



BSH Home Appliances Pty Ltd
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This Modern Slavery Statement was prepared by BSH Home Appliances Pty Ltd (ACN 109 198 405) to meet the mandatory reporting criteria set out in the *Modern Slavery Act 2018* (Cth). This Statement only applies to BSH Home Appliances Pty Ltd as a reporting entity under the Act.

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Introduction

BSH Home Appliances Pty Ltd's (BSH-AU) presents its fourth Modern Slavery Statement (Statement), detailing the measures taken to evaluate, confront and alleviate the risks within operation and the supply chain network.

BSH-AU acknowledges the dynamic nature of this process and the rapidly changing landscape it operates in. Modern Slavery is a pressing societal challenge that has garnered heightened attention from society, policymakers, and industry leaders. Using previous data and accommodating for 2023, it is approximated that modern slavery and human trafficking generates illegal gains exceeding AUD \$372 billion annually. In recognition of the unlawfulness, The Modern Slavery Act 2018 (Cth) was implemented to impel businesses to proactively implement safeguarding strategies to prevent infiltration into their supply chains. As of 2023, the Australian household appliance market generated an annual revenue of AUD \$5.7 billion, all contributors have a responsibility to disclose actions to address and mitigate the existing modern slavery risks within their organisations, further delving into their supply chains to ensure businesses are operating in an ethical manner.

Thus, BSH-AU presents unique challenges annually, prompting the development of innovative solutions. Modern slavery demands a considerable degree of attention within the supply chain. As an ethically committed and moral driven entity, BSH-AU aims to uphold our values by recognising the harms of these events and possibility of such occurring within the supply chain. In turn acting by implementing processes to mitigate the impacts within our supply chain.

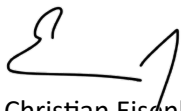
Director's Message

At BSH-AU we believe that human rights are at the forefront and impacts all aspects of business. As a very present entity within the home appliance sector, eradicating the direct or indirect involvement of modern slavery not only affirms our standing within the community but also our commitment to stakeholders to contribute towards a peaceful and sustainable lifestyle for the current and future generations.

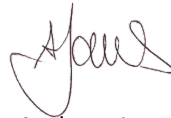
Throughout the challenges faced from the previous reporting period, BSH-AU maintained a vigilant view on the topic to fortify our risk management processes. With that comes perpetual challenges to discover the inherent risks within our supply chain...

After evaluation of the current progress, we will continue to review and adapt our processes to the identify the gaps in the everchanging working economy, as well as work more closely with our partnerships and suppliers to ensure we are doing our best to eradicate modern slavery.

It is our core mission to improve the quality of life both domestically and internationally with our innovative home appliances and solutions, as we are consumer centric, acting responsibly, taking initiative and most of all displaying transparency within our operations and supply chain is fundamental with our core structures. As such, we look optimistically onwards to our contribution towards a more sustainable working environment around the globe.



Christian Eisenbock
Finance Director
BSH Home Appliances Pty Ltd



Andrew Jones
Managing Director
BSH Home Appliances Pty Ltd

This Statement was approved by the Board of BSH Home Appliance Pty Ltd on 20 Jun.24

Structure, Operations, and Supply chain

Structure

BSH-AU represents the Australian subsidiary of BSH Hausgeräte GmbH (BSH). Functioning as a private entity, BSH-AU specialises in importation, distribution and sale of home appliances in the Australian market.

Meanwhile, BSH, headquartered in Munich, Germany, has been under the complete ownership of Robert Bosch GmbH since 2015. The company's global workforce has a presence in approximately 50 countries, supporting operations across 41 production facilities located in Europe, the United States of America, Latin America, and Asia. In the fiscal year 2023, BSH reported a growth in turnover of over 260 million Euros, showcasing its robust market presence and sustained growth as a premier provider of home appliances.

Currently located in Clayton, Victoria, BSH-AU operates as a private enterprise since its establishment in 2004. With a rich history spanning over half a century, BSH has emerged as a global leader in the home appliance sector, evolving from a regional exporter to a renowned manufacturer. Currently, it employs 222 individuals, comprising of 189 full-time and 33 part-time or students. BSH-AU has a portfolio of leading brands, Bosch, Neff, Siemens and Gaggenau, producing product ranges covering ovens cook tops, refrigeration, dish care and laundry care items amongst many more.

Operations

BSH-AU undertakes a multifaceted approach to its operations, encompassing several key activities:

1. Procurement and distribution: BSH-AU manages the importation and distribution of home appliances, ensuring their availability in the Australian market.
2. Partnership establishment: BSH-AU collaborates with authorized dealers and retailers, fostering mutually beneficial partnerships to enhance product accessibility and market reach.
3. Post-sale support: BSH-AU provides comprehensive after-sale services and support, ensuring customer satisfaction and product longevity.
4. Innovation and product development: BSH-AU focuses on developing and introducing new products and technologies to meet evolving consumer needs and preferences.
5. Regulatory compliance: BSH-AU prioritizes adherence to local regulations and standards, ensuring the safety and quality of its products.
6. Stakeholder engagement: BSH-AU actively engages with customers, suppliers, and other stakeholders, fostering strong relationships and promoting mutual growth.

7. Marketing and advertising: BSH-AU implements marketing and advertising strategies to promote its products effectively, enhancing brand visibility and consumer engagement.
8. Sales strategy implementation: BSH-AU develops and executes sales strategies to drive product sales and achieve market objectives.
9. Retailer support: BSH-AU provides training and support to authorized retailers and agents, equipping them with the knowledge and resources to effectively promote and sell BSH products.
10. Supply chain management: BSH-AU manages logistics and supply chain operations to ensure efficient product distribution and timely delivery to customers and retailers.

Supply Chain

BSH-AU orchestrates a sophisticated and geographically expansive supply chain. Specializing in the importation and distribution of an extensive array of home appliances, spanning from versatile ovens to efficient vacuum cleaners, BSH-AU meticulously sources its products from entities within the BSH Group.

This intricate network encompasses approximately 240 suppliers alongside a vast network of over 500 esteemed retailers and agents. BSH-AU prides itself on fostering enduring and steadfast relationships with these stakeholders, grounded in principles of trust and reliability.

To uphold the highest standards of ethical conduct and compliance, BSH Group entities, including those from which BSH-AU procures its appliances, diligently adhere to the comprehensive policies and regulations delineated within the BSH Group framework. This steadfast commitment is exemplified through strict compliance with established guidelines such as the Business Conduct Guidelines, Lawyer of Trust, and the Trust and Tell system, epitomizing an unwavering dedication to integrity and transparency across the entirety of the supply chain.

Assessing Risks of Modern Slavery

Identifying the risks

The home appliance sector operates within a multifaceted and ever-changing global landscape, characterized by a diverse array of business activities. Understanding the inherent complexities, BSH-AU recognize that our risk profile remains fluid, shaped by internal and external forces impacting our operations and supply chains alike. These influences encompass a spectrum of factors, ranging from the incorporation of new affiliated entities into our portfolio to overarching structural shifts, including the effects of the global economic conditions and its resultant pressures on the supply chain.

Risk in Recruitment practices

Recruitment practices, often seen as the gateway to employment opportunities, can unfortunately serve as a breeding ground for exploitation and modern slavery. Vulnerable individuals seeking employment may fall victim to deceptive practices, coercion, and fraudulent schemes perpetrated by unscrupulous recruiters or employers. From deceptive promises of lucrative wages to coercive tactics that trap individuals in debt bondage, recruitment processes can inadvertently facilitate the exploitation of workers, leading to situations of forced labour, human trafficking, and other forms of modern slavery. Understanding the complexities and risks inherent in recruitment practices is crucial in combating these insidious practices and safeguarding the rights and dignity of workers worldwide.

BSH-AU may be tangentially implicated or potentially susceptible to modern slavery through recruitment practices facilitated by third-party intermediaries. According to the International Labour Organisation (ILO), forced labour, which may take many forms and is a deceptive means where coercive labour is extracted from individuals who are under the spectre of repercussions. Third party recruiters utilise discreet coercive operations and deceptive tactics, often unlawfully, towards vulnerable members.¹

Although this concern may not be directly imposed upon BSH-AU, the company may have low to medium exposure through practices throughout the supply chain.

Risk in Recycling and disposal

Another risk BSH-AU has the potential to contribute towards without appropriate due diligence, are those associated with recycling and disposal facilities.

Recycling facilities, vital to managing and repurposing waste materials, play a critical role in promoting sustainability and environmental stewardship. However, beneath the surface of this admirable pursuit lies a darker reality: the potential for modern slavery to thrive within these operations. From exploitative labour practices to the informal recycling sector's precarious conditions, recycling facilities can inadvertently contribute to situations of forced labour and human exploitation. Understanding the complexities and risks inherent in the recycling industry is

¹<https://www.ilo.org/infostories/en-GB/Stories/Forced-Labour/Deceptive-Recruitment-and-Coercion#crossing-borders-migration>

paramount to addressing these challenges and ensuring the rights and dignity of all workers involved throughout the entire process.

Modern slavery is common amongst the waste industry as there are multiple entry points that traffickers may exploit their workers, with the high turnover rates in the industry, it is possible for traffickers to move their vulnerable victims around, with their malicious intentions going unnoticed by employers. Furthermore, as the roles are low skilled and temporary for most, employers are desperate for employees, thus making it highly susceptible to acts of slavery.²

Products imported by BSH-AU utilise many disposable materials across many components of the supply chain that is discarded via recycling facilities. Packaging materials including bags, cardboard, and plastic ultimately land in waste facilities, where unsafe working conditions may exist.

² <https://clarity.eu.com/news/modern-slavery-in-the-waste-industry/>

Addressing Risks of Modern Slavery

The workforce is the cornerstone of a business, as such BSH-AU deems the welfare of employees' imperative to our operations, including those of our third-party handlers in our supply chain and stakeholders in the business. Given our concern and belief in the company values, BSH-AU is steadfast in our commitment to proactively address the critical issues surrounding modern slavery. By upholding efficient mechanisms for recognizing, evaluating, addressing, and pre-emptively handling modern slavery risks, we are actively aligning ourselves with pertinent laws, regulatory mandates and upholding ethical standards.

What BSH is doing

Training and cultivating information awareness on modern slavery remains pivotal in tackling the intricate and covert aspects. In recognition, BSH-AU engaged in the APCO conference and SWOT seminars/ informational training sessions, to explore the sustainability of the selected industries to forefront the advantages and detriments of topic such as waste products. BSH-AU aims to continue engaging with the community by maintaining involvement in these discussions as we have previously shown.

Amongst the topics of concern, BSH-AU ventures towards the Australian recycling programs. Backed by the Australian government and industries, it aims to deliver a sustainable, nationwide approach to packaging responsibly. Participating in APCO working groups reflects BSH-AU's alignment with our industry and endorses the 2025 recycling targets. We will extend our discussions and findings to collaborate with our external stakeholders and members of the supply chain to discuss their progression and involvement with the targets. It is our objective to inform the global stakeholders of Australia's targets, thereby fulfilling our role in the endeavour to make a difference.

What BSH will do

Risks of exploitive labour practices are pronounced at the stage of sourcing raw materials and is typically overlooked by corporate social responsibility schemes due to the lack of visibility in the supply chain. On a global scale, cobalt and cotton are the most desirable raw materials for consumer goods. Investigations of these industries have surfaced evidence of child and forced labour usages, however there is a lack of detection strategies for corporations to recognise the presence of modern slavery in their supply chain.

In response, BSH-AU initiated the monitoring and assessment of cobalt smelters within the logistics network to ascertain the proportion of smelters certified by the Responsible Mineral Initiative (RMI). The analysis has a target for completion by the conclusion of 2024. Whilst BSH-AU has initiated the evaluation process, the methods are monitored and actioned on a global level, thus the company has limited control over material usage in our imported products. Nevertheless, we remain committed to pursuing this initiative.

Monitoring the effectiveness of BSH-AU's actions

BSH-AU endeavoured to implement remediation mechanisms by the end of the year 2023. The objective and execution are presently under examination; however, it necessitates a greater degree of engagement than initially anticipated, hence the extension of the timeframe.

On a positive note, BSH-AU were able to successfully fulfil the following goals:

- Include the BSH Group's Code as Schedule to all applicable template agreements.
- Develop and include modern slavery clauses in all applicable template agreements.

The company aims to continue spreading modern slavery awareness, our response to addressing the asymmetric information amongst company members was to initiate internal discussion on relevant topics regarding the matters of modern slavery. Additionally, the engagement amongst BSH-AU's third party required greater collaboration, the lack of engagement towards the topics of concern hinders progression of targets. BSH-AU is aware of the stagnant growth regarding internal and external awareness. We are actively devising appropriate measures to ensure integration of stakeholder engagement and continuing to be well-informed on the everchanging circumstances will assist to further acknowledge, identify, and eradicate the presence of modern slavery as well as Australia's recycling goals.

BSH-AU will continuously undergo internal risk assessment to improve the ethical standards within the business and supply chain to refresh our plan of action against modern slavery.

Below is our plan of action followed by the reported progress status.

Review of BSH-AU's 2023 actions

Action	Progress
Establish a "Modern Slavery Working Group" by 30 September 2021	Completed on time
Establish a detailed schedule for supplier assessment to ensure modern slavery due diligence activities occur as planned and on time	Completed on time
Roll-out its Modern Slavery Questionnaire to main suppliers by 31 December 2022	Completed on time
Include the BSH Group's Code as Schedule to all applicable template agreements by 31 December 2022	Completed
Endeavour to develop, implement and utilise a modern slavery risk assessment framework by 31 December 2022	Completed on time.
Develop and include modern slavery clauses in all applicable template agreements by 31 December 2022	Completed
Endeavour to develop and implement remediation mechanisms by 31 December 2023	To be progressed

Evaluate cobalt smelters within its supply chain and determine the share of Responsible Mineral Initiative (RMI) certified by 31 December 2024	To be progressed
Endeavour to map all high-risk and indirect suppliers by 31 December 2025	To be progressed
Encourage all relevant suppliers to use only 100% RMI certified cobalt smelters by 31 December 2027	To be progressed

Appendix

This statement was prepared to meet the mandatory reporting criteria set out in the Modern Slavery Act 2018 (Cth)

Mandatory Criterion	BSH-AU's Modern Slavery Statement 2022
Identify the reporting entity	Inside the front cover
Describe the Structure, operations, and supply chain of reporting entity	Page 5-6
Describe the risks of modern slavery practices in the operations and supply chain of the reporting entity and any entities it owns or controls	Page 7-8
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or control, to assess and address those risks, including due diligence and remediation process	Page 9
Describe how the reporting entity assesses the effectiveness of such actions	Page 10
Describe the process of consultation with: ♣ An entities that the reporting entity owns or controls; and ♣ In the case of a reporting entity covered by a statement under section 14 the entity giving the statement	N/A
Include any other information that the reporting entity, or the entity giving the statement, may consider relevant	N/A

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