

1<sup>st</sup> July 2021

## **Modern Slavery Statement**

This statement is made under the Modern Slavery Act 2018 (Cth). It sets out the actions taken by BX Bunka Australia (BX) ACN 124 163 793, an entity which operates in Australia to address modern slavery risks in our supply chain and our operations over the financial year ending 30th June 2021.

### **Our structure, operations and supply chains**

BX's business model is a wholly owned company defined by shares. The entity is wholly owned by public listed entity in Japan. All products are manufactured in Australia with some using overseas components. BX operates to manufacture, supply and distribution of Commercial and Residential Garage Doors in Australia. BX is the holding company for Steel-Line Garage Doors Pty Ltd, Steel-Line WA Pty Ltd, Steel-Line Installations Pty Ltd, Misiv Pty Ltd and Arco (Qld) Pty Ltd.

BX is headquartered in Brisbane, Australia with our registered office located at 51 Perivale Street, Darra and a wider global presence through operations across Australia and further afield with the parent company in Japan. Our portfolio of controlled entities includes Steel-Line Garage Doors Pty Ltd ACN 124 164 003, Steel-Line (WA) Pty Ltd ACN 092 508 499, Steel-Line Installations Pty Ltd ACN 010 693 795, Misiv Pty Ltd ACN 109 750 950 and Arco (Qld) Pty Ltd ACN 108 275 896 and each of the entities in BX is referred to as "Our Group" for the purposes of this statement. BX is a subsidiary of Bunka Shutter Co. Ltd, which is headquartered in Japan and they undertake manufacturing, supplying, installing, and servicing Residential and Commercial doors.

BX employs 452 employees across Australia.

Our Group's Operations expand across the areas of production, provision and delivery of products, research and development, direct employment of employees, distribution, purchasing marketing and sales, finance, HR and IT.

In the 2020 financial year, our Group engaged directly with more than 500 suppliers from seven (7) countries. The Group's largest category of spend is on pre-painted and galvanised steel coil. The supply chain of products and services that contribute to our Group include assembling the products, overseas factories where certain elements are made and the importation of certain materials to package the Products.

### **Risks of Modern Slavery Practices in our operations and supply chains**

The majority of our steel coil is sourced in Australia. Steel coil is procured from an Australian supplier, Bluescope Steel that operates a global supply chain. We are vigilant in considering the risk when purchasing from overseas suppliers albeit Australian suppliers are also considered due to their global network. With this in mind, we take all reasonable steps to ensure we source responsibly.



For our subsidiaries, our Group procures motors, automation components, hardware, cardboard, stretch wrap and other packaging in addition to the production line requirements and storage equipment. We source motors, hardware and automation components from China, Taiwan and Germany whilst packaging is sourced locally. The risks of modern slavery in BX exist within the manufacturing of components from overseas suppliers which increases the risk of exploited labour and the setting of unrealistic cost targets and delivery timeframes for the supplier that can potentially be met by using exploited labour.

### **The actions we have taken to assess and address these risks**

BX adopts a number of processes and procedures to assess and address risks of modern slavery, as outlined below.

BX recognises its responsibility, as one of the leading companies in the Garage door manufacturing industry, to support a balanced and collaborative approach to all aspects of sustainability. Our total partnership approach engages our leadership teams with our customers and suppliers to address the risks of modern slavery and strive to demonstrate best practice. Our commitments show that we are on the right track. Whilst the noted improvements, listed below, are in the infant stages, we anticipate that as these initiatives are established, the effects will be more apparent.

We are committed to a process of upholding practices against modern slavery or human trafficking in our supply chains or in any part of our business. We commit to acting ethically and with integrity in all our business relationships. Our commitment is also supported by our initiatives such as;

- system that allows workers to anonymously report concerns;
- company Grievance procedure provides a medium for reporting, investigation, action and resolution;
- formulated a modern slavery policy;
- BX has also implemented an audit process. We require our suppliers to use our auditing framework for their supply chain allowing us to meet our commitment of increased due diligence;
- A core competency of the business is our partnership with suppliers. This assures we can have an open and transparent relationship;
- Over the next 12 months, we aim to roll out an additional auditing system to local suppliers as well as our international partners;
- We aim to incorporate the modern slavery compliance requirements into our tender process to create an even more robust system;
- All senior managers, key permanent employees and directors will undergo Modern Slavery awareness training. We will be able to report on progress in the next statement. Over the coming year BX will implement a Supplier code of conduct that prohibits modern slavery practices; and
- BX continues to take steps to increase employee awareness and engagement regarding modern slavery.

## How we assess the effectiveness of the actions we have taken to address the risks of Modern Slavery

The effectiveness of the measures BX takes to address the risks of modern slavery is assessed in a number of ways and we are further developing measurable indicators which reach out into the global scope of the business.

- BX have mapped their supply chain, with all suppliers and potential suppliers, from high risk countries with any risks being assessed via onsite audits. We are aware that we purchase some raw materials from high risk rated countries. As an example, we have identified China as a country that may present some challenges. The geographical distance from Australia and cultural differences that exist in China, make it particularly difficult to assess compliance and gain an understanding of their statutory regulation and how that compares to Australian regulation. However, we have put mitigation protocols in place such as a robust audit system which includes site visits to overseas vendors to inspect and report on working conditions and surveys e.g. visit to two (2) suppliers in Taiwan namely Shiang Jay Industry Group & Decomotion Ltd. In circumstances where this is not possible, we request overseas suppliers to complete a questionnaire to confirm their compliance with modern slavery laws.
- The mapping of our supply base at BX sites have enabled improved transparency, which is pivotal in maintaining control and confidence. It allows for better understanding of our supply chain beyond just the first tier, through the auditing process.

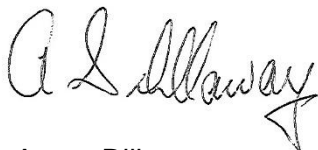
### Process of consultation with our subsidiaries

We have engaged in consultation with each member of Our Group to ensure that they are aware of the actions that they need to take place and the modern slavery risks so that they can be identified, assessed and addressed. Specifically, we have undertaken the following consultation activities:

- consulted with senior management;
- consulted with key members of the team including members of the subsidiaries and supporting functions such as Human Resources, Finance, Procurement; and
- In doing the above we gained input from all key members across the subsidiaries to compile a comprehensive report and derive action items for the year ahead.

This statement was approved by the Board of BX Bunka Australia on 10<sup>th</sup> May 2021.

Signed,



Aaron Dillaway

Director, BX Bunka Australia