



Modern Slavery Statement

This 2021 Modern Slavery Statement sets out the actions taken by Barro Group Pty Ltd (ACN 005 105 724) including its controlled entities (Barro Group) to address modern slavery risks in our business operations and supply chains for the financial year ending June 2021.

Barro Group is committed to operating responsibly and adhering to the highest ethical standards, and we seek to have robust processes in place to prevent exploitation of human rights within Barro Group and its supply chains.

Barro Group is proud of our great people and workplace culture. We understand the importance of respecting each other and that improving human rights is fundamental to our business.

Purpose of this statement

The purpose of this Statement is to comply with the obligations of the Modern Slavery Act 2018 (Cth)

Introduction

Australia has modern slavery laws in place designed to ensure businesses report publicly and responsibly on the risks of modern slavery in their operations and supply chains.

Modern slavery is an umbrella term for a number of a number of serious exploitative work practices that represents violations of human rights.

The Commonwealth **Modern Slavery Act 2018** defines modern slavery under eight heads of serious exploitation:

- Human trafficking
- Slavery
- Servitude
- Forced or servile marriage
- Forced labour
- Debt bondage
- The worst forms of child labour
- Deception recruiting for labour or services

Our business and structure

Barro Group, founded in 1946, is a family-owned Group. We are an integrated resources, manufacturing and distribution organisation providing continued supplies of quality construction materials, including cement, concrete, aggregates, bulk haulage services, precast concrete, reinforcing steel and other building supplies to the residential, commercial, civil and industrial industries.

Our business operates predominantly in Victoria and Queensland with smaller activities in NSW. We have approximately 550 employees and 150 contractors (predominantly cartage contractors) engaged on a regular or semi-regular basis to provide goods and/or services needed to operate our business.

Barro Group Pty Ltd and the following are identified as reporting entities for the purposes of the Modern Slavery Act 2018:

- Dundowran Blue Metal Quarries Pty Ltd
- Wodonga Quarries Pty Ltd
- Seymour Quarries Pty Ltd
- Railway Sands Pty Ltd
- Yea Sand and Gravel Pty Ltd
- Flintstones Garden Supply Centre Pty Ltd
- Mt Marrow Blue Metal Quarries Pty Ltd
- Australian Precast Pty Ltd
- Helix Steel Australasia Pty Ltd
- Presto Transport Pty Ltd
- Vue Australia Pty Ltd
- East Coast Cement Pty Ltd
- Probar Australia Pty Ltd

Barro Group Pty Ltd and its controlled entities operate under the same policies and procedures including human resources, procurement and risk management. They also contract with the same suppliers for goods and services. Throughout this document a reference to Barro Group also refers to the controlled entities.

Barro Group's registered office is 191 Drummond Street Carlton Vic 3053.

Supply Chain

Barro Group's operations are vertically integrated and our supply chain consists largely of raw materials required to manufacture products such as concrete, to services and goods required for us to conduct our business, such as

- Consumables like fuel, machinery and equipment parts
- Fixed plant, heavy mobile earthmoving equipment, heavy transport vehicles and other motor vehicles
- Contracts with transport companies
- Contractors who support our operational requirements such as information technology and plant maintenance
- Employment contracts
- Cementitious materials and other raw materials
- Other supplies include electronic security, labour hire, steel, builders supplies, stationery, telephones, computers, uniforms, cleaners, personal protective equipment, lawyers, consultants

The most significant and highest value spend relates to the purchase of raw materials such as cementitious products and aggregates for the manufacture of concrete. Over 95% of our large and small suppliers are based in Australia with some of these sourcing from outside Australia. Four direct suppliers are based outside Australia in the USA, Malaysia and Italy and we have mostly concentrated on these as we consider these suppliers to be of potential risk.

Risk of Modern Slavery practices in our operations and supply chains

We continue to assess the risk of modern slavery in our operations as being low risk as most suppliers operate in Australia and they are required to comply with the Modern Slavery Act within their own supply chains.

We strive to engage suppliers with a good reputation, high ethical standards and reliable business practices.

We have strong employment policies and procedures for recruitment, selection and appointment, including right to work in Australia and comprehensive pre-employment screening. We consider there is no risk in our directly employed workforce due to the highly regulated labour market in Australia.

We encourage reporting of misconduct within our business and the supply chain without recrimination.

Supply contracts or service engagements are entered into under Barro Group's standard terms and conditions of purchase.

Prequalification, evaluation, assessment and approval processes are undertaken prior to the engagement of contractors to ensure compliance with our terms and conditions of engagement which include compliance with the Modern Slavery Act.

However, some procurement includes potential high-risk suppliers. In the first year we undertook an evaluation of our suppliers which has been reviewed this year. Our risk-based assessment considered types of products and geographical location and determined that tools, hardware, uniforms, PPE procurement could be of potential risk due to unskilled workers with organisations in certain geographical areas with possible lax labour and safety regulations or poor human rights records. Generally these products are sourced through Australian suppliers with a small number directly from overseas.

Due diligence is undertaken of current and potential international suppliers. Prior to engaging known overseas suppliers we endeavour to visit the sites to satisfy ourselves that those suppliers are meeting our standards, however site visits have not been possible due to Covid-19 restrictions and we have had to rely on information from our agents. The outcomes indicated that no further action is currently required for existing suppliers but will be monitored. Exceptions are that we have not entered into supply arrangements with potential suppliers in China, Indonesia and Turkey as these have been assessed as high risk.

We understand that the cleaning sector employs significant numbers of migrant workers possibly on short-term visas who could be subject to exploitation, and as such as deemed by us as high-risk.

Policies and Governance

Barro Group has a strong framework of policies, standards and procedures that provide controls and guidance to our management and suppliers. These are communicated regularly including at initial induction and annual re-induction, and through contracts, purchase orders, assessments

Our suppliers are required to comply with our policies.

Breaches of our policies are considered serious and there are formal processes in place for policy breaches. For employees these may include re-training, formal warnings or employment termination, and for suppliers, termination of supply arrangements.

Effectiveness

We continue to identify risks and review our actions ensure they are current and effective – in particular reviews of our:

- Modern Slavery Policy
- Employment conditions
- Procurement processes
- Tender documents
- Supplier modern slavery questionnaires
- Supplier prequalification questionnaires, assessment and due diligence
- Standard supply terms and conditions
- Contracts for products/services to ensure inclusion of modern slavery clauses for commitment and compliance
- Training effectiveness
- Suppliers outside Australia
- Responses to any Investigations of any raised allegations or issues

Consultation

Barro Group Pty Ltd and its reporting entities operate under the same policies and procedures and the same consistent approach applies to modern slavery.

Update and future focus

- Continue with supplier questionnaires after reviewing and updating content
- Conduct high level risk assessment for key suppliers, particularly where procurement is direct from outside Australia and for cleaning companies to identify and address any actual or potential risks of modern slavery
- Develop proforma for audits of high-risk suppliers, including where possible, site visits
- Management re-training and roll out of internal online training for employees and regular contractors
- Review of awareness and understanding of Modern Slavery within our organisation and across our supply chain
- Endeavour to eventually impose the same rigorous requirements of high-risk suppliers down the supply chain.

This Statement was approved by the Barro Group Board (the principal governing body) on 1 September 2021



Raymond Barro
Managing Director