

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

OUR BUSINESS STRUCTURE, OPERATIONS AND SUPPLY CHAINS

SCHÜTZ Australia Pty Ltd ACN 090 995 958 (SCHÜTZ Australia) is a wholly owned subsidiary of Schütz GmbH & Co. KGaA, a company incorporated and based in Germany. SCHÜTZ Australia forms part of the SCHÜTZ Group whose headquarters (HQ) are in Selters, Germany. Founded in 1958, the SCHÜTZ Group has expanded to a global network service with over 55 locations worldwide, employs more than 7,000 people and has an annual turnover of over 2.5 billion Euro.

SCHÜTZ Australia reports to the same Management Board of the SCHÜTZ Group in Selters, Germany.

SCHÜTZ Australia does not own or control any entities.

SCHÜTZ Australia has three operating sites, approximately 180 directly employed staff and hires up to 80 additional labour hire employees to assist production in peak times.

SCHÜTZ Australia Laverton North (Vic) manufactures Intermediate Bulk Containers (IBCs) and plastic 220L and 110L drums, reconditions IBCs returned from industry and launders 110L drums for the agricultural sector. This is also the location of the Head Office.

SCHÜTZ Australia Yatala (QLD) manufactures IBCs, reconditions IBCs and launders 110L drums.

SCHÜTZ Australia North Coogee (WA) reconditions IBCs and launders 110L drums.

The SCHÜTZ Group HQ in Germany designs and builds its own operating machinery, manufactures the majority of its required components for the assembly of finished products and also procures the bulk raw material (HDPE) for the products. Components are also sourced from SCHÜTZ Container Systems Shanghai.

SCHÜTZ Australia purchases HDPE from suppliers approved by the SCHÜTZ Group under agreements made by HQ. HDPE purchased by SCHÜTZ Australia predominantly comes from Singapore and Qatar. During the reporting year, HDPE was also sourced from Australia.

SCHÜTZ Australia purchases some components – valves – for finished goods from third party suppliers within Australia. These suppliers purchase components for their product – springs and seals – from suppliers in the Asia Pacific region.

SCHÜTZ Australia purchases consumable materials such as shrink wrap and plastic labels from third party suppliers within Australia. These suppliers manufacture their goods in Australia from resin sourced locally and from overseas.

SCHÜTZ Australia engages labour hire services to supply workers in addition to directly hiring employees.

SCHÜTZ Australia engages many different transport companies to deliver finished goods and also to collect used IBCs and drums from our customers.

SCHÜTZ Australia uses contractors to provide cleaning services, calibration services and specialised maintenance services.

RISKS OF MODERN SLAVERY PRACTICES IN OPERATIONS AND SUPPLY CHAINS

We have implemented a risk assessment process by identifying reputable and credible resources regarding risks of modern slavery around the world, to identify materials which we purchase and / or which comprise components to the products we purchase, and countries with which we or our supply chain deal with, to assess the risks of modern slavery in our operations and supply chain. In particular, we have carried out our risk assessment with specific reference to the Global Slavery Index.¹

We have assessed the risks with the labour hire companies we use and have determined that the modern slavery risks attached to those arrangements are **low**:

- Employees are only selected if they have the relevant work Visa for Australia.
- Employees are provided with a letter of offer that outlines work conditions, hours, rate of pay; and
- the labour hire organisation assesses host employers for occupational health and safety prior to placing candidates.

¹ Walk Free, "Global Slavery Index 2018", accessible via <https://www.globalslaveryindex.org/resources/downloads/>

SCHÜTZ Australia understands that there is an inherent risk of exposure to modern slavery and labour exploitation in its supply chain, particularly given it engages overseas suppliers. However, SCHÜTZ Australia also notes that, generally, the supply of raw material and plastic resin are not classified as high risk industries.

We have assessed the top three overseas suppliers of our main raw material, plastic resin, and determined that the overall risk of modern slavery within this supply chain is **low**:

- Our main resin supplier has headquarters in California and operates under similar modern slavery assessment and reporting requirements to the Modern Slavery Act in Australia.
- Our second resin supplier has committed to the UN Sustainability Goals which include protection of human rights, labour rights, environmental responsibility and anti-corruption.
- Our third resin supplier is based in Qatar. The Global Slavery Index rates Qatar as medium risk in regards to modern slavery, with potential for slavery in migrant workers and domestic staff.

We intend to carry out a more comprehensive risk assessment of our operations and supply chain in the future, with a view of looking deeper into the risks attached to our supply chain (including indirect supply chain) in particular.

ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

Our membership in the Compliance Initiative founded by the German Association of Materials Management, Purchasing and Logistics (BME) documents our uncompromising commitment to fair, responsible and ethical principles as the key foundation in all business relationships and transactions.

SCHÜTZ Australia follows the BME Code of Conduct which provides fundamental rules and principles in business relationships for all suppliers and service providers. As part of the SCHÜTZ Group Sustainability & Responsible Care programme, information is voluntarily reported to the EcoVadis supply chain performance platform. SCHÜTZ Group achieved a silver rating for the most recent reporting period (2021).

Our own SCHÜTZ Australia policies developed through Human Resources are binding on all SCHÜTZ employees. These include:

- Company Code of Conduct
- Occupational Health & Safety
- Equal Employment Opportunity

SCHÜTZ Australia's policy with direct suppliers has always been and remains to have long lasting relationships. This has led to close relationships and in depth understanding of how our suppliers operate their businesses.

Our management guidelines and code of conduct have always followed the principles of compliance for all activities in which the SCHÜTZ Group engages and comply strictly with international, national and local regulations.

SCHÜTZ Australia has included questions about ethics and social accountability in our supplier evaluation and will continue to assess our suppliers to ensure compliance to Modern Slavery Act 2018 from our suppliers and service providers. The responses from this form will dictate whether a visit to and/or more in depth audit of the supplier is required to establish compliance. To date, the responses have been satisfactory.

This due diligence process has been incorporated into our on-boarding process for any new suppliers.

Where necessary, SCHÜTZ Australia will audit local service or product suppliers, and/or work with SCHÜTZ HQ to audit suppliers overseas. The last audits conducted of several component suppliers show evidence of origination of supply, thus ensuring SCHÜTZ Australia are aware of the sourced locations.

The SCHÜTZ Procurement Manager receives training and information to adhere to the SCHÜTZ code of conduct practices that should be followed along with the relevant procedures applicable as part of our management standards. Additionally, there is an appointed Compliance officer within SCHÜTZ Australia for referencing or reporting if so required.

There has been very little change to SCHÜTZ Australia's supply lines caused by COVID-19 that would change the risk of modern slavery within our supply chain. The vast majority of our supply is still coming from the same suppliers with whom we have had relationships with for many years.

EVALUATING EFFECTIVENESS

As a result of what has already been put in place and as our modern slavery practices and procedures evolve, SCHÜTZ Australia will:

- Continue to research our supply chain and assess the potential for modern slavery.
- Develop a Modern Slavery Policy and communicate this to employees.
- Assess remediation measures that are implemented by the organisation when a modern slavery risk is identified, to ensure that the implemented measure (which could include removal of a supplier) has been effective.
- Collaborate with suppliers to extend information collected, potentially by including specific criteria related to modern slavery.
- Draft a SCHÜTZ Australia Code of Conduct for Suppliers.

CONSULTATION PROCESS

SCHÜTZ Australia does not own or control any entities so this section is not relevant.

ANY OTHER RELEVANT INFORMATION

No other information to report.

This statement has been approved by the Board of SCHÜTZ Australia.

August 2022



Alan Barham
Director of SCHÜTZ Australia Pty Ltd