

# DKSH Australia

## Modern Slavery Statement 2023

The following statement is a joint statement of DKSH Australia Pty. Ltd. and its subsidiaries, and DKSH Performance Material Australia Pty. Ltd. and its subsidiaries ("DKSH Australia"). In fulfilment of the obligations under the Modern Slavery Act 2018.

This statement covers the financial year 2023 and describes our commitment and steps taken to mitigate the risks of modern slavery in our business and supply chain.

### Who we are

DKSH is a global leading Market Expansion Services provider for companies who want to grow their business in Australia and beyond.

Serving our business partners through our extensive global networks and industry expertise, as well as our profound local knowledge of the markets in Australia, we help companies to grow their businesses in new and existing markets.

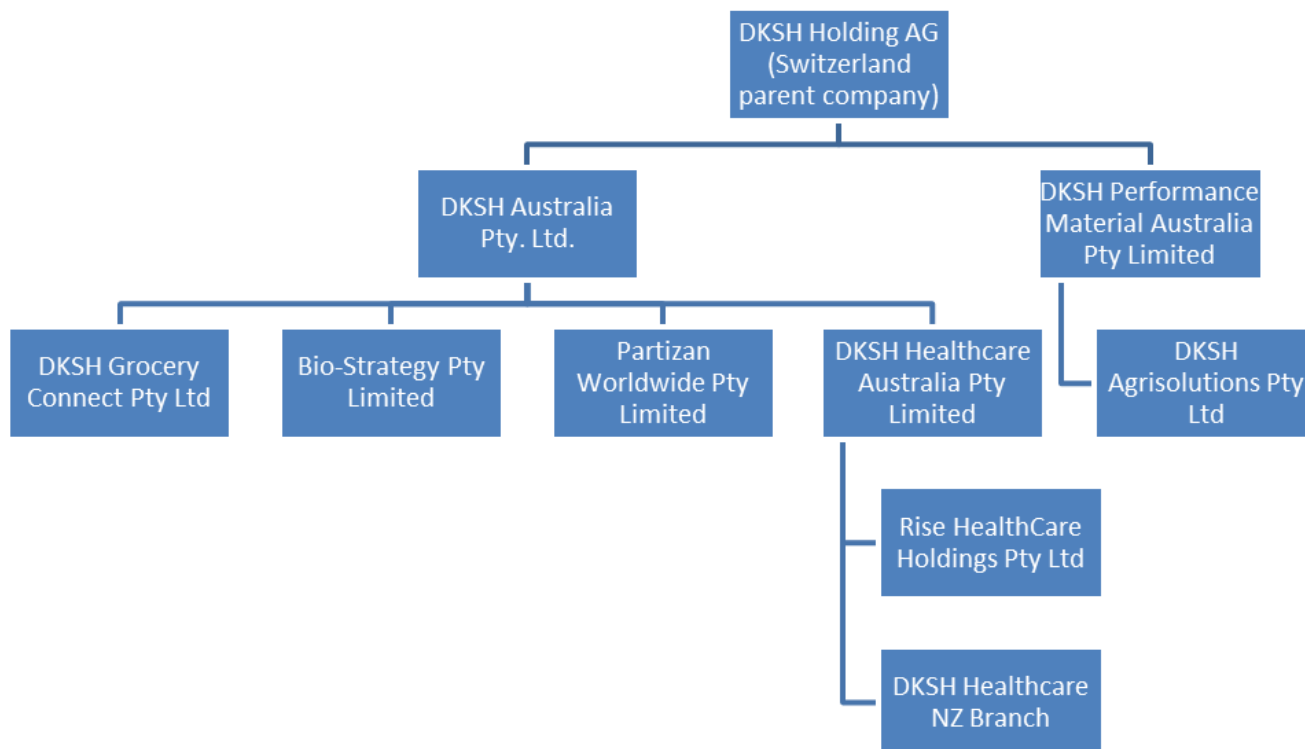
DKSH Australia was founded in the early 1940s, principally acting in the form of a brand agent for the supply of machinery and equipment. The business model changed significantly in the early 1990s, when DKSH Australia became a comprehensive services provider focusing predominantly on electrotechnical products, production machinery and converting equipment for industry.

After the creation of DKSH Group in 2002, following the merger between Diethelm Keller Services Asia Ltd. and SiberHegner Holding Ltd., DKSH Australia has established itself as a diversified, strong, and innovative partner of choice through two main entities DKSH Australia Pty. Ltd. And DKSH Performance Materials Australia Pty Ltd. and its subsidiaries. The two companies are ultimately own by our parent company DKSH Holding Ltd an entity registered in Switzerland with headquarters in Zurich.

Respect for human rights is a paramount principle for DKSH and we do not tolerate any form of modern slavery or human trafficking in any part of our business. We recognize DKSH has significant operations in emerging markets and environments in Asia, and therefore the focus of our human rights assessments is primarily, but not limited to, our supply chain and logistics, including DKSH Australia employees, hired contractors and suppliers.

We are aware of the role our business must undertake to continue combatting exploitative labor practices and human rights violations.

## Australia Legal Entity Structure



## Our operation and supply chain

DKSH Australia operates four highly specialized Business Units: Consumer Goods, Performance Materials, Technology and Healthcare.

### Consumer Goods

Business Unit Consumer Goods is a leading provider of Market Expansion Services with a focus on fast moving consumer goods, food services, as well as lifestyle and household products.

We help companies grow through a comprehensive and customized portfolio of Market Expansion Services, including product feasibility studies, registration, importation, customs clearance, sales, marketing and merchandising, warehousing, physical distribution, invoicing, cash collection and after-sales services. Our expertise and broad local knowledge, together with our infrastructure, enable us to better understand our business partners' needs and to deliver customized solutions to grow their businesses.

### Performance Materials Business Unit

Performance Materials distributes a wide range of innovative ingredients and specialty chemicals for the specialty chemicals, food and beverage, pharmaceutical and personal care industries. We help our partners to grow their business through our expertise in innovation and formulation, supply chain, sourcing, regulatory and digital services. We provide regulatory consulting, supplier certification and product registration to navigate complex regulatory environments and ensure compliance.

From our global network of 48 state-of-the-art innovation centers, we provide application know-how and develop cutting-edge formulations and solutions. This creates business opportunities, reduces time-to-market, and allows us to meet the growing needs of our customers. In collaboration with our innovation specialists, our technical sales force achieves strong growth for our clients and customers.

Technology

Business Unit Technology sales and service is the core of our competencies. We accompany our clients from developing a business strategy to translating it into a reality. Using a state-of-the-art customer relationship management platform, we combine extensive industry and product knowledge with a structured and systematic sales approach to out-perform the market and increase our clients' market share.

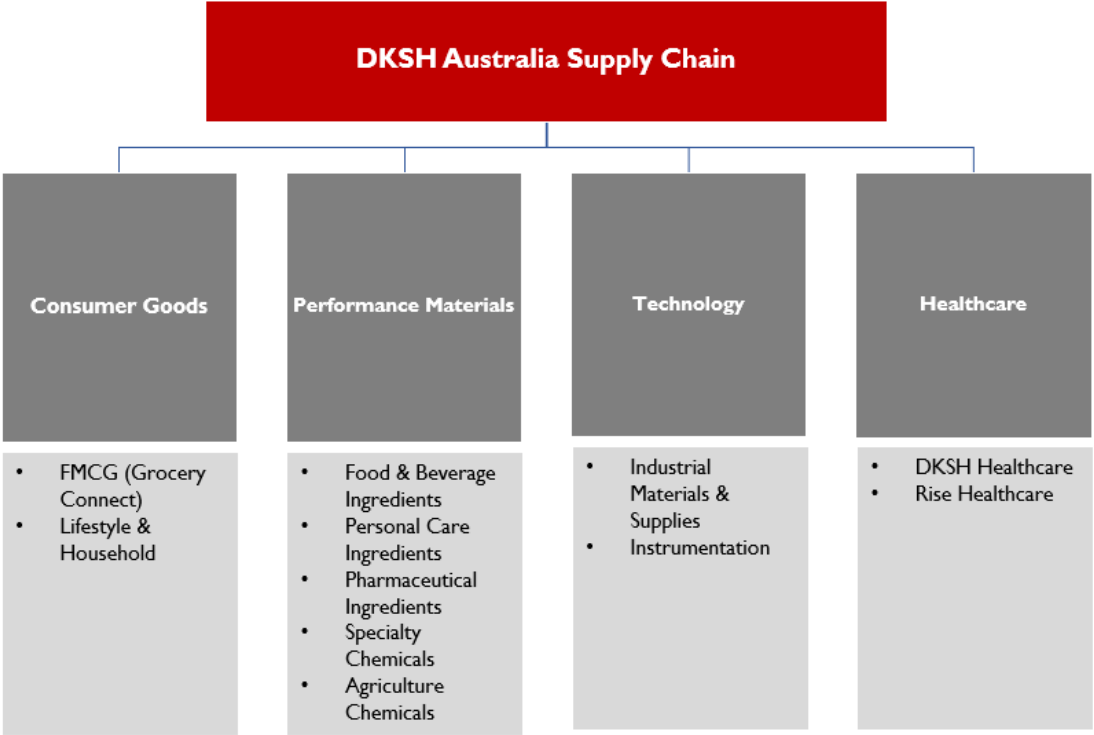
As a total solutions provider and system integrator, we serve our customers as a one-stop-shop and provide customized technology solutions. We not only provide professional after-sales services but also cover the entire product

life cycle including installation and commissioning, final acceptance testing, production start-up support, training, maintenance, repairs, spare parts, and consumables supply as well as refurbishments and trade-ins.

Healthcare

Business Unit Healthcare is a leading partner of choice for pharmaceutical, OTC, consumer health, and medical device companies.

We help patients get reliable and efficient access to the best healthcare possible by providing our partners with a full range of commercial outsourcing and market expansion services.



Despite having several entities through which DKSH Australia's various Business Units operate, the function of supply chain management is centralized. This enables the uniform application and monitoring of procedures and safeguards among all entities.

Due to our four highly specialized Business Units and diverse goods and services on offer. We continue to enhance and improve our procurement ecosystem and infrastructure through an innovative procurement program to optimize how we engage who buy from. We have two main types of procurement categories; those providing goods and services used to run our companies; Non-Trade Procurement and those used for trading activities to provide our goods and services to our clients; Trade Procurement.

## Risk assessment and mitigation.

DKSH recognizes the importance of understanding and being able to describe the risks of modern slavery practices in our operations and supply chain. We assess our supply chain using a risk-based approach which includes multiple factors, such as country, industry sector, categories of goods and services and individual suppliers.

Our program in 2023:

- We have assessed the potential modern slavery risks in our operations and supply chains with emphasis on geographical locations and business transactions with a prevalence of modern slavery identified by the Global Slavery Index.
- We developed and updated company policies to ensure we have a more robust approach towards ensuring we are combating modern slavery.
- We have included in our staff training human rights and modern slavery curricula to educate and create awareness of the current modern slavery issues.
- We have introduced a mandatory questionnaire to new suppliers to enable initial risk assessment.
- We have implemented a watchlist screening program (WLS) to perform due diligence on suppliers and customer.

We continue to standardize and improve our processes and systems, including those around supply chain management, procurement, and we will implement new controls and processes that are paramount to ensure a robust, responsible and sustainable sourcing program, while also giving regular training on our policies and procedures.

## Due Diligence in our supply network

New clients (suppliers) are provided with DKSH's supplier code of conduct, and our Business Units conduct supplier surveys in relation to modern slavery, among other processes. Alternatively, we ensure that our suppliers and customers have their own policy in relation to modern slavery and confirm they will comply with its principles.

These standards include requirements relating to labor practices, human rights, social responsibility, and sustainability.

Our Supplier Code of Business Conduct requires our suppliers to meet the standards in all activities that relate directly or indirectly to DKSH and any of its subsidiaries. Adherence to our Supplier Code of Conduct is one of the criteria applied by DKSH in supplier evaluation, selection, and retention. Suppliers that do not conform to these standards may be disqualified from doing business with DKSH and may have their business relationship with DKSH terminated.

The Supplier Code of Conduct is closely aligned with DKSH's Code of Conduct. It does not replace laws and regulations applicable to the supplier. DKSH expects that suppliers operate in compliance with applicable laws and regulations as well as our Supplier Code of Conduct.

DKSH includes in its Supplier Code of Conduct that it may engage in monitoring activities to assess compliance with our code, and these could include visits to suppliers' facilities and review of books and records pertaining to DKSH's business with the Supplier.

### Where we are now

DKSH introduced a watchlist screening (WLS) in SAP. This tool performs both automated and manual screenings of customers and vendors that DKSH engages with commercially. This aims to cross-check our business partner name against key global sanctions lists. The WLS applies uniformly to all active customers and vendors affiliated with DKSH. This allows a check in real time each time a sales order or purchase order is created. Allowing us to seamlessly check, and if any flags are detected, this is manually reviewed by the Compliance team to further assess and mitigate any risk.

The new client and supplier questionnaire was introduced in 2023 and all our new clients and suppliers need to complete the questionnaire. This allows us to perform an initial risk assessment, which has provided significant improvement adding to our risk-based approach initiatives. Since we launched the questionnaire, we have sent 34 questionnaires and completed 32 assessments.

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## Our policies

DKSH does not tolerate any form of modern slavery or human trafficking in any part of our business, nor does business with suppliers that do not respect or follow the law or apply the most ethical standards and act with integrity.

As a participant of the United Nations Global Compact, we are committed to aligning strategies and operations with universal principles on human rights, labor, environment, and anti-corruption, and take actions that advance societal goals.

Our code of Business Conduct sets the compass on our commitment to observing high ethical standards in the way we conduct our business. Integrity is a value that is non-negotiable. We always respect the law and our internal rules and regulations. We respect human rights, freedom of association and do not tolerate forced labor, demonstrating our commitment to the Modern Slavery Act.

The principles of the code are embedded in our training curricula and workshops, all new employees must complete the training as part of our onboarding process, and a refresher is required on a yearly basis.

**Our Code of business Conduct – Supplier Version** sets the expectations from DKSH on how suppliers will meet the standards in all activities that relate directly or indirectly to DKSH and any of its subsidiaries. Adherence to this code is one of the criteria applied by DKSH in Supplier evaluation, selection, and retention.

**Our Human Rights Policy** is informed by the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO), and the United Nations (UN) Guiding Principles on Business and Human Rights. DKSH joined the UN Global Compact in May 2022.

**Our Sustainability Policy** - as an international marketing and distribution services provider, DKSH is mindful of the impact of its activities on its stakeholders and on the environment. Sustainability is part of DKSH's corporate identity and value system and is embraced because of its commitment to be a good corporate citizen. This policy outlines DKSH's approach to sustainability, underpinning its objective to act responsibly in environment, social and governance matters.

**Our Responsible Procurement Policy (RPP)** enhances our Sustainability Policy and underpins DKSH'S commitment to conducting its business in a responsible and sustainable manner. It communicates associated principles, standards, and practices to be applied throughout the DKSH Group, in alignment with our corporate values and beliefs, reflecting by reference the following:

Regulatory requirements, including Swiss Regulations on transparency in non-financial matters and associated due diligence requirements, and any other applicable laws and regulation.

Universal and multilateral standards or rules sets, specifically the:

United Nations Global Compact (UNGC),

The OECD Guidelines for Multinational Enterprises and associated Due Diligence Guidelines for Responsible Business Conduct and Responsible Supply chains for Conflict Minerals, and

The international Labor Organization's Declarations in Fundamental Principles and Rights at Work.

Our Belonging Policy sets our path for success as we believe that our employees can do their best possible work when they are in a space where they feel they belong. At DKSH we believe we have been successful in creating a space for all employees to thrive.

Belonging is our initiative to drive diversity, equity, and inclusion. Belonging is a natural extension of our culture: our purpose, our values, and our "People DNA" behaviors. It relates to our values of integrity, collaboration, and sustainability. – and especially to our People DNA element of "care about others." We have a responsible principle of recruitment, and we encourage our suppliers and customers to foster the same culture.

## Where We Are Now

- DKSH is a dynamic group with an entrepreneurial spirit and high integrity. We never compromise on our ethical, business and compliance standards.
- Our policies are regularly reviewed and updated to capture any laws and regulations changes, and updated policies are communicated to our employees and external stakeholders where required.
- The application of our policies and procedures is monitored within each Business Unit and by the internal audit, legal, risk and compliance team, and where appropriate by external advisors.

## Governance

We have established governance processes and policies to help us manage human rights risks, including modern slavery, consistently across the Company.

Our Group Governance Risk and Compliance Vice President oversee our approach to ethics and compliance. The Board and Executive Committee provide additional oversight and guidance on any ethical issues that may arise.

We have our approach to risk management structured through three lines of defense model. Group Compliance Enforcement, Group Compliance and Business Intelligence. This is driven by our governance framework based upon

our values and our principles set out in our Code of Conduct.

Our values foster a culture of integrity and transparency where our people make the right decisions automatically and instinctively. Our policy framework and training provide clear ethical standards for our people and suppliers.

Our Code of Conduct applies to all DKSH employees including those in DKSH affiliated companies and joint ventures under our control. DKSH also endeavors to ensure that all aspects of this Code of Conduct which are not specifically related to DKSH employees shall also be adhered to by business partners DKSH engages.

We advocate integrity of the supply chain as part of our business strategy, and we are committed to responsible business practices based on international standards and expect the same of our business partners and vendors. Our Supplier Code of Conduct sets out that level of requirement and integrity.

## Remediation

Our employees and business partners can report concerns or suspected cases of misconduct confidentially and if they wish to remain anonymous, they can do so, through our independently managed integrity line, which is overseen by our Risk and Compliance team and is available in local languages. We publicize the facility in induction packs, on our intranet and external websites, in offices, in the Code of conduct and through our mandatory trainings.

Every report received through the integrity line is managed in line with DKSH protocols and is investigated and monitored through to a conclusion including any remediation or follow up actions that might be required.



Every report received is investigated and reported to the country management team by the Risk and Compliance team.

The nature of each report, action taken, and outcome is reported to the Global Governance Risk and Compliance enforcement team and the Audit Committee of the Board of Directors.

DKSH is committed to providing a safe and confidential platform for people to be able to raise concerns and for them to do so without the fear of repercussion.

## Where we are now

A total of ten (10) reports were received from the integrity line in 2023. These reports were reviewed and investigated by our Compliance team and reported to the Audit Committee. None of these reports were linked to human rights concerns or modern slavery. The most raised concerns were about perceived conflicts of interest, which were duly investigated.

## Training and raising awareness

All our employees are required to complete our online License to Operate New Hire training promptly upon joining and a refresher is done annually to all employees. After the training, our people are able to apply concepts about diversity and belonging to our company, as well as principles relating to anti-bribery and corruption, fraud and compliance, code of conduct, and conflict of interest, among other topics of current laws and regulations.

The Group Risk and Governance team holds an event called "Compliance Day," which serves as a key reminder to our people to uphold ethical practices, legal standards, and our internal policies, ensuring a fair and transparent environment. It is an opportunity to review and reinforce policies, address any gaps, and reaffirm commitment to our principles and regulatory requirements. We dedicate this day to DKSH's first value, Integrity, which we never compromise when doing business.

## Where we are now

For the 2023 training period we had more than five hundred employees complete the online training. Our Global GRC team has developed a refresher on the training which includes a sustainability module and human rights module.

We successfully hosted our Compliance Day event in 2023 with over 60% participation from our people, showcasing impressive engagement and enthusiasm.

## Next Steps

### Managing the risk of modern slavery

In 2024 we will roll out a new IT platform to enhance our due diligence process which will allow us to perform a risk-based approach for supplier onboarding. The intention is to have a global automated, standardized and streamlined system. This will address how we assess and manage business relationship risk with third parties, relating to our products and services. From a sustainability perspective, this includes not only modern slavery but environmental, social/human rights and corruption aspects.

Will continue to develop and review company policies to ensure we address modern slavery in operations and supply chain.

### Awareness and training

As part of the onboarding process new joiners will undertake mandatory social/human rights training, with a periodic mandatory refresher. We will include modern slavery training in our 2025 curricula.

We will continue to raise awareness on modern slavery to all our stakeholders, encouraging the use of the integrity line to report any actual or suspicion of modern slavery.

### Monitoring

We have created for DKSH Australia a Compliance role for 2024 that will oversee the development and implementation of a training program for staff on modern slavery and will monitor our compliance program locally and further enhance our compliance initiatives.

We plan to continue the use of our systems and tools in place, such as WLS along with new initiatives coming in 2024 to monitor in real time our suppliers. We will continue to conduct audits to existing supplier on a risk-based approach while collaborating with DKSH entities in other markets to ensure synergies happen with auditing common suppliers, and proactively exchanging information to address any risk of modern slavery.

## Our Commitment

DKSH is committed to conducting business in an ethical and responsible manner. This includes respecting internationally recognized human rights throughout our operations and taking steps to manage the risk of modern slavery in our supply chain.

DKSH will continue to work and increase collaboration with internal and external stakeholders to prevent and address any contribution that DKSH can make to addressing the global issue of modern slavery. DKSH will achieve this by focusing on raising awareness of the forms of modern slavery among our employees and suppliers, continuing the improvement of ways we perform our due diligence and with ongoing monitoring of concerns raised by our stakeholders.

This statement was approved by the board of DKSH Australia on 30<sup>th</sup> June 2024.

Signed,

A handwritten signature in black ink that reads "D.A. White". The signature is written in a cursive, flowing style.

**David White**

Vice President, Consumer Goods ANZ &  
Head, Country Leadership Australia