

DARE

TO SET THINGS IN MOTION.

09/05/2023

MODERN SLAVERY STATEMENT 2023

UK

WE **DARE** TOGETHER 

INTRODUCTION

This Statement is made by Ontex Retail & Healthcare UK Ltd pursuant to the UK Modern Slavery Act 2015. Ontex Retail & Healthcare UK Ltd are committed to upholding human rights. In this Statement we set out these actions taken by Ontex Retail & Healthcare UK Ltd during the financial year 2022 to drive out acts of modern day slavery and human trafficking from within our operations and in our supply chain.

ABOUT ONTEX

In 1979 Ontex was launched in Belgium and has since built an international business through organic growth and key acquisitions (together, **Ontex Group**). In 1982 Ontex established Ontex Retail and later Ontex Healthcare in 1988. Ontex Group is an international producer of personal hygiene solutions in baby, feminine and adult care. Globally, we are an international business employing approximate 8,800 employees with offices and manufacturing plants in Europe, North and East Africa, China, The UK, the Middle East and the Americas.

OUR OWN OPERATION AND SUPPLY CHAIN

Ontex Retail & Healthcare UK Ltd distribute and support the sales of personal hygiene goods to retailers, distributors, aged care facilities, hospitals and communities. In The UK we have approximately 120 employees from direct employment and contract.

Our global supply chain currently includes raw materials, construction logistics and service sectors. Most of our suppliers are located in Europe (60%) and Latin America (29%). Raw material suppliers represent slightly over 70% of Ontex spend. We apply a systematic approach to all risk disciplines, including in our procurement processes, practices and dealing with suppliers.

Ontex Group has a robust corporate governance framework in place with parent company Ontex Board of Directors overseeing our broader human rights program. Underpinning this framework are the Ontex Group's suite of policies, several of which are relevant to modern slavery. In the UK, this suite of policies is complemented by policies that have been developed to ensure compliance with local laws and business practices.

RISK ASSESSMENT AND MITIGATION

To understand potential Modern Slavery risk in our operations as well as in our supply chain, we use the 'Countries risk classification' of Amfori BSCI platform to decide whether we install social audits. This is mapped annually and enables us to identify those areas deemed to give rise to the greatest risk of modern slavery so we can tailor processes to better protect and support workers.

In 2022, approximately 28% of Ontex suppliers were located in countries categorized as at-risk for human rights violations. 42% of them have submitted a valid social audit report. We are informed within 24 hours in cases of critical observations. No contracts with our suppliers were terminated on the grounds of sustainability-related non-compliance in 2022. Additional efforts are planned to further

roll out social compliance in our supply chain. We aim to further increase the number of third-party social audits at suppliers in these countries and to set up mitigation actions with them to address any non-conformities.

POLICIES AND COMPLIANCE

All Ontex employees are issued with contracts of employment and they are expected to comply with our Global Code of Ethics which was a broadening of our former Code of Conduct. Our Global Code of Ethics is available in 14 languages and is available on the corporate website (www.ontexglobal.com). In addition to our Global Code of Ethics, Ontex Group has also rolled out a Speak Up Policy and Human Rights Policy. Together these policies assist Ontex Group employees to identify situations where there may be a risk of modern slavery and to speak up about it. The Speak Up access details are available on ontex.com and are open for third parties, like our vendors, suppliers and customers to Speak Up.

In The UK, we also introduced local policies to comply with local legislations including Recruitment & Selection policy, Anti-Discrimination & Employee Equal Opportunity, Workplace Bullying Policy and Grievance & Dispute Resolution Policy. Ontex Retail & Healthcare UK Ltd and their employees are obliged to adhere and operate under these policies to provide further clarification of our position on preventing and addressing modern slavery.

TRAINING

Our existing employees have been made aware and trained on our Global Code of Ethics upon its introduction; employees new to the Ontex Group since its introduction are asked to read the Code and agree to it at onboarding. In addition, we organise employee specific training programmes and send regular communications to employees on various topics covered in our Code of Ethics. These are designed to underpin our Global Code of Ethics ensuring adherence to our values. Additionally, a communications plan on Business Social Compliance Initiative (BSCI) expectations has been implemented as part of the social accountability system which operates in the majority of our plants.

ASSESSING THE EFFECTIVENESS OF OUR RISK MITIGATION ACTIONS

At Ontex we adopted Grievance mechanisms where processes are established for dealing with grievances. There are various channels to address grievances depending on the stakeholder group which raises them. Typically, there are four main stakeholder groups:

1. Internal stakeholders – Ontex employees
2. Clients, customers and consumers
3. Authorities, agencies, certification and accreditation bodies
4. Other external stakeholders, e.g. public at large.

Individuals are invited to report potential breaches to our Code of Ethics to managers, people of trust or using technology-driven mechanisms that allow for anonymous complaints to be sent, be duly registered and tracked up to a resolution. Each complaint is treated in a confidential basis and

benefits from multi-functional resources to properly investigate and address potential breaches (in-house resources and, if needed, partnering with third parties -outside counsel and other specialists)

General complaints and feedbacks of clients, customers and consumers concerning environment, social & governance matters are channelled via Ontex commercial community and registered via a special dedicated database. Ontex's speak-up line is also available for them to raise concerns via our Ontex.com page.

The grievances authorities, agencies, certification and accreditation bodies raise are typically non-conformities and corrective and preventive actions as part of certification audits and inspections. These get registered in specific trackers set up for both types.

Internal stakeholders – Ontex employees and other external stakeholders, for example, local communities are provided with an opportunity to outline their grievances via a so-called 'speak-up line' – either by phone or online. Additionally, there are various internal channels for flagging a concern for Ontex employees.

There is a separate process for each of these channels outlined in dedicated Ontex procedures. The common denominator is that all of them entail acknowledgement, investigation, implementation of actions to mitigate and prevent from occurrence and communication among involved stakeholders.

The effectiveness of the grievance mechanisms is being evaluated during annual management reviews. These reviews also serve as a platform for reporting on the number of raised grievances and spotlighting the most critical ones.

A total of 90 grievances via the Speak-Up line were received in year 2022 (versus 101 received in 2021). 56 of these were Code of Ethics-related while the rest were comments, questions or complaints not related to our Code of Ethics. After following the investigation process, 27 of these were substantiated, 26 unsubstantiated and three cases remain open.

The most common Code-violations (25) were related to the professional conduct expected in the workplace. The 2023 Action Plan includes communication and training on this specific section of our Code of Ethics to ensure proper observance by all colleagues.

27 ESG Grievances linked to environmental & social topics were raised in 2022. For each of these grievances an action plan has been developed.

AUDITS

Social audits have been carried out in the majority of Ontex Group's plants. These audits entail staff interviews which are conducted by independent external auditors and focus on a number of labour & human rights matters, including forced or compulsory labour, and 13 of our plants are in scope of a third-party social audit scheme. No issues were found on Modern Slavery topics at the last audit of our manufacturing plants in 2018.

In addition, we request suppliers located in risk countries to provide us with a valid third party social audit report. In 2022, 28% of our raw material & packaging suppliers which are managed by the

Group were located in a risk-country of which 42% of them provided us with a valid third party social audit report. No agreements with raw material suppliers were terminated on the grounds of sustainability-related non-compliance in 2022.

CONSULTATION WITH SUPPLIERS

Our conditions of trading require each supplier to self-audit and self-certify compliance with our Ethical Sourcing Requirements and the human trafficking and slavery laws of the country in which it operates. Continued failure to provide this confirmation will lead to the suspension and ultimately, termination of the contract.

Sustainability is part of the procurement process. In order to ensure that our suppliers share our values and meet our mandatory ethical, labour and environmental standards, we are integrating sustainability into every step of the procurement process:

- Supplier selection
 - Potential suppliers must complete a self-assessment questionnaire including sustainability-related questions (covering environment, social and occupational safety).
- Sustainability criteria in tenders
 - Our purchasing tenders encompass a set of sustainability-related questions.
- Purchase contracts
 - To become a supplier, companies must sign the Ontex Supplier Code of Conduct. The document is added to our Purchasing contracts and includes a reference to our Ethical Sourcing Policy.
- Supplier performance monitoring
 - Sustainability performance is a distinct part of our supplier performance review. Suppliers are scored annually on their social and environmental performance so that together we understand and can mitigate risks.

In addition, suppliers are contractually obliged to adhere to our Supplier Code of Conduct which includes details about their Human Rights obligations. It includes guidance on bribery and corruption, and a strict prohibition on forced or compulsory labour on International Labour Organisation (ILO) conventions.

Our Supplier Code of Conduct also sets out specific requirements designed to protect against child labour, sub-standard workplace environments and unlawful working conditions. We recognise the ongoing challenges and, in addition to our engagement with the Stronger Together initiatives which is aimed at tackling modern slavery industry wide, we continually strive to introduce new measures to further protect against modern slavery in our supply chains.

As of 2022, Ontex has started to engage its raw material suppliers to Ecovadis – a third-party verified sustainability assessment provider. This assessment gives a better understanding of environmental, social and governance risks locked in our supply chain. It also helps to unlock the opportunities and drive continuous improvements.

LOOKING TO THE FUTURE

Our continued efforts to drive out further modern slavery, enforced labour and unethical working practices within both our operations and those of our supply chain within the next year include:

- Training – we are expanding our induction and employee training programmes so they provide further guidance and support to staff on modern slavery issues.
- Auditing – we will further roll out the third-party social audit scheme for suppliers in risk areas as identified by our annual mapping exercise.
- Review – policies will be kept under review and updated where necessary to reflect developments in our processes designed to tackle modern slavery and forced labour.

This statement was approved and endorsed by the Directors of the Ontex Retail & Healthcare UK Ltd organisations on 9^h of May 2023.

Ashley Starbuck
GM UK/ROI – ANZ Retail

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