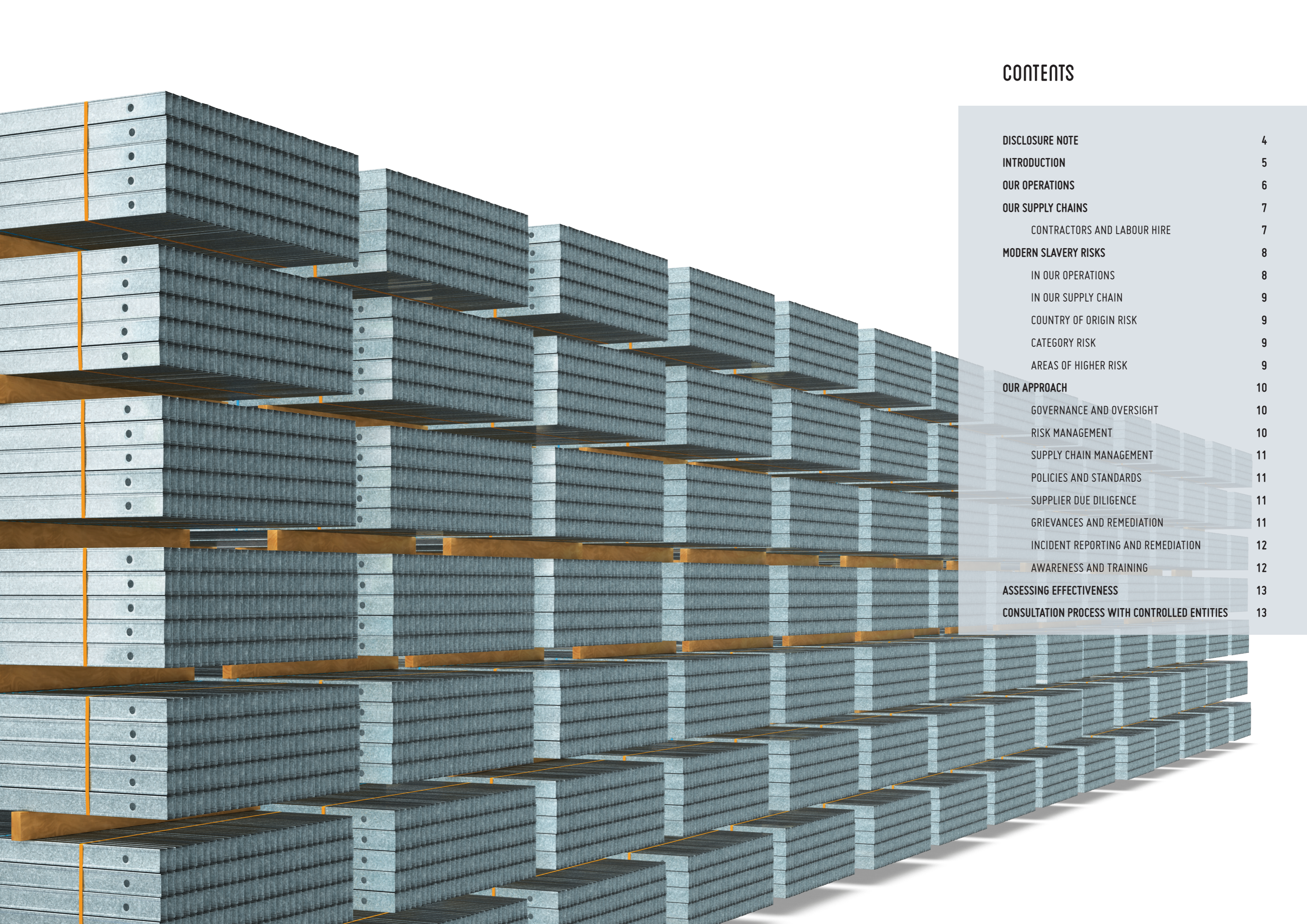




MODERN SLAVERY
STATEMENT
FOR RONDO®

RONDO®



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Operating & Operating Site and Head Office, Erskine Park, NSW, Australia

This Modern Slavery Statement (Statement) is made by Rondo Building Services Pty Ltd (Rondo) for the financial year ended 30 June 2021 (FY2021).

Rondo is a reporting entity under the Modern Slavery Act 2018 (Cth) (Modern Slavery Act).

Rondo is a highly focused business involved in the manufacture and supply of a wide range of

light gauge rolled formed steel products and systems, primarily for the construction industry in Australia, New Zealand, Asia Pacific, and the Middle East.

Rondo is a 50:50 joint venture company between USG Boral and CSR.

INTRODUCTION

Modern slavery remains a pervasive yet often hidden issue in global supply chains and has severe and devastating consequences for victims. We welcome the Australian Government's efforts to help Australian businesses prevent modern slavery in domestic and global supply chains.

We recognise the inherent dignity of all people and the importance of respecting and promoting human rights. Modern slavery is a severe violation of human rights and we are committed to identifying and addressing the risk of modern slavery practices in our operations and supply chain.

Modern slavery, as defined by the Modern Slavery Act, includes trafficking in persons, slavery, servitude, forced labour, debt bondage, deceptive recruitment, forced marriage, and the worst forms of child labour: situations where children are subjected to slavery or similar practices, or engaged in hazardous work.

Given the global prevalence of modern slavery, we acknowledge that modern slavery practices may be present in our operations and supply chain, with the greatest area of risk within our supply chain.

With a number of direct suppliers across 5 countries, we are taking a risk-based approach and focusing our efforts on areas assessed as at higher risk of modern slavery practices in our operations and supply chain.

Nevertheless, we recognise that tackling the risk of modern slavery will require ongoing commitment, dedicated effort and resources, and a willingness to be open and transparent when incidents or concerns of modern slavery are

identified.

Rondo has established a Human Rights and Modern Slavery Working Group (Working Group), to drive and support its efforts to strengthen its approach to identify and address the risk of modern slavery in its operations and supply chain.

The Working Group comprises the Executive General Manager, members of Rondo's Executive Committee and Senior Management teams. This working group have prepared and approved this statement.

Going forward, we are committed to continue to improve our approach. We will monitor peer, Shareholder and best practice developments and explore how we can most effectively harness collective knowledge and resources by collaborating with our shareholders and other organisations. We intend to deepen our understanding of our supply chain risks; and increase engagement with our suppliers to identify risks further down our supply chain.

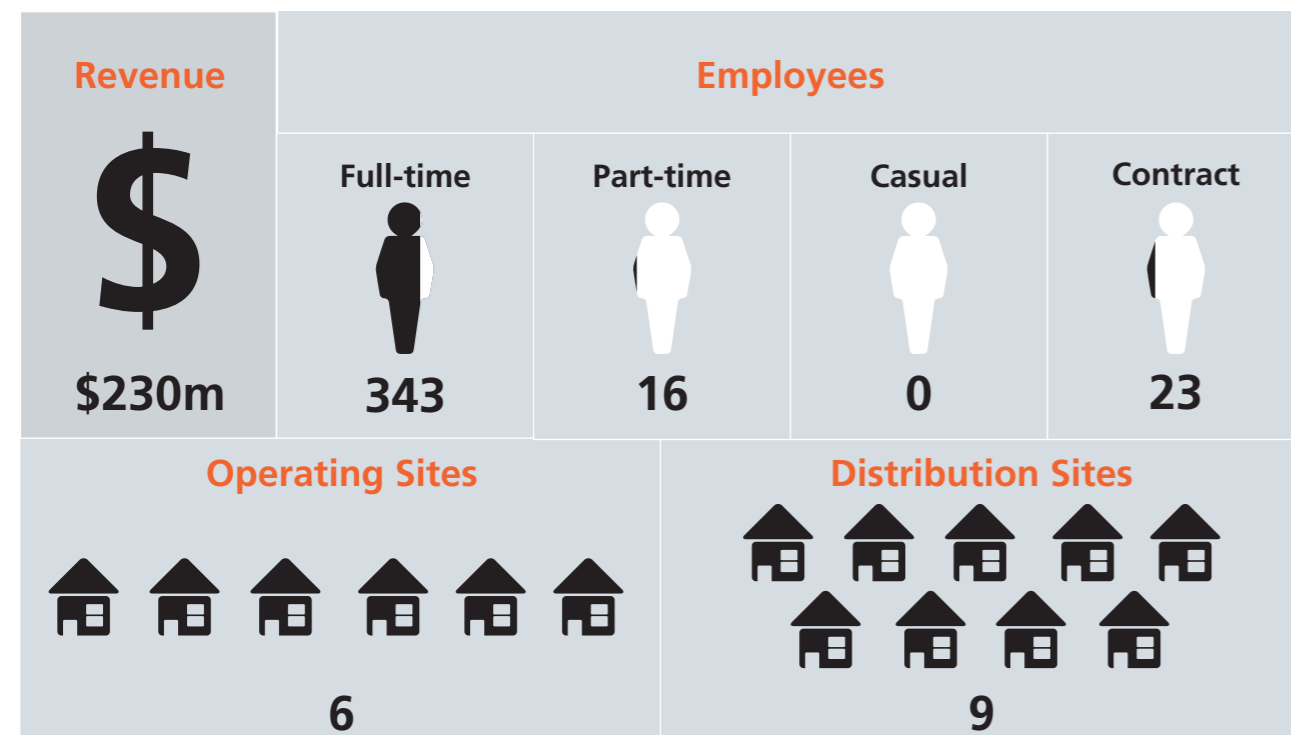
We recognise that the severe adverse economic impacts of the pandemic are expected to only heighten the risk of labour exploitation and enslavement, particularly in jurisdictions and sectors already most vulnerable to human rights abuses. This reinforces the importance of further developing and strengthening our approach, particularly when assessing suppliers in countries rated as high risk of modern slavery.

This Statement has been approved by the Board of Directors of Rondo Building Services and is hereby signed by the Rondo Executive General Manager.

Greg Thomas
Rondo Executive General Manager

OUR OPERATIONS

Rondo is a proud Australian Company operating in several countries with manufacturing plants in Sydney Australia, Auckland NZ, Christchurch NZ, Kuala Lumpur Malaysia, and the UAE.



For further information about Rondo's business, including its brands, see www.rondo.com.au

OUR SUPPLY CHAINS

In FY2021, Rondo made payments to about 920 suppliers across 5 countries, of which more than 99% were Australian- or New Zealand-based entities. Rondo's international suppliers are located in the US and Asia.

Rondo's most significant procurement spend categories are raw materials and logistics. Rondo's spend in Asia largely relates to the purchase of raw materials and semi-finished products to support the manufacturing operation in Malaysia.

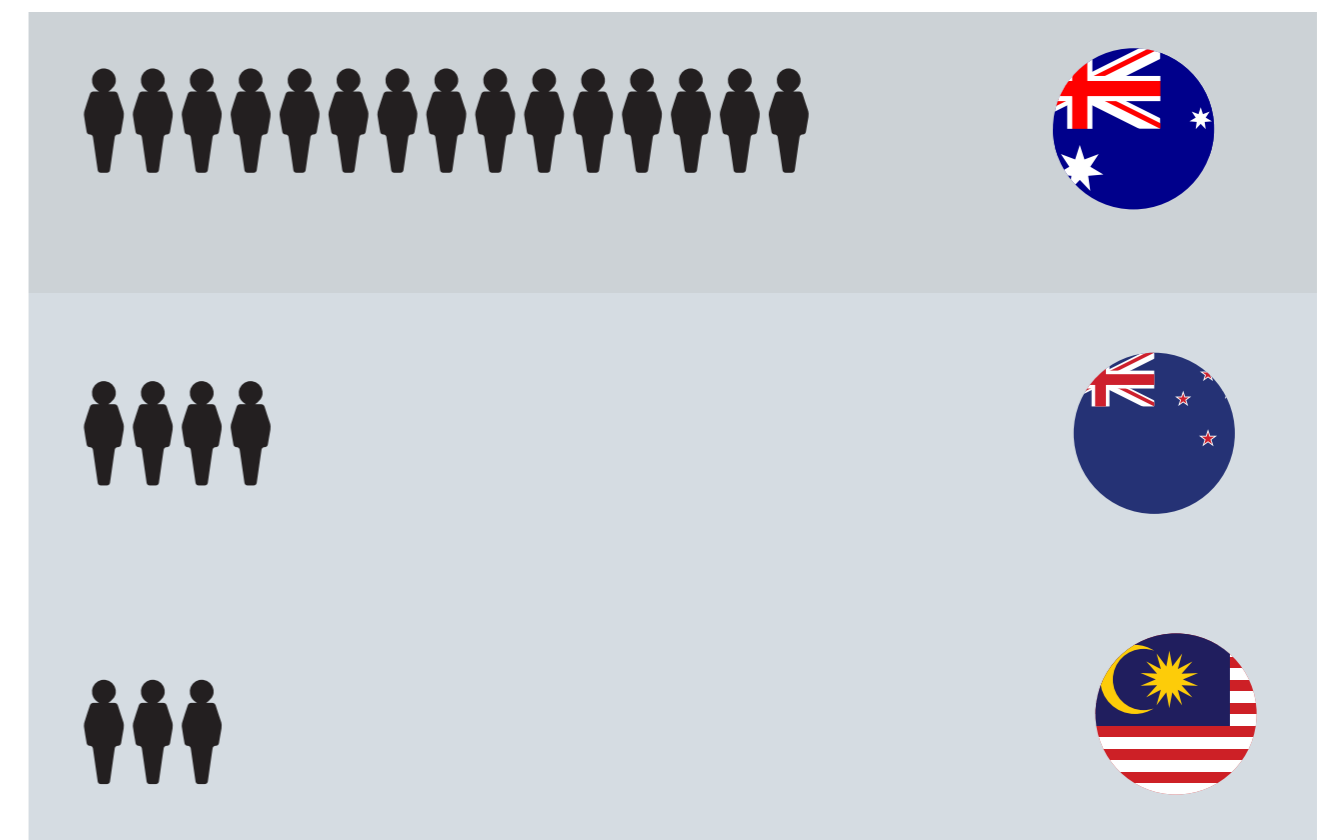
Rondo's largest spend category of raw materials is steel coil. Most of these purchases are made locally in Australia, New Zealand, and Malaysia to support local manufacturing. A small portion of these purchases in Australia and Malaysia are imported steel from various mills in Asia and the Middle East. These purchases are at arm's length sourced through local steel traders in Australia who deal directly with these mills.



CONTRACTORS AND LABOUR HIRE

We engage contractors to support our operational requirements and in various other operational roles including information technology (IT) and plant maintenance.

Throughout FY2021 Rondo engaged approximately 16 full-time equivalent skilled contractors in Australia, about 4 in New Zealand and 3 in Malaysia. We have longstanding preferred labour hire supplier relationships in Australia, New Zealand, and Malaysia.



MODERN SLAVERY RISKS

Our working group have progressed our work to identify areas of greatest modern slavery risk in our operations and supply chains.

We assess the risk of modern slavery practices based on the potential to cause, contribute to

or be directly linked to modern slavery through our operations and supply chains, as defined in the Modern Slavery Act Guidance for Reporting Entities.

IN OUR OPERATIONS

Rondo has assessed the risk of modern slavery in its operations. The risk of modern slavery to Rondo's operations was assessed as low because of the following:

- Rondo has a strong human resources controls in place for onboarding new employees, reviewing employees' wages and salary agreements and verifying corresponding payments.
- Approximately 35% of Rondo's employees are covered by enterprise or industrial agreements.
- Rondo's employee onboarding process includes employment checks managed by a central Human Resources team in Australia. Rondo's employee induction processes also ensure that new employees confirm they have read and understood Rondo's policies and minimum standards.
- Rondo reviews modern slavery risk in its operations as part of the annual risk management processes that identify, assess, monitor, and report on the organisation's risks.



IN OUR SUPPLY CHAIN

For FY2021, Rondo has mapped its supply chain to identify areas at higher risk. This mapping considered only those suppliers Rondo has direct arrangement with (Tier 1) – for key spend categories.

Using a version of one of Rondo shareholder's (USG Boral) Modern Slavery Supplier Risk Profile Assessment (MSSRPA) tool, Rondo assessed the risk of modern slavery for key categories of goods and services, and their countries of origin.

COUNTRY OF ORIGIN RISK

The MSSRPA tool attributes an initial inherent risk rating to Rondo's suppliers – from low to very high – based on the risk of modern slavery practices in the jurisdictions and industry sectors in which they operate.

The initial inherent risk rating is based on the Global Slavery Index 2018, published by The Minderoo Foundation and Transparency International's Corruption Perceptions Index.

The Global Slavery Index assesses risk variables across five major dimensions

– governance issues, lack of basic needs, inequality, disenfranchised groups and effects of conflict – to provide an overall country score.

The Corruption Perceptions Index scores and ranks countries and territories based on how corrupt each public sector is perceived to be among experts and business executives.

In FY2021, our risk assessment identified that Rondo had no Tier 1 suppliers in countries rated as having high or very high risk of modern slavery practices.

CATEGORY RISK

In FY2021 we have not identified any categories of goods and services that are at higher risk of modern slavery practices, based on information published by The Minderoo Foundation Walk Free initiative.



AREAS OF HIGHER RISK

By considering the country of origin risk and category risk of our Tier 1 suppliers, we have not identified any areas of our supply chain being at higher risk of modern slavery practices.

In summary, for FY2021 and in our risk assessment no Rondo Tier 1 suppliers were identified as being located in countries rated as having high or very high risk of modern slavery practices and in categories assessed as at higher risk.

OUR APPROACH

Rondo recognise the inherent dignity of all people and the importance of respecting and promoting human rights, including the rights of its employees, suppliers, and the communities in areas where it operates. Rondo also expect its suppliers and contractors to respect and promote human rights

GOVERNANCE AND OVERSIGHT

Rondo has established a Human Rights and Modern Slavery Working Group (Working Group), to drive and support its efforts to strengthen its approach to identify and address the risk of modern slavery in its operations and supply chain.

The Working Group comprises the Executive General Manager, members of Rondo's Executive Committee and Senior Management from the Human Resources, Finance, Procurement, and Marketing teams. The Working Group guides, monitors, and reviews the work in strengthening Rondo's approach to human rights and modern slavery in light of the Modern Slavery Act. The Working Group has reviewed and endorsed the disclosures made in this Statement.

RISK MANAGEMENT

In FY2022 and onwards, Rondo will continue to undertake a modern slavery risk review, which will include:

- Development of a supplier Modern Slavery Due Diligence questionnaire
- Review and update of the questionnaires and other tools used to identify risk
- Re-assessment of modern slavery risk within its operations and supply chain, including areas considered at highest risk
- Evaluation of policies, procedures, processes, controls and reporting in relation to the Modern Slavery Act, and
- Assessment of Rondo's modern slavery risk exposures

Rondo will report annually to its shareholders on the outcomes of the modern slavery risk review. It will include an update on modern slavery management activities, risk exposures, and processes and controls, and meeting its reporting requirements under the Modern Slavery Act



SUPPLY CHAIN MANAGEMENT

Rondo's procurement function is managed by the General Manager Group Finance whilst the distribution and transport of goods is managed by the General Manager Group Operations.

Rondo have varying types of arrangements with suppliers, depending on the nature of the goods and services provided, and the expected tenure of the relationship. This ranges from formal procurement agreements for long- and short-term supply contracts to less-formal arrangements such as purchase order terms and conditions.

POLICIES AND STANDARDS

The foundational policies and standards that set out Rondo's commitment to and addressing modern slavery are: Modern Slavery, Code of Business Conduct, International Trade, Anti-Bribery and Corruption and Whistleblower policies and the Rondo Procurement procedure.

The Rondo Board, Executive General Manager and senior managers and teams take breaches of Rondo codes and policies very seriously. Rondo have consistent and transparent practices in place to address any non-compliance with its Code of Business Conduct and policies. Formal consequences include additional training, impact on reward and promotion, formal warnings, and termination.

SUPPLIER DUE DILIGENCE

We select and screen suppliers in key spend categories, taking into account their geographical location, size, category of goods or services, frequency of supply and expenditure.

Rondo's procurement team determines the level of assessment required to validate the supplier's alignment with Rondo's standards, which may include a questionnaire, review of performance and subsequent evaluation. Rondo may also organise supplier site audits conducted by its Quality Assurance team.

In FY2022 and onwards new suppliers in key spend categories, taking into account their risk profile, geographical location, size, category of goods or services, frequency of supply and expenditure will need to satisfy a supplier assessment prior to trading with Rondo. This will help further strengthens Rondo's position on Modern Slavery.

GRIEVANCES AND REMEDIATION

We recognise the importance of access to easy and clear avenues for reporting concerns. Our employees and contractors can report concerns relating to modern slavery practices through and via internal reporting channels by contacting Senior Management and/or Human Resources.

We will continue to promote awareness of the reporting mechanism among our suppliers by providing information on how to lodge any modern slavery concerns.

OUR APPROACH (CONTINUED)

INCIDENT REPORTING AND REMEDIATION

We recognise that reports of modern slavery concerns or incidents may be raised in various ways – directly by suppliers, by employees, by third parties, or anonymously via Rondo's Whistleblower reporting hotline.

We are committed to investigating any reported concerns or incidents, and if those concerns are substantiated, taking appropriate steps to address the issues raised. We are also committed to maintaining the integrity of the reporting and investigation processes.

All substantiated incidents of modern slavery will be formally documented, investigated and reported to the Working Group, and at least annually to Rondo's Board.

To date, we have not received any reported concerns of modern slavery practices, nor have we identified any instances of modern slavery in our operations or supply chain.

AWARENESS AND TRAINING

In FY2022, Rondo will roll out initiatives to raise awareness of modern slavery, including communications to all staff across its operations, in the form of emails, posters and a toolbox talk by site leaders. These initiatives aim to describe what modern slavery is and highlight its prevalence; and explain how Rondo's staff can report any concerns.

We will also aim to roll out a Modern Slavery training program to those responsible for human resources and procurement of goods and services to ensure modern slavery risks are mitigated. The training program describes the:

- Types of modern slavery practices
- Requirements of the Modern Slavery Act
- Prevalence of modern slavery



ASSESSING EFFECTIVENESS

Rondo's Working Group will determine the most appropriate method, scope, and resources for assessing the effectiveness of our approach and processes related to modern slavery risks.

The Working Group will review annually:

- The tools Rondo use to determine exposure on Modern Slavery
- Rondo's supplier assessments, and how they are conducted and integrated with supplier selection
- Any concerns raised, including through the Whistleblower Policy; escalation process; and responses and remediation actions
- Rondo's approach in light of evolving best practice and that of its Shareholders
- Training and capacity building for the procurement and human resources staff, and
- Communications to further develop awareness and understanding of modern slavery within Rondo's workforce.

In determining the timing and scope of modern slavery assessments, the Working Group will consider changes to the modern slavery framework, the performance of key processes, any risk exposures, and evolving trends and best practice.

Rondo may leverage off the expertise of shareholders and other subject-matter experts to conduct these assessments.

CONSULTATION PROCESS WITH CONTROLLED ENTITIES

Other than the subsidiaries in Malaysia, Singapore, and a branch in New Zealand which are all a part of and included in this Statement, Rondo did not own or control any other entities during FY2021. Therefore, this criteria is not applicable to Rondo for FY2021.



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