

Kao Australia Pty. Limited

Statement Pursuant to Modern Slavery Act (Cth) 2018

REPORTING ENTITY

Kao Australia Pty. Limited (the “Company”) (ACN: 054 708 299)

REPORTING PERIOD

This Modern Slavery Statement covers the Company's reporting period of January 1, 2021 – December 31, 2021.

STRUCTURE, OPERATIONS AND SUPPLY CHAINS OF THE REPORTING ENTITY

The Company is a subsidiary of Kao Corporation. Kao Corporation is headquartered in Japan and has many direct and indirect subsidiaries throughout the world (the “Kao Group”).

Kao Corporation, the Company's parent company, has achieved the distinction of being named one of the World's Most Ethical Companies as determined by Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices. Kao Corporation and is one of only six companies in the world to have been named one of the World's Most Ethical Companies each year since the inception of the list – i.e., each of the last 16 years.

The Company has a subsidiary in New Zealand, Kao New Zealand Limited.

The Company operates in the consumer products field. The Company has four distinct businesses: Cosmetics Business, Life Care Business, Health & Beauty Care Business and Hygiene & Living Care Business.

The Company does not perform manufacturing. The Company sells finished goods which it obtains from other Kao Group companies and the Company purchases a small amount of finished goods directly from third party manufactures which are licensed by a Kao Group company to manufacture the goods.

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

The Company and other Kao Group companies strive to provide employees with a work environment that is both physically and emotionally safe, and we assess the risk level within the Company and other Kao Group companies as low.

The Kao Group of companies, including the Company, operate with the Kao Business Conduct Guidelines as its foundation. The Kao Business Conduct Guidelines set forth our guiding principles with regard to the conduct of our business and incorporate the Kao Human Rights Policy which can be found at

<https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/kao-humanrights-policy.pdf>

The Company does not perform manufacturing. The Company sells finished goods which it obtains from other Kao Group companies and the Company purchases a small amount of finished goods directly from third party manufactures which are licensed by a Kao Group company to manufacture the goods. As such, the Company depends upon its Kao Group suppliers to maintain their supply chains and third party manufacturing in accordance with principles set forth in the Kao Business Conduct Guidelines.

The Company's subsidiary, Kao New Zealand Limited, is in a similar situation as it performs no manufacturing and obtains the products it distributes from Kao Group companies.

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

The Company recognizes that human rights abuses may take many forms such as: involuntary servitude;

- forced marriage;
- forced labour;
- child labour;
- deceptive recruiting;
- trafficking in persons;
- debt bondage;
- organ trafficking; and,
- offenses involving non-citizens working in Australia without the correct visa.

The Company's standard purchase agreement and purchase order template with suppliers has provisions that address issues such as preservation of the environment and respect for human rights, and is used in new contracts or when renewing contracts.

An area of focus for the Kao Group is the palm oil supply chain which is in the supply chain of many products. The goal is to check traceability to the place of origin by 2025. The Kao Group desires to reduce the risks related to human rights in the palm oil supply chain by purchasing palm oil only from traceable sources.

The Kao Group launched the SMILE program together with two companies, Apical Group, a global palm oil processor and exporter, and Asian Agri, a plantation and palm oil company, to engage in direct dialogue with small-scale palm farmers in Indonesia, and started providing training to independent smallholders in 2021. By 2030, a team of education specialists will enhance the living standards of

approximately 5,000 farmers by providing technical training to increase productivity (target yield doubling) and education to obtain Roundtable on Sustainable Palm Oil (RSPO) certification (RSPO basic principles, safety education and yield management methods). The aim is to control the development of new plantations by increasing yields, support the acquisition of certification for sustainable palm oil and improve the lives of small-scale palm farmers. In 2021, a team of experts with extensive experience in the areas of plantation management gave technical guidance and training on RSPO requirements, health and occupational safety, fire management, income and expenditure management, and others to approximately 700 farmers in the provinces of Sumatra. In addition, the Kao Group supplied free-of-charge its proprietary spreading agent adjuvant series, provided guidance on how to use, and started spray test locally in February 2021.

Although the Company is not directly involved, affiliate companies within the Kao Group that manufacture and provide the Company with products for distribution also engage in these or similar efforts globally.

The Kao Business Conduct Guidelines mentioned above and which can be found at <https://www.kao.com/global/en/about/policies/compliance/business-conduct-guideline/>

apply to all Kao Group companies, including the Company, and include commitments to deal with any illegal or unethical conduct that we become aware of. The Business Conduct Guidelines also confirm our respect of all human rights and set out the Kao Group companies' position against child labour, human trafficking and forced labour. To deepen understanding of the Guidelines, which stresses respect for human rights, the Company conducts Integrity Workshops and employees are periodically presented with a Guidelines' refresher test and a compliance awareness survey to check the depth of understanding of the Kao Business Conduct Guidelines. Further, to cultivate employees' understanding, case studies are periodically posted on the intranet and messages from the Chairperson of the Compliance Committee of Kao Corporation and a responsible person from the Compliance Division are also shared to develop employee awareness. In addition, to stimulate the employees' interest and raise awareness of the idea of respect for human rights, the Kao Group has produced a video to disseminate the importance of respecting human rights and posted it on the intranet for the World Human Rights Day in December. Furthermore, group training sessions for newly hired employees and newly appointed managers are held.

HOW THE REPORTING ENTITY ASSESSES THE EFFECTIVENESS OF SUCH ACTIONS TAKEN

The efforts referenced above are devised and reviewed at the Kao Group global level and are assessed at least annually to determine their effectiveness and if modification is needed.

CONSULTATION WITH ENTITIES THAT THE REPORTING ENTITY OWNS OR CONTROLS

The management of the Company's supply chain organization participates in the supply chain of the Kao Group. The Kao Group works to engage in discussion and

planning with regard to policies and efforts to be taken to monitor and assess the supply chain. The Company adheres to decisions made at that level and has the opportunity to provide feedback.

The sole subsidiary of the Company is Kao New Zealand Limited which conducts no manufacturing and sells only products provided by the Company or other Kao Group companies

STATEMENT APPROVAL

This statement is made in accordance with section 13 of the *Modern Slavery Act 2018 (Cth)*.

This statement has been reviewed and approved by the Board of Directors for Kao Australia Pty. Limited.

This statement is signed by Steve Nancarrow, Director of Kao Australia Pty. Limited.



Steve Nancarrow
Director – Kao Australia Pty. Limited