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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

This is BSH Home Appliances Pty Ltd's (**BSH-AU**) third Modern Slavery Statement (**Statement**). This Statement outlines the steps BSH-AU is taking to assess, address and mitigate modern slavery risks in its operations and supply chain. This Statement will also provide updates on BSH-AU's 2021 Modern Slavery Statement.

BSH-AU is committed to operating its business ethically and with respect for human rights. BSH-AU recognises that modern slavery is a significant risk in many sectors and supply chains, and is committed to identifying and addressing modern slavery risks in its operations and supply chains. BSH-AU acknowledges that it is an evolving process and the environment we are facing has also been changing rapidly. Hence every year we will face different challenges and come up with new solutions.

The scourge of modern slavery has by no means been relegated to history. The 2021 Global Estimates indicates that 49.6 million people are in modern slavery on any given day.<sup>1</sup> The Asia and the Pacific region has the highest number of people in forced labour (15.1 million) and the Arab States the highest prevalence (5.3 per thousand people).<sup>2</sup>

Due to the intricate nature of its operations and supply chains, BSH-AU recognises that there is a possibility of modern slavery risks arising through direct or indirect channels. To effectively identify and assess these risks, BSH-AU has identified two key areas of focus in this Statement:

1. Textile Procurement;
2. Facilities Construction.

By highlighting these areas, BSH-AU aims to thoroughly evaluate and manage potential modern slavery risks within its operations and supply chain.

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<sup>1</sup> International Labour Organisation and Walk Free Foundation. 'Global Estimates of Modern Slavery' International Labour Organisation (web PDF, 2022). P11

<sup>2</sup> Ibid.

## Director's Message:

BSH-AU is committed to ensure the wellbeing and safety of all people involved in our operations and supply chain. At BSH-AU, we recognise that modern slavery is a complex and global humanitarian issue that requires a collective and collaborative effort by businesses, governments, and non-for-profit organizations.

As a leader in home appliances, BSH-AU acknowledges the influential role we have in driving the economy to address modern slavery and protect human rights. Our commitment to ending modern slavery is rooted in our core values, and we strive to uphold these values in every aspect of our business.

To achieve this, BSH-AU has implemented short and long-term actions to address modern slavery risks at all levels of our operations and supply chain. We are employing a range of measures, including comprehensive risk assessments, due diligence processes, and Supplier Code of Conduct, to identify and mitigate any risks of modern slavery in our supply chain and operations.

At BSH-AU, we understand that modern slavery requires ongoing attention and dedication. That is why we are continuously seeking ways to improve our approach to identifying, mitigating, and addressing modern slavery risks. Our commitment to continuous improvement is reflected in our Modern Slavery statements, which sets out our key actions and targets to further develop our understanding and management of modern slavery risks across the operations, products, and services.

We also recognise the importance of transparency and accountability in our efforts to address modern slavery risks. That is why we are committed to maintaining open communication and engagement with our stakeholders, including our employees, customers, suppliers, to ensure that we are meeting their expectations and addressing their concerns.

As the directors of BSH-AU, we are committed to ensuring that we maintain our position as a leader in the industry, not only in terms of innovation and quality but also in our commitment to ethical and responsible business practices. We will continue to work tirelessly to end modern slavery and protect the rights and freedoms of all people involved in our operations and supply chain.



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. 23.

# Structure, Operations and Supply Chain

## Structure

BSH-AU is the Australian Subsidiary of BSH Hausgeräte GmbH (**BSH**). BSH was founded in 1967 as a joint venture between Robert Bosch GmbH and Siemens AG. Over 55 years of history, BSH has grown from a German exporter into one of the world's leading home appliance manufacturers. 41 production sites in Europe, the USA, Latin America and Asia along with a strong network of about 80 sales, production, and service companies in around 50 countries are a strong foundation for BSH's consumer-oriented business model.

BSH-AU imports, distributes and sells BSH appliances under the Bosch, Siemens, NEFF and Gaggenau brands. The company offers a wide range of home appliances, including dishwashers, washing machines, dryers, refrigerators, ovens, and vacuum cleaners. BSH-AU also provides after-sales services and support for its products through a network of service centres and authorised dealers across Australia.

BSH-AU is based in Clayton, Victoria. BSH-AU was established in 2004 and is home to approximately 193 employees. Of this, 172 employees are full-time, 21 employees are part-time or casual. BSH-AU does not own or control any other entities.

## Operations

BSH-AU is primarily engaged in the importation, marketing, sales and distribution of home appliances. In addition to distribution and sales, BSH-AU also provides after-sales service and support for its products. BSH-AU is committed to providing high-quality products and services to its customers and has a strong focus on innovation and sustainability. To achieve this BSH-AU engaged in the following key operations:

1. Importing and distribution of home appliances
2. Establishing partnerships with authorised dealers and retailers
3. Providing after-sale services and support
4. Developing and launching new products and technologies
5. Ensuring compliance with local regulations and standards
6. Building strong relationships with customers, suppliers and other stakeholders
7. Marketing and advertising BSH products
8. Developing and implementing sales strategies
9. Conduct market research and analysis
10. Provide training and support to authorised retailers and agents
11. Managing logistics and supply chain operations

## Supply chain

BSH-AU's supply chain is complicated and geographically diverse as it involves managing various aspects of the supply chain process to ensure the timely delivery of appliances to the Australian market. BSH-AU works with approximately 240 active suppliers and over 500 retailers and agents. Active suppliers refer to those that are currently engaged in providing goods or services within the reporting period.

BSH-AU aims to establish and maintain long-term relationships with its active suppliers and business partners based on mutual trust, collaboration, and shared values. This involves open communication, transparency and a commitment to working together to achieve common goals. BSH-AU engages in regular communication channels, such as supplier meetings, joint business reviews, and performance evaluations to foster a collaborative relationship with its supplier and retail partners.

In 2022, BSH-AU imported over 550,000 home appliances. Over 60% of all imported home appliances were supplied from Germany. The remaining imports were supplied from Turkey, Poland, Spain and China. BSH-AU procures its home appliances from BSH Group entities. All BSH Group entities comply with BSH group policies and regulations such as the Business Conduct Guidelines<sup>3</sup> and Supplier Code of Conduct<sup>4</sup>.

Over the 2022 period, BSH-AU's operation and supply chain were significantly impacted by West-Coast Railway disruption and fuel price inflation. Despite these obstacles, BSH-AU successfully navigated unexpected changes and difficulties in our operation and supply chain. BSH-AU's response to these obstacles has helped to ensure business continuity and minimised the impacts on stakeholders – employees, retailers, developers, customers etc. BSH-AU remains confident in its ability to adapt and thrive in the dynamic and competitive environment.

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<sup>3</sup> [https://media3.bsh-group.com/Documents/MCDOC01985340\\_BSH\\_BCG\\_EN.pdf](https://media3.bsh-group.com/Documents/MCDOC01985340_BSH_BCG_EN.pdf)

<sup>4</sup> [https://media3.bsh-group.com/Documents/MCDOC01963842\\_BSH-Code-of-Conduct.pdf](https://media3.bsh-group.com/Documents/MCDOC01963842_BSH-Code-of-Conduct.pdf)

## Assessing the Risks of Modern Slavery Practices

BSH-AU acknowledges the potential risks of modern slavery practices in its operations and supply chain, and takes an active role in identifying, assessing, and addressing these risks. The risk of modern slavery practices refers to the possibility of BSH-AU contributing to, causing, or being directly linked to modern slavery in its operations and supply chain. Such risks exist in all businesses, and BSH-AU recognises the need for proactive measures to address them.

Various sources provide guidance on identifying modern slavery risks, including the 'Commonwealth Modern Slavery Act 2018: Guidance for Reporting Entities', 'Modern Slavery Act Information Sheet: Coronavirus', the Australian Council of Superannuation's 'Modern Slavery Risks, Rights & Responsibilities Report 2019', and the Walk Free Foundation's 'Global Slavery Index 2018'. Based on these sources, BSH-AU has identified several potential risk factors that may be present in its operations and supply chains.

These risk factors encompass a range of elements, namely industry or sector risks, service risks, and geographical risks. Certain industries like electronics, clothing, cleaning, and manufacturing are more susceptible to modern slavery practices due to their specific characteristics, products, and operational processes. Likewise, services such as hospitality, construction, agriculture and manual labour face a higher risk of modern slavery practices, particularly when they are obtained through third-party labour arrangements that lack direct oversight and involve migrant or low-skilled workers. In addition, certain goods like electronics, toys and agricultural products are also susceptible to modern slavery practices due to the production and sourcing methods employed, which can involve exploitative working conditions for the individuals involved in their creation. Furthermore, procuring items from regions with limited oversight, inadequate legal systems, social conflicts, and economic hardships, such as parts of Africa or South America, also amplifies the risks of modern slavery.

For this reporting period, BSH-AU has identified three key risks:

1. Procurement of textiles; and
2. Facilities construction.

### Procurement of textiles

There is a risk that BSH-AU may contribute to or, be linked to modern slavery practices through its use and purchasing of textile such as Jackets and shirts.

Modern slavery is a significant issue in the textile industry, which involves the production of clothing, footwear and other textile goods. Due to the complex and often opaque supply chains in the industry. It can be difficult to trace the origin of materials and track the conditions under which they were produced. Workers in the textile industry are often subjected to forced labour, debt bondage, and other forms of exploitation<sup>5</sup>. This can occur at any stage of the supply chain, from cotton farms to textile mills to garment factories. Factors such as low wages, long hours, unsafe working condition, and lack of labour protections can contribute to the prevalence of modern slavery in the industry.

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<sup>5</sup> <https://www.walkfree.org/reports/beyond-compliance-in-the-garment-industry/>

On the basis that many of Australia's textile goods are mostly produced in, and imported from high-risk geographical regions, there may be a high potential for modern slavery practices in BSH-AU's operations and supply chain.

### Facilities construction

There is a risk that BSH-AU may contribute to, or be linked to modern slavery practises through its construction projects such as re-opening of Sydney showroom and operating of showroom in various locations across Australia.

Modern slavery can occur in the construction industry, particularly in areas such as building and infrastructure development. Workers in this industry, particularly those involved in manual labour, may be vulnerable to exploitation. Informal work arrangements is a factor where many construction workers are employed on a casual or informal basis, which means they may not have access to basic labour protections like minimum wage laws or sick leave.<sup>6</sup> This can make them vulnerable to exploitation, as they may be afraid to speak out against poor working condition for fear of losing their job. Construction work can be hazardous, and some employers may use this as a pretext to coerce workers into accepting poor conditions, low pay, or other forms of exploitation.

On the basis that BSH-AU has sub-contracted construction of the new showroom, there may be a high potential for modern slavery practises in BSH-AU's operations and supply chain.

BSH-AH will take further consideration on future construction contracts where more detail will be looked upon related to modern slavery. During negotiation more emphasis will be put on supplier due diligence and contractual obligations on modern slavery Claus.

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<sup>6</sup> <https://www.ft.com/content/7c390b23-b6e2-47dd-af6a-bc1ae8625ad0>



## Addressing the risks of Modern Slavery

BSH-AU considers its people as the heart of its business. While BSH-AU has always upheld a strong tradition of valuing and caring for its employees, it acknowledges that its responsibilities extend to all parties involved in its operations and supply chain. Hence, BSH-AU is committed to taking an active role in identifying and mitigating potential risks of modern slavery in collaboration with its direct and indirect business partners.

### What BSH-AU is doing

#### BSH-AU's Modern Slavery Questionnaire

In 2021, BSH-AU focused on finalising its Modern Slavery Questionnaire. Once released, the Questionnaire was sent to our key suppliers to answer and feedback. BSH-AU has been going through the results to check if the main supplier is meeting the Modern Slavery reporting standard, BSH-AU is looking into having meeting with supplier regarding Modern Slavery topic to enforce the findings and also to extend to top procurement suppliers in the next reporting period to extend the scope on this topic.

#### Evaluating the effectiveness of the Modern Slavery Focus Group

In 2022, BSH-AU has formed Modern Slavery Group (**Group**) to have regular discussions on company-wide topics and arrange agenda for workshop/focus programs. Throughout this reporting period, BSH-AU noticed that the Group has not able to produce the expected outcome due to following reasons: lack of engagement and participation, understanding of policy and process development and authority for implementation. BSH-AU is looking to have a full revamp on the structure of the Group and gain more credibility and resource to set out reliable targets and push through the agenda.

### What BSH-AU will do

Although BSH-AU already has measures in place to help address modern slavery, BSH-AU understands that more need to be done. Moving forward, BSH-AU will:

- Endeavour to develop and implement remediation mechanisms by 31 December 2023
- Carry Out the fit-for-purpose workshop

In the previous modern slavery statement, it's expected the 'fit-for-purpose' workshop is carried out, however with the feedback we have with the focus group. BSH-AU determined that it's a more urgent topic to focus the training on the core member of focus group first. Hence the workshop will be delayed and conducted after the re-structure of the focus group.

## Monitoring the effectiveness of BSH-AU's actions

BSH-AU is dedicated to ensuring that the modifications and measure it adopts truly assist in its capacity to detect, and resolve modern slavery risks. BSH-AU will supervise its advancement by:

- Establish a detailed plan for a 'fit-for-purpose' Workshop. Identify key topics such as:
  - Who must attend;
  - Topics to cover; and
  - Whether the workshop will be conducted by an external organisation
- Carried out the workshop by 31 Mar 2024
- Host a feedback session after the Workshop has concluded
- Continue to evaluate the effectiveness of the "What BSH-AU will Do" measures identified in BSH-AU's 2021 statement

The below table reviews the "What BSH-AU will Do" section of BSH-AU's 2021 Modern Slavery Statement. The tables provides an update on the progress of each measure.

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	Commenced
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	Commenced
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

## Additional Information

BSH-AU is establishing modern slavery standards and practices into its operations and supply chain. BSH-AU looks forward to its continuous collaboration with BSH and other stakeholders to address modern slavery risks.

## 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: <ul style="list-style-type: none"><li>▪ An entities that the reporting entity owns or controls; and</li><li>▪ In the case of a reporting entity covered by a statement under section 14 the entity giving the statement</li></ul>	N/A
Include any other information that the reporting entity, or the entity giving the statement, may consider relevant	N/A

## Contact

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