



# Modern Slavery Statement – 2023

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## 1. Introduction

This statement covers the operations of Donaldson Australasia Pty Limited and is made pursuant to the Australian Modern Slavery Act 2018 (Cth). It identifies the steps taken to ensure slavery and human trafficking does not form part of our business including our supply chain.

We believe in treating all people with respect and dignity, and we demand that our partners do the same. All Donaldson partners and suppliers must provide working conditions that are fair, non-discriminatory, equitable, and safe. We strongly oppose any person or organization, including our suppliers, using child, slave, or forced labor, or participating in human trafficking. As a global company, Donaldson is committed to compliance with all applicable labour laws, including California's Transparency in Supply Chains Act of 2010, the UK Modern Slavery Act and Australian Modern Slavery Act 2018 (Cth).

## 2. Structure, operations and supply chain

Donaldson Australasia Pty Limited (DAPL) operates throughout Australia, New Zealand, Papua New Guinea and parts of the Pacific Islands and today employs approximately 260 people at its manufacturing and distribution plant located on the New South Wales Central Coast. DAPL is a wholly owned subsidiary of Donaldson Company, Inc. a U.S. NYSE (DCI) listed company, and is a global provider of filtration systems and replacement parts.

<https://www.donaldson.com/en-us/about-us/who-we-are/at-a-glance/>

Our purpose is advancing filtration for a cleaner world. We do that through a core set of six principles:

- Act with integrity
- Engage and empower our people
- Deliver for our customers
- Cultivate innovation
- Operate safely and sustainably, and
- Enrich or communities

Donaldson conducts business in countries around the world. Our purchases are sourced throughout the world, both in Donaldson owned plants, and third-party suppliers. Our supply chain extends to the United States, the United Kingdom, Australia, New Zealand, Germany, Italy, Indonesia, Japan, China, Mexico, Belgium, The Czech Republic, Poland, Thailand, United Arab Emirates and India. As a global company, Donaldson is committed to compliance with applicable law, in our own operations and those of our suppliers.

## 3. Risk identification

Donaldson utilise a risk assessment methodology which considers several factors of modern slavery risk, including geographic location and type of product procured. In 2023, the review of potential risks of modern slavery across our operations and supply chain was continued, and is now standard work across the business. The assessment identified local suppliers as having the lowest risk. The highest risk will be in overseas suppliers. Overseas suppliers are predominantly Donaldson owned entities. To mitigate the risk, Donaldson globally maintains a common approach to risk assessment, training and supplier review. As a result of the review, DAPL identified some low risk areas which will likely form part of future assessments.



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DAPL is confident of the processes and actions we have in place to appropriately assess and address any risks.

#### 4. Actions to assess and address risk

During the reporting period, we have put in place the following measures; continued to introduced the concept of modern slavery in our Code of Conduct, reviewed and revised our training and policies, and reviewed our supplier processes.

Donaldson's Code of Conduct exists to provide a clear understanding of our uncompromising values and expectations in regard to our business relationships, practices and operations. Employees receive annual ethics and compliance training, have access to internet resources and are encouraged to immediately report concerns.

Donaldson's Code of Conduct (Code) sets forth our commitment to applying uniformly high standards of ethics and business conduct in every country in which we operate and in every business relationship we have worldwide. We are principally guided in this global economy by the laws of the countries in which we are located or do business. This Code is applicable to our global business activities and includes all employees, Officers, and Directors of Donaldson Company, its business units, affiliates, and subsidiaries, where Donaldson has a majority ownership position or exercises management control.

<https://secure.ethicspoint.com/domain/media/en/gui/19744/code.pdf>

All employees are required to promptly report all known or suspected violations of applicable laws, as well as our Code. Donaldson conducts annual Code training for employees and provides multiple ways for employees to ask for help regarding ethical concerns. Donaldson also maintains a Help Line where employees and others may anonymously report any suspected violation of the Code without fear of retaliation.

<https://secure.ethicspoint.com/domain/media/en/gui/19744/index.html>

All new suppliers are carefully vetted by our procurement in order to become a Donaldson Vendor. Suppliers are also required to operate legally and ethically pursuant to the Supplier Code of Conduct.

<https://www.donaldson.com/content/dam/donaldson/legal/suppliers/code-of-conduct/eng/Supplier-Code-of-Conduct.pdf>

#### 5. Assessing the effectiveness of our actions

During the 2023 reporting period, new suppliers undergo a screening process that involves gathering information and review of modern slavery risks. We have continued to work on our processes to asses the effectiveness and provide a pathway for the future. The effectiveness has been assessed around 3 focus areas:

##### **Internal training and awareness**

DAPL's operations are predominantly in Australia. We have processes in place to ensure all employees have the necessary support structures, policies and training in governance principles, including Code of



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Conduct, grievance mechanisms and workplace behaviours. We have significant resources dedicated to human resource management, and to ensure compliance with visa conditions where applicable.

During the 2023 reporting period, all employees undertook an annual program of ethics training, which included understanding our policies, code of conduct and workplace expectations. Over subsequent reporting periods, we will further develop this training with specific modern slavery awareness topics.

### Supplier compliance

In keeping with applicable law and the commitments in our Code, we engage in various verification mechanisms of product supply chains to evaluate and address risks of human trafficking and maintain accompanying internal accountability standards. For example, our Supply agreements and purchase terms require our direct suppliers to comply with all applicable laws and Donaldson's Supplier Code of Conduct. Our direct suppliers are also required to operate legally and ethically pursuant to the Supplier Code of Conduct. Donaldson's supply chain management approach drives longer-term relationships and continuous improvements. In the event that we identify a reasonable risk that a supplier fails to meet our expectations, we explore all responses we deem reasonable and necessary, including working with that supplier to ensure compliance and reevaluating our business relationships if that supplier fails to address these concerns.

The supplier code of conduct was updated in April 2022, and includes the following:

*Slavery, Human Trafficking, and Forced Labor: We believe that the employment relationship should be voluntary, and the terms of employment must comply with applicable laws and regulations. We are therefore opposed to slavery, human trafficking, and forced labor and are committed to complying with applicable laws prohibiting such exploitation. We expect our Suppliers to refrain from violating the rights of others, adhere to regulations prohibiting slavery, human trafficking and forced labor, and comply with all applicable local laws in the country or countries in which they operate.*

When we onboard a new direct material supplier, our supplier quality department may perform a physical audit. The only exception to this where organizations have all required certifications (IATF16949, ISO45000, ISO18001).

During the 2023 reporting period, we continued the rollout to incorporate specific modern slavery clauses into several of our key supplier agreements that had come up for renewal. We will also work with suppliers in assessing risks, and incorporate our findings in strengthening our response to modern slavery.

### Stakeholder feedback

A confidential, 24-hour Business Conduct Helpline is available to anyone via phone or online to report any conduct concerns. For DAPL, we also have a whistleblower policy for our employees to follow for reporting of such concerns.

During the 2023 reporting period, no reports of modern slavery were received.

### Governance

Global trade compliance is a commitment from senior management of the corporation, that Donaldson will comply with all import and export laws, regulations and policies that govern our global business.



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## 6. Process of consultation with owned or controlled entities

Donaldson Australasia Pty Limited does not own or control any other entities. There is a branch operating in New Zealand, and the principals are applied consistently across both countries. Donaldson Australasia Pty Limited is a subsidiary of Donaldson Company Inc (US), with operations globally. Donaldson globally is committed to ensuring modern slavery does not form part of it's operations or supply chains. Donaldson complies globally with California's Transparency in Supply Chains Act of 2010 and the UK Modern Slavery Act.

## 7. Ongoing assessment of risk

DAPL will continue to increase collaboration with internal and external stakeholders to prevent and address issues of modern slavery. We will continue to evolve our due diligence processes, raise awareness of the forms of modern slavery with our employees and suppliers and explore ways to improve identification and risks throughout our supply chain.

In 2024, Donaldson will further enhance compliance and awareness by rolling out it's supplier onboarding requirements to indirect and non material suppliers. A modern slavery review will also be introduced to our tier 1 supplier auditing process.

## 8. Revision History

Revision	Issue Date	Changed sections	Nature of changes
4	21 Dec 2023	All	Updated with 2023 actions
3	09 Dec 2022	3, 5, 7	Updated with 2022 actions
2	20 Dec 2021	5-6	Updated with 2021 actions
1	08 Dec 2020	N/A	Issue

## 9. Approval

This statement has been approved by the Board of Directors of Donaldson Australasia Pty Limited and principal governing body on 21st December 2023.

Paul Henry – Managing Director

Donaldson Australasia Pty Ltd

21st December 2023