

Modern Slavery Statement

Reporting Year Ending 31 December 2023

1. Introduction

This statement is made on behalf of Würth Australia Pty Ltd (ABN 480 024 870 96) (“Würth Australia”) pursuant to section 13 of the Modern Slavery Act 2018 (the Act) and constitutes our modern slavery statement for the financial year ended 31 December 2023 (“Reporting Period”).

Würth Australia recognises its responsibility to respect human rights. This statement confirms Würth Australia’s commitment to preventing Modern Slavery in its operations and supply chains.

2. Our Structure, Operations and Supply Chains

Würth Australia is a wholly owned subsidiary of the Würth Group (Germany), formed in New South Wales in 1982, and is part of the Würth Line of companies, operating within the Craft business unit.

The immediate parent entity of Würth Australia is Würth International AG, domiciled in Switzerland, while the parent entity, Adolf Würth GmbH & Co. KG (AWKG) is based in Künzelsau, Germany.

Würth Group is a wholesaler of fastening and assembly materials operating worldwide and employing over 87,000 people, with 43,967 of these being permanently employed sales representatives. The Group has more than 400 companies and operates in over 80 countries.

Würth Australia’s principal activities are the import and distribution of more than 20,000 fixing and assembly materials, chemicals and storage systems for customers in the automotive, cargo, metal, construction, wood and mining industries. Our distribution model is based on a mix of direct sales and e-business solutions and includes sophisticated eShop and e-procurement solutions. The Würth Group’s philosophy of direct selling thrives on the quality of our supply chains. World class warehousing, demand planning, timeliness, integrity and fair business practices are paramount to our ongoing success.

Würth Australia has over 690 employees across all Australian States and Territories. It has its main office in Dandenong, Victoria and three distributions centres nationally (Victoria; Queensland; and Western Australia). The business employs over 450 sales executives servicing the Australian market and just over 250 employees in its operations and corporate divisions. Würth Australia divisions include:

- Distribution (auto, cargo, mining)
- Distribution (metal)
- Distribution (construction, construction projects and wood)
- Operations
- Finance
- Marketing
- Human Capital
- Recruitment and Learning and Development
- Product and Technical Support
- HSEQ
- Information Technology
- Customer Management, Key Accounts and Systems
- E-Business/Telesales

We know that modern slavery is a global and growing issue, existing in every region in the world and in every type of economy, whether industrialised, developing or in transition. Würth Australia has a zero tolerance approach to modern slavery within our operations and supply chains. We all have a responsibly to be alert to the risks, in our business and in the wider supply chains.

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Our supply chain comprises the following main categories:

Sourcing product for sale from suppliers within and outside Australia

Würth Australia is required to source at least 80-90% of its product from Würth Group owned entities. Würth Group entities that Würth Australia primarily sources from include Germany, China, Australia, New Zealand and Singapore; with small volumes purchased from Japan, Poland and Austria.

The remaining 10-20% of product is procured directly by Würth Australia from third party domestic and a very small number of international suppliers, however these suppliers must also be approved by the Würth Group Procurement Function.

Global and domestic transport and logistics services (road, air and sea freight)

Würth Australia sources all international freight forwarding and supply chain services for import of products to Australia through Würth Logistics Asia Pacific (WuLo), a wholly owned Würth Group company. WuLo procures these global transport services using Würth Group issued supply agreements. Würth Australia also directly sources local transport services in Australia to transport product from Australian suppliers and also to distribute product to its customers which are predominantly in Australia.

Warehouse operations and administrative services

Würth Australia operates 3 warehouses in Australia. Our workforce includes permanent and casual employees. We also procure a range of other warehouse and administrative services to support our operations in Australia, some of which are provided by Würth Group owned entities or Würth Group approved suppliers (e.g. I.T.).

3. Assessing the Modern Slavery risk in our operations and supply chain

We continue to assess the potential for our operations to cause, contribute to, or be directly linked to Modern Slavery, as we recognise that the risk is not static. As our operations require that we import and distribute hardware, tools, chemicals and storage systems, Würth Australia may be exposed to Modern Slavery either directly in its own operations or indirectly through the trade and non-trade with suppliers and their supply chains.

Our high level risk assessment which considers geography, sector and product/service type identifies the potential for Modern Slavery arising from:

- **Product supply chains** – We consider this segment of our supply chain continues to have the highest inherent risk of Modern Slavery, as it includes some countries which have a vulnerability to Modern Slavery behaviour and so it remains a key focus for Würth Australia. Approximately 80% of Würth Australia product is sourced from Würth Group owned entities; mainly Europe (Germany, Poland and Austria), Australia, New Zealand and Asia (China, Singapore and Japan). These entities are subject to Würth Group policies, compliance and governance frameworks. Therefore we consider that this risk is somewhat mitigated. The remaining product volume (approximately 20%) sourced by Würth Australia directly from Australian and other third party suppliers is also subject to Würth Group's approval process prior to becoming an authorised supplier.
- **Global and domestic transport and logistics services** – We consider this segment of the supply chain has a moderate risk of Modern Slavery due the varying size and scale of transport operators and countries they operate in. The largest transport spend for Würth Australia is on importing product to Australia, which is facilitated by Würth Group using approved supplier agreements with global transport providers. Würth Australia utilises WuLo for foreign freight movements therefore we consider that this risk is somewhat mitigated. Domestic transport providers directly engaged by Würth Australia include large and medium sized suppliers, some of which will have existing Modern Slavery compliance and reporting obligations.
- **Warehouse and Administrative Operations in Australia** – We consider the risk of Modern Slavery in our warehouse operations and administration functions is low, as they are subject to Würth Australia policies, procedures and

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governance frameworks as well as the Australian regulatory environment. Our enterprise agreement, the *Würth Australia Enterprise Agreement 2022*, provides equitable employment conditions for our Dandenong warehouse employees, and Würth Australia ensures compliance with relevant and applicable awards and associated pay rates.

Würth Australia also receives administrative and support services, such as I.T., from Würth Group owned entities based in Asia. Again, these entities are subject to Würth Group policies, compliance and governance frameworks.

4. Controls to address the risks of Modern Slavery in our supply chain

To minimise the risk of Modern Slavery in our supply chain, the Würth Group and Würth Australia have formal policies, procedures and governance structures to promote and enforce ethical and legally compliant business conduct and behaviour. They reflect Würth values, standards, expectations, and commitment to compliance by our own employees, suppliers and customers.

The following Würth Group policies apply to and are enforced by Würth Australia:

- **Group Code of Compliance** applies to all employees globally and stipulates minimum standards in relation to conduct and behaviour and includes adherence to human rights obligations and the prohibition of any form of forced or child labour, intimidation, harassment or unsafe work conditions.
- **'Speak Up' Hotline and Compliance Reporting System** is available to all Würth employees, suppliers and customers globally. Standard incident reporting, investigation and resolution protocols exist to ensure any breaches of Code of Compliance and laws, including Modern Slavery practices are addressed and remediated. Reports can be made anonymously using the SpeakUp Hotline.
- **Group Supplier Code of Conduct.** Würth Australia has zero tolerance for all forms of Modern Slavery, and this is communicated to suppliers. During the Reporting Period, suppliers who visited our Australian sites, including those that entered into a Würth Australia Supplier Agreement were required to read our 2022 Modern Slavery Statement and agree to comply with the Würth Group Supplier Code of Conduct.

Würth Australia also has the following policies and procedures which further support our values, standards, expectations, and commitment to ethical compliance:

- Employee Code of Conduct
- Whistleblower Policy
- Gifts and Gratuities Policy
- Recruitment Policy
- IMS Policy (Health and Safety, Environment and Quality)
- Anti-Discrimination and Equal Opportunity Policy & Complaints Procedure
- Workplace Gender Equality Policy.

The following initiatives support the requirements of the policies and aim to inform, guide, and support the workforce and suppliers in protecting human rights, workplace and other ethical standards.

Supplier Approval and Assurance Program

Global third party suppliers

The Würth Group is responsible for due diligence in the sourcing and selection of global suppliers that also service Würth Australia. Due diligence includes assessing product and service quality, quality assurance, regulatory and ethical compliance and ensuring purchasing terms are fair and equitable.

The Würth Group new supplier agreements include mandatory compliance with the Würth Group Supplier Code of Conduct and specifically requires adherence to Universal Declarations of Human Rights and Convention of Rights of the Child.

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Agreements specifically prohibit child labour and forced, involuntary and slave labour, and stipulate compliance with minimum workplace conditions and wages.

The Würth Group performs supplier audits which assess compliance with the Supplier Code of Conduct, and examine the quality of products and services, as well as compliance with work place safety, human rights obligations including the prevention of child and forced labour.

Domestic third party suppliers (product and non-trade, including transport services)

The Würth Australia Supplier Management Procedure governs the sourcing, engagement and performance monitoring of domestic suppliers engaged by Würth Australia, who must comply with the Würth Group Supplier Code of Conduct.

The Australian Procurement Team is responsible for due diligence and approving all local trade suppliers. This includes ensuring terms and conditions, service levels and compliance obligations are satisfied. The supplier approval process incorporates Modern Slavery risk factors, ensures service levels and payment rates are reasonable, and includes Modern Slavery obligations.

Any product purchased by Würth Australia from third party Australian suppliers must also be approved by the Würth Group to ensure compliance.

Annual supplier performance and rating reviews of Würth Australia trade suppliers are performed which also assess compliance obligations.

Würth Group Owned Suppliers

The Würth Group is responsible for compliance by its Group owned operations in Europe, Asia and the USA which also provide product and services to Würth Australia.

The Würth Group conducts periodic audits of its Group operations to assess compliance with Group policies, procedures and quality standards, as well as regulatory and human rights obligations. In the Reporting Period there were no incidents of Modern Slavery identified during audits or compliance reviews of Würth Group suppliers or Würth Group approved suppliers to Würth Australia, nor were there any reports of Modern Slavery made via the SpeakUp hotline.

Human Resources Support

The Würth Australia Human Capital (HC) Team support and advise on a range of employee development, performance management, employee grievance, employee relations and safety and wellbeing matters. We engage with our employees to ensure that they are appropriately compensated for hours worked, to ensure excessive overtime is not required by individuals and to support those who return to work after illness or injury. During the Reporting Period HC/HSEQ delivered a health check program and ran our annual flu vaccination program at head office.

All recruitment and new offers of employment and terms and conditions must be approved by the HC Team and Executive Management, which ensures adherence to employment laws, practices, conditions, and modern awards. We follow our written procedures in recruiting new employees, including performing reference checks and verifying working rights.

Würth Australia was proud to be a sponsor of Beyond Blue during the Reporting Period. During the Reporting Period, the Human Capital Department worked in conjunction with Beyond Blue to promote counselling services provided by Beyond Blue.

Würth Australia established a psychosocial committee to map psychosocial hazards in the workplace according to workgroup, engaged an external specialist to provide bespoke training to the Executive Team and managers in relation to the prevention of bullying and sexual harassment in the workplace.

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Employee Assistance Program

The Würth Australia Employee Assistance Program (EAP) offers employees and their eligible immediate family members with a range of free services and support. It is a confidential and 24-hour service, with support available for personal and work-related issues including performance, dealing with grief, and financial and stress management.

Quality Management System

Würth Australia operates an ISO 9001 integrated quality management system, which is also ISO 45001 and ISO 14001 compliant. Our IMS Team conducts planned audits of our Australian operations. All audit reports are reviewed and corrective actions implemented with oversight by the Würth Australia CEO and Executive Team.

Modern Slavery Risk Management and Improvement Plan

Being our fourth Modern Slavery Statement, we have reviewed and updated our assessment of Modern Slavery risks. During the Reporting Period, we:

- Assessed responses from the Modern Slavery Self-Assessment Questionnaire and completed internal supplier risk assessments;
- Rolled out our online Anti-Modern Slavery Program to non-Würth Group suppliers registered through the OnLocation portal;
- Identified any suppliers requiring further contact (based on the responses received, no suppliers were required to be followed up during the Reporting Period);
- Offered online training to suppliers;
- Completed face-to-face audits of local non-Würth Group PPE suppliers;
- Undertook an internal audit on Modern Slavery (no non-conformances were identified during the audit);
- Ensured new staff were provided with Modern Slavery training (all new staff were trained during the Reporting Period);
- Monitored news on reported instances of human rights;
- Educated the Executive Team about Modern Slavery including specific cases during executive meetings;
- Consulted with our Executive Team and HSEQ Committee (which comprises managers and employee representatives) in relation to review and approval of our Modern Slavery Risk Profile and Management Plan;
- Published our third Modern Slavery Statement on our intranet and our website;
- Monitored our whistleblowing channels for reports of Modern Slavery (no relevant reports were made during the Reporting Period).

As Würth Australia sources a significant proportion of its product and other services from Würth Group owned operations or Würth Group appointed suppliers, we obtained responses from the Würth Group's Quality and Legal Departments to a questionnaire regarding Modern Slavery. The responses enable us to ensure we are across any potential instances of Modern Slavery through Würth Group's supply chain that may be of relevance to Würth Australia. In the Reporting Period no relevant reports were made via the SpeakUp hotline or identified during supplier audits.

During the Reporting Period we also complied with multiple customer requests for information regarding our processes and procedures in relation to Modern Slavery and agreed to requests to include obligations regarding Modern Slavery in supply contracts.

5. Assessing the effectiveness of our actions

Würth Australia is committed to active management of our potential Modern Slavery risk and monitoring the effectiveness of our risk management and compliance process surrounding Modern Slavery risk.

To assess the effectiveness of the measures taken by Würth Australia, our Modern Slavery Risk Monitoring Program includes for each Modern Slavery risk and key control, a KPI control target and review frequency for reporting to the Würth Australia Executive Team.

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The main control areas are:

- Continuous review and improvement of our Modern Slavery Risk Profile and Management Plan;
- Supplier contracts and terms and conditions compliance;
- Supplier risk assessment and monitoring;
- Training;
- Global incident monitoring;
- Würth Australia audit and compliance program;
- Completion of Würth Group questionnaire.

During the course of the 2024 reporting period, we will:

- Issue and assess responses to our Modern Slavery Self-Assessment Questionnaire;
- Identify any suppliers requiring further due diligence following the Modern Slavery Questionnaire and risk assessment results and developing remediation plans in conjunction with the supplier(s) as and when required;
- Continue our online Anti-Modern Slavery Program to non-Würth Group suppliers registered through the OnLocation portal;
- Complete face-to-face audits of local non-Würth Group fastener suppliers;
- Provide online training to suppliers regarding Modern Slavery
- Ensure ongoing training and awareness of our Modern Slavery statement amongst staff by publishing our fourth Modern Slavery Statement on our intranet and our website;
- Include Modern Slavery obligations in our Würth Australia supplier agreements;
- Undertake an annual internal audit on Modern Slavery, and identifying any opportunities for improvement;
- Consult with our HSEQ Committee and Executive Team in relation to review and approval of our Modern Slavery Risk Profile and Management Plan;
- Monitor the reporting channels for any reported instances of human rights impacts in our operations and supply chains; and
- Continue our awareness educational campaign for our Executive Team about Modern Slavery (including focussing on countries from which our goods are sourced, and "at risk" products).

This Statement was approved by the board of Würth Australia Pty Ltd on 17 June 2024.



Serge Oppedisano

Managing Director and Chief Executive Officer

17 June 2024