

Also, 61% of our raw material and packaging suppliers which are managed by Group level, were in a medium-high risk country, of which 39% of them provided us with a valid third-party social audit report. No agreements with raw material suppliers were terminated due to social and sustainability-related non-compliances.

Training & Capacity Building

Addressing business ethics and compliance involves fostering and disclosing a strong corporate culture that values integrity, managing relationships with suppliers ethically (including fair payment practices), protecting whistleblowers, combating bribery and corruption, and upholding high standards of ethics and compliance throughout the organization.

These principles are continuously enhanced through regular communication and interactive learning programs.

[The Code of Ethics](#) integrates our values concerning anti-competition, bribery, conflicts of interest, professional conduct, human rights, and sanctions against certain countries, among other key principles. To ensure a comprehensive understanding of the risks associated with modern slavery in our operations and supply chain, employees undergo periodic educational training sessions on these topics.

We have recently launched an initiative of having a full month dedicated to talking Compliance within the Company via talks, trainings, leaflets and posters and other engagements with the main intent of making Compliance be not only mandated but also better understood and become more familiar to all of our employees.

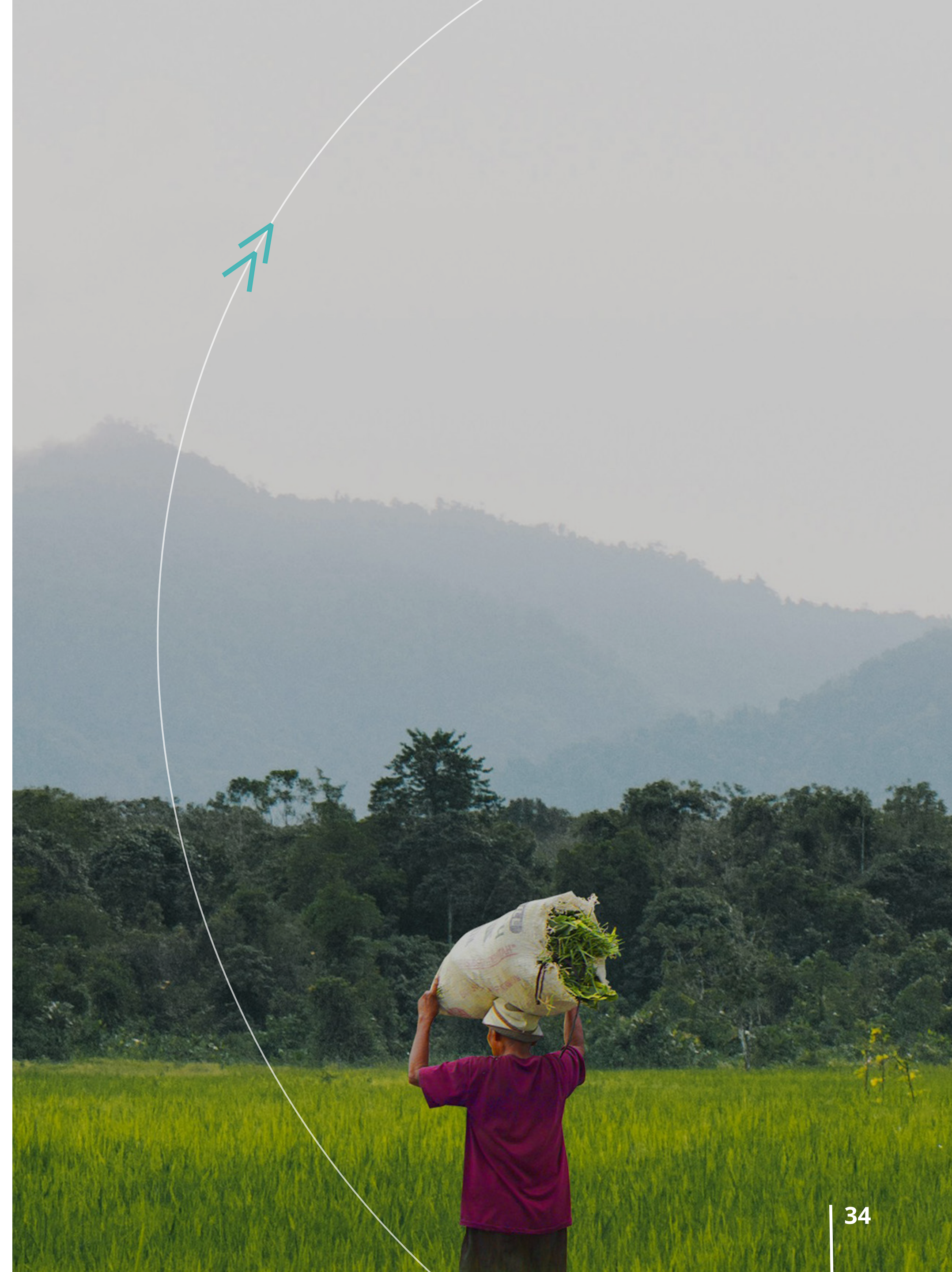


Measuring effectiveness

We are committed to continuously assessing and improving our actions' effectiveness to identify, prevent, mitigate, and manage modern slavery risks in our operations and supply chain.

Over the year 2023, we focused on making improvements in the existing processes by:

- ✓ Ontex Supplier Code of Conduct policy review.
- ✓ Implementation of a Supplier Due Diligence program and a risk-based due-diligence approach.
- ✓ On plant level, actions plan for non-compliances identified in third-party social audit findings.
- ✓ Provide sustainability training to our suppliers and sustain engagement through our annual Supplier webinar, where we outline Ontex expectations concerning human rights and environmental topics, among others.
- ✓ Collaborate with strategic medium and high risks suppliers through EcoVadis participation.
- ✓ Require our suppliers to carry out third-party social audits during the onboarding process.



Outcomes

In 2023, we received 125 grievances via the Speak-up line (versus 98 received in 2022). 70 of these were Code of Ethics-related while the rest were comments, questions or complaints un-related to our Code of Ethics. After following the investigation processes, 30 of these were substantiated or partially substantiated.



The most common Code-violation was related to the professional conduct expected in the workplace. The 2024 Action Plan includes communication and training on this specific section of our Code of Ethics to ensure proper observance by all colleagues, including two global talks given by our Chief Legal and Human Resources Officer.

43 ESG-related grievances linked to environmental and social topics were raised in 2023. For each of these, an action plan was developed.

To improve our responsible sourcing practices, we prioritize maintaining transparent communication with our suppliers to outline Ontex's sustainability requirements, which has led to an improvement in the percentage of suppliers who have signed the Code of Conduct.

The increase in suppliers from high-risk countries is a result of refining our criteria, guided by external resources focused on protecting human rights.

Additionally, we have upheld a 100% screening rate for new suppliers based on social criteria.

Our steadfast commitment to this endeavor is evident in our systematic management of social screening parameters, underscoring our continuous dedication to social responsibility and ethical sourcing practices throughout our engagement with suppliers.

For more information, go to [Annual Report 2023](#).



Stakeholder Engagement

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Stakeholder engagement is at the core of everything we do. We prioritize local engagement, focusing on communities near our operations and offices, where we provide essential personal hygiene solutions. Our success is directly linked to the relationships we build with stakeholders, guiding our efforts to identify and engage with them effectively across all our sites.

We collaborate with suppliers and Ontex entities to ensure ethical sourcing and combat modern slavery. Recognizing our role in a broader ecosystem, we maintain open and direct communication with diverse stakeholders, fostering partnerships to drive sustainability.



Stakeholder	Engagement approach
EMPLOYEES	Surveys, performance reviews, presentations, trainings, meetings, social events, email, and intranet.
SHAREHOLDERS AND INVESTMENT COMMUNITY	Website, meetings, annual report, conferences, regular meetings and focus groups.
CUSTOMERS	Surveys, meetings, industry events, information sessions, Ontex's website and media communications.
COMMUNITIES	Participation in community programs and events, industry events, our website, media communications and surveys.
INDUSTRY BODIES	Industry conferences, meetings, and presentations.
CONTRACTORS AND SUPPLIERS	Meetings, supplier webinars and surveys.

Consultation with Ontex Entities

Within the Ontex Group, members of the key Ontex functions that support the Group level reporting entities, including Sustainability, Procurement, Compliance and Legal, were consulted in the development of this document. This included sharing knowledge on human rights, including modern slavery compliance activities. In addition, consultations were in connection with the preparation of this Statement.



Consultation with Suppliers

Sustainability criteria are integrated into supplier selection, tenders, contracts and and performance monitoring, with strict requirements to requirements to prevent modern slavery.



Ontex Group will continue to collaborate with its stakeholders to prevent and address any unintended and unexpected contribution that Ontex may make to the global issues of modern slavery. The Company will achieve this by focusing on:

Governance review

We will continue review and assessment of the effectiveness of policies and procedures in identifying and minimizing modern slavery risks across our business and supply chains.

Awareness & Training

We will continue to provide training to our employees and suppliers on modern slavery risks.

Supplier Engagement

We will engage with our suppliers in relation to modern slavery risks.

Responsible procurement

We will integrate risk management exercises to prevent and mitigate social and ethical risks within our supply chain.

Risk identification

We will continue performing ethical audits at our plants and update our risk due-diligence assessment of our operations and supply chain.

Promoting reporting & whistleblowing

We will continue to provide and promote our anonymous speak up line to allow our internal and external stakeholders (including workers from our contractors and suppliers) to freely raise concerns about any actual or suspected unethical, unlawful, or undesirable conduct.

This statement is made in accordance with section 54(1) of the UK Modern Slavery and Slavery Act 2015 and section 14 of the Australian Modern Slavery and Human Trafficking Statement for the 2023 financial year.

This Statement has been approved and endorsed by the CEO of Ontex, Gustavo Calvo Paz, in his capacity as the principal executive officer of Ontex, on June 27, 2024.



Ontex Group NV
Korte Kepestraat 21, 9320 Aalst, Belgium
<https://ontex.com>

CONTACT DETAILS

Group Sustainability Team
Elise Barbé
elise.barbe@ontexglobal.com

Ontex Australia
Soo Chan Loo
soochan.loo@ontexglobal.com

Ontex UK
Ashley Starbuck
ashley.starbuck@ontexglobal.com

Press
Maarten Verbanck
corporate.communications@ontexglobal.com

Appendix I. Scope of the report

Manufacturing and services companies covered in Ontex Group Modern Slavery Statement 2023

Can Hygiène SPA Algeria
Ontex Australia Pty Ltd Australia
Ontex Manufacturing Pty Ltd Australia
Eutima BV Belgium
Ontex BV Belgium
Active Industria De Cosméticos S.A. Brazil
Falcon Distribuidora Armazenamento E Transporte S.A. Brazil
Ontex Hygienic Disposables (Yangzhou) Co.TD China
Ontex Hygienic Disposables (Shanghai) LTD China
Ontex CZ S.r.o. Czech Republic
Hygiène Medica SAS France
Ontex France SAS France
Moltex Baby-Hygiene GmbH Germany
Ontex Engineering GmbH & Co .KG Germany
Ontex Healthcare Deutschland GmbH Germany
Ontex Hygienartikel Deutschland GmbH Germany
Ontex Inko Deutschland GmbH Germany
Ontex Care GmbH Germany
Ontex Mayen GmbH Germany
Ontex Vertrieb GmbH Germany
WS Windel-Shop GmbH Germany
Ontex Manufacturing Italy S.r.l. Italy
Serenity Holdco S.r.l. Italy
Serenity Spa Italy
Ontex Mexico Operations S.A. de C.V.
Ontex Pakistan Ltd Pakistan
Ontex Polska sp. z.o.o. Poland
Ontex Romania Srl Romania
Ontex RU LLC Russia
Ontex ES Holdco S.L. Spain
Ontex ID SAU Spain
Ontex Peninsular SAU Spain
Ontex Hygienic Spain, S.L. Spain
Ontex Tüketim. Urn. San. ve Tic. AS Turkey
Ontex Ukraine LLC Ukraine
Ontex Health Care UK Ltd United Kingdom
Ontex Retail UK Ltd United Kingdom
Ontex US Holdco, LLC USA
Valor Brands, LLC USA
Ontex Operations USA, LCC

For more information please refer to [Annual Report 2023](#).

Appendix II. Statements for compliance

Compliance with Modern Slavery Act requirements

This Joint Statement is prepared in accordance with the criteria set out in the Australian and UK Modern Slavery Act. The table below outlines where these mandatory criteria are addressed in the report.

Mandatory criteria for Modern Slavery Statements	Section in the Report
Identify the reporting entity.	About this Statement
Describe the structure, operations, and supply chains of the reporting entity.	Our structure, business, and supply chain
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls.	Due diligence Risk Assessment and management
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	Steps to address modern slavery Grievance and remediation mechanism
Describe how the reporting entity assesses the effectiveness of such actions.	Mesuring effectiveness
Describe the process of consultation with any entities that the reporting entity owns or controls.	Stakeholder Engagement
Provide any other information that the reporting entity, or the entity giving the statement, considers relevant.	Modern Slavery Statement

Appendix III. Glossary

In the context of this report, modern slavery covers a set of specific legal concepts including forced labour, debt bondage, forced marriage, other slavery and slavery-like practices, and human trafficking

Modern Slavery: refers to situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, deception, or abuses of power. It takes many forms and is known by many names — forced labour, forced marriage, debt bondage, sexual exploitation, human trafficking, slavery-like practices, forced or servile marriage, and the sale and exploitation of children.

Forced Labour: is defined in the International Labour Organization Forced Labour Convention, 1930 (No.29) as “all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.” The ILO conventions C29 and C105 list precise exceptions under which labour can be imposed by state authorities.

Human trafficking: trafficking is defined in the UN Trafficking in Persons Protocol as involving three steps. 1. Recruitment, transportation, transfer, harboring, or receipt of persons;

2. by means of threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person; 3. with the intent of exploiting that person through: prostitution of others, sexual exploitation, forced labour, slavery (or similar practices), servitude, and removal of organs. The recruitment, transportation, transfer, harbouring, or receipt of a child for the purpose of exploitation shall be considered “trafficking in persons” even if this does not involve threat, use of force, or coercion.

Due diligence in human rights and environment: refers to the responsibility of governments, corporations, and other entities to take proactive measures to identify, prevent, mitigate, and remedy human rights abuses within their sphere of influence. It involves a systematic and ongoing process of assessing, addressing, and monitoring human rights risks and impacts associated with their activities, products, services, or operations.



Ontex Group MSS 2023

June 2024

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