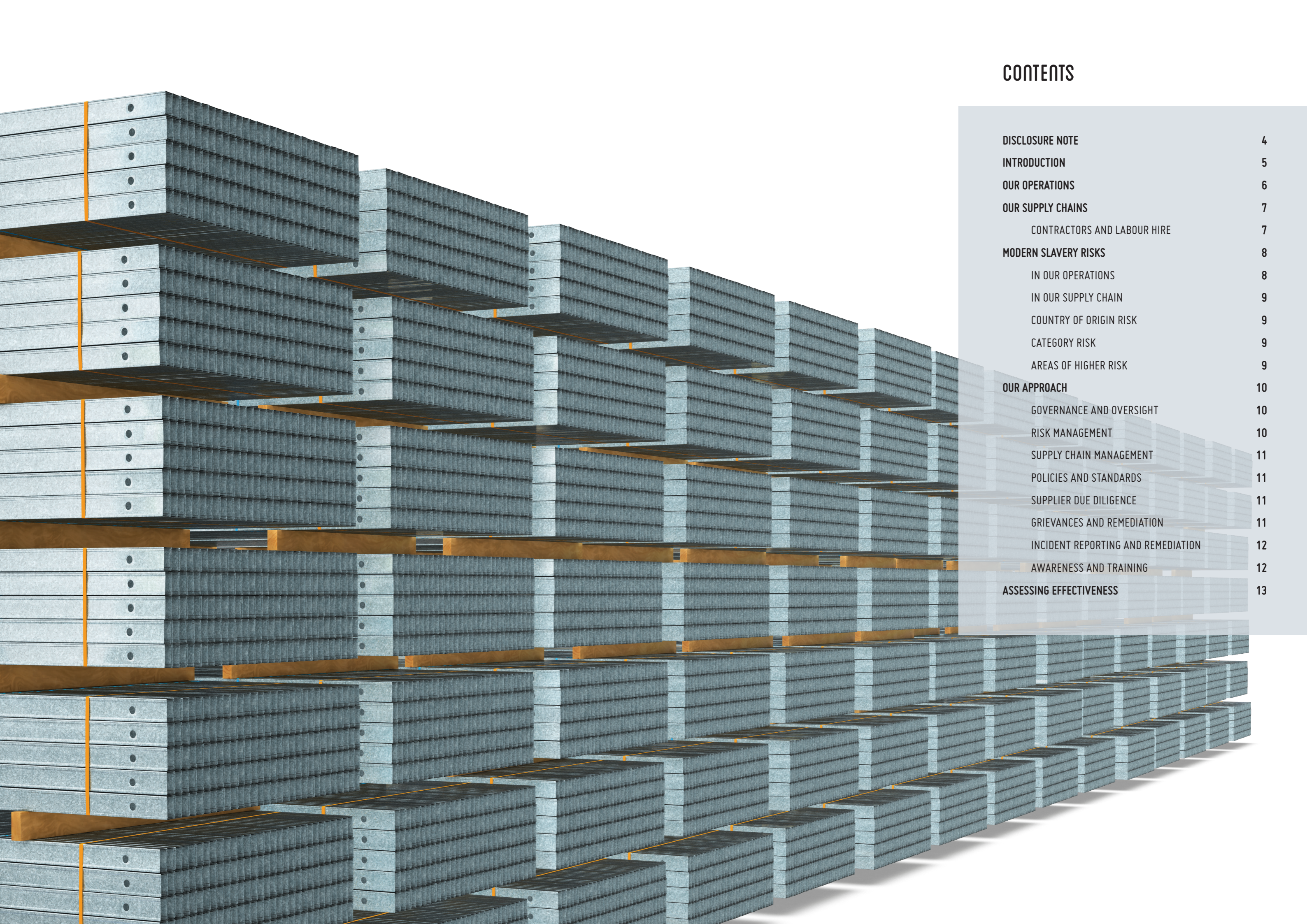




MODERN SLAVERY
STATEMENT
FOR RONDO®

RONDO®



CONTENTS

- DISCLOSURE NOTE** 4
- INTRODUCTION** 5
- OUR OPERATIONS** 6
- OUR SUPPLY CHAINS** 7
 - CONTRACTORS AND LABOUR HIRE 7
- MODERN SLAVERY RISKS** 8
 - IN OUR OPERATIONS 8
 - IN OUR SUPPLY CHAIN 9
 - COUNTRY OF ORIGIN RISK 9
 - CATEGORY RISK 9
 - AREAS OF HIGHER RISK 9
- OUR APPROACH** 10
 - GOVERNANCE AND OVERSIGHT 10
 - RISK MANAGEMENT 10
 - SUPPLY CHAIN MANAGEMENT 11
 - POLICIES AND STANDARDS 11
 - SUPPLIER DUE DILIGENCE 11
 - GRIEVANCES AND REMEDIATION 11
 - INCIDENT REPORTING AND REMEDIATION 12
 - AWARENESS AND TRAINING 12
 - ASSESSING EFFECTIVENESS 13



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 year ended 30 June 2020 (FY2020).

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 chains.

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 supply chain.

Nevertheless, we recognise that tackling the risk of modern slavery in our supply chains 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 chains.

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.

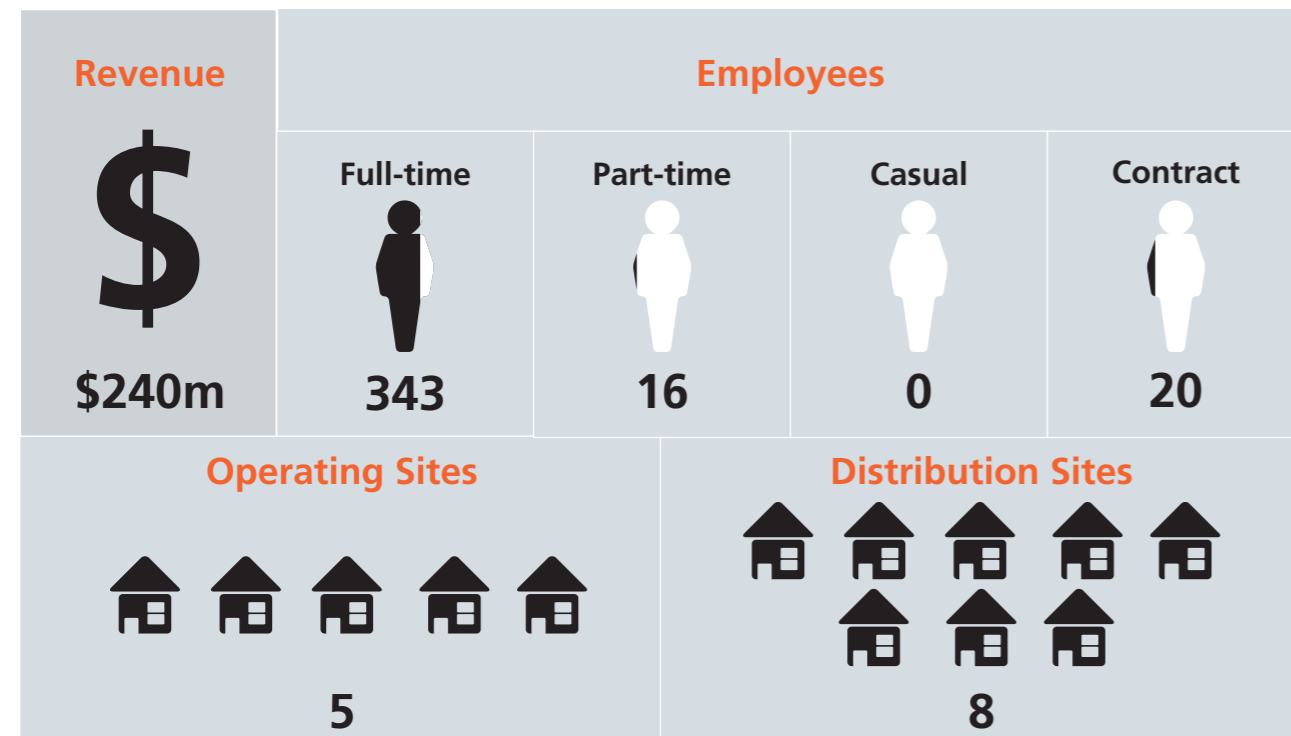
We recognise that the severe adverse economic impacts of the pandemic are expected to only heighten the risk of labour exploitation and enslavement, particularly in jurisdictions and sectors already most vulnerable to human rights abuses. This reinforces the importance of further developing and strengthening 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 which is further developing internationally through the development of offshore businesses with manufacturing plants in Sydney Australia, Auckland NZ, Christchurch NZ, Kuala Lumpur Malaysia, and UAE.



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

OUR SUPPLY CHAINS

In FY2020, Rondo made payments to about 1670 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.

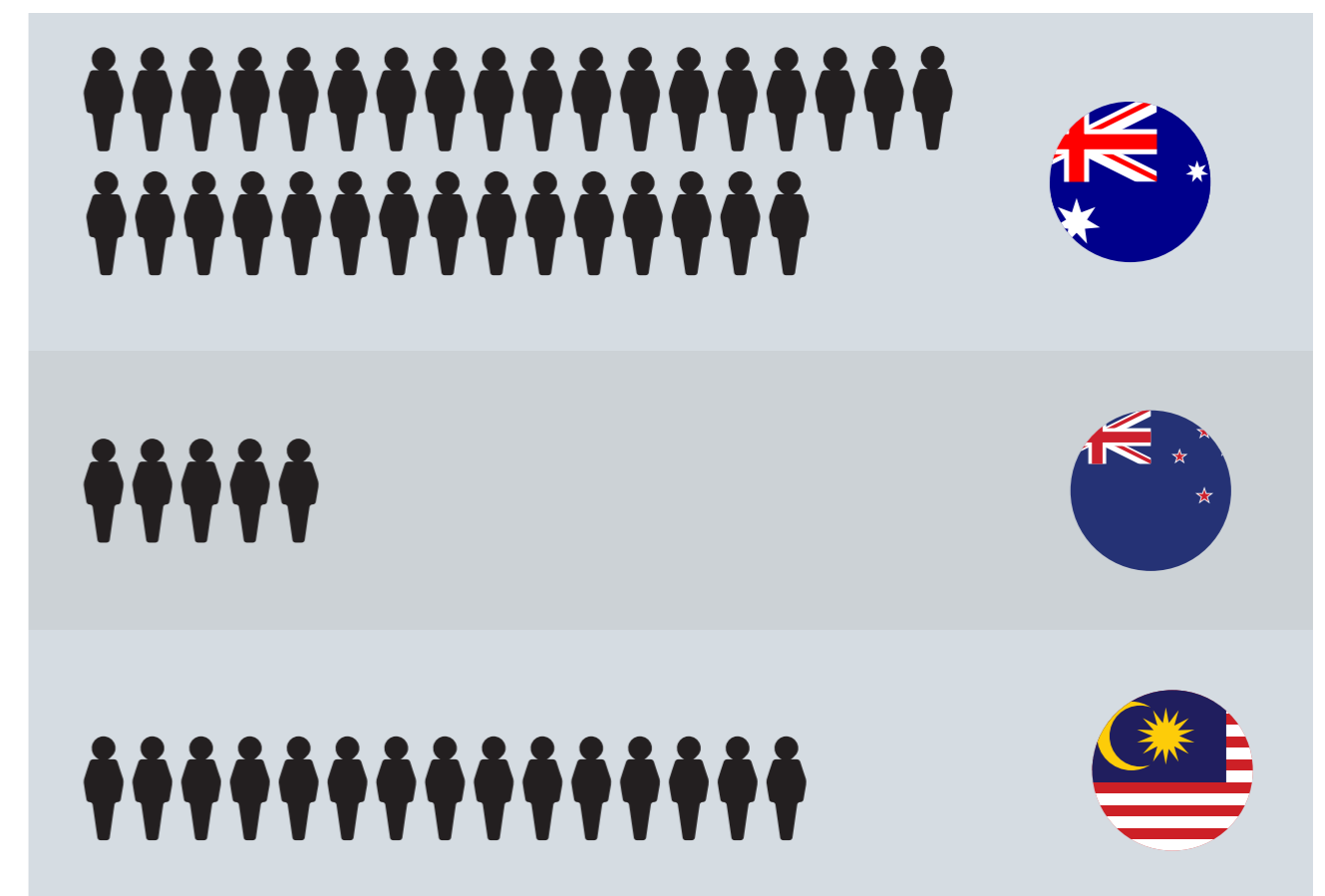
Rondo's most significant procurement spend categories are raw materials and logistics. Rondo's spend in Asia largely relates to the purchase of raw materials and semi-finished products to support the manufacturing operation in Malaysia.

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 procured through local steel traders in Australia who deal directly with these mills.



CONTRACTORS AND LABOUR HIRE

Throughout FY2020, Rondo engaged approximately 35 full-time equivalent skilled contractors in Australia, about 5 in New Zealand and 15 in Malaysia. We have long-standing preferred labour hire supplier relationships in Australia 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 conducted an initial desktop assessment of the risk of modern slavery in its operations. The risk of modern slavery in our operations was assessed as low for the reasons set out below.

- We have strong human resources controls in place for onboarding new employees, reviewing employees' wages and salary agreements and verifying corresponding payments.
- Approximately 35% of employees are covered by enterprise or industrial agreements, respectively.

- Our employee onboarding process includes employment checks managed by our central Human Resources team in Australia. Our employee induction processes also ensure that new employees confirm they have read and understood our policies and minimum standards.
- Rondo Risk reviews modern slavery risk in our operations as part of the annual risk management processes that identify, assess, monitor and report on our organisation's risks.



IN OUR SUPPLY CHAIN

For FY2020, Rondo has completed an initial mapping of our supply chain to identify areas at higher risk. This mapping considered only those suppliers we have a direct arrangement with (Tier 1) – for our key spend categories.

Using a version of our Shareholder's (USG Boral) Modern Slavery Supplier Risk Profile Assessment (MSSRPA) tool, we assessed the risk of modern slavery for our 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 our 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 FY2020, our risk assessment identified that Rondo had no Tier 1 suppliers respectively located in countries rated as having high or very high risk of modern slavery practices.

CATEGORY RISK

In FY2020 we have not identified any of our 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 at higher risk of modern slavery practices.

In summary for FY2020, our risk assessment identified that Rondo had no Tier 1 suppliers respectively 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

We recognise the inherent dignity of all people and the importance of respecting and promoting human rights, including the rights of our employees, suppliers and the communities in areas where we operate. We also expect our suppliers and contractors to respect and promote human rights.

GOVERNANCE AND OVERSIGHT

Rondo has now 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 chains.

The Working Group comprises the Executive General Manager, members of Rondo's Executive Committee and Senior Management from the Human Resources, Supply Chain, Finance and Marketing teams. The Working Group guides, monitors and reviews our work in strengthening our 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

From FY2021, Rondo will undertake an annual modern slavery risk review, which will include:

- Creating a supplier Modern Slavery Due Diligence questionnaire.
- Reviewing and updating the questionnaires and other tools used to identify risk.
- Reassessing modern slavery risk within our operations and supply chain, including areas considered at highest risk.
- Evaluating our policies, procedures, processes, controls and reporting in relation to the Modern Slavery Act.
- Assessing all Rondo modern slavery risk exposures.

Rondo will report annually to our 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 our reporting requirements under the Modern Slavery Act.



SUPPLY CHAIN MANAGEMENT

Rondo's procurement and supply chain spend is managed by the General Manager Supply Chain.

We have varying types of arrangements with our 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 our 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 our codes and policies very seriously. We have consistent and transparent practices in place to address any non-compliance with our 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 our key spend categories, taking into account their geographical location, size, category of goods or services, frequency of supply and expenditure.

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

In FY2021 new suppliers in our 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 complete our Modern Slavery Due Diligence Questionnaire.

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.

In FY2021, we will 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 our employees, by third parties, or anonymously via our 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 chains.

AWARENESS AND TRAINING

In FY2021, 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 our 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 processes and the controls that mitigate our modern slavery risks. The training program describes the:

- Types of modern slavery practices
- Requirements of the Modern Slavery Act
- Prevalence of modern slavery, and
- Actions Rondo is taking to assess and manage modern slavery risk.



ASSESSING EFFECTIVENESS

Our 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.

From FY2021, the Working Group will review annually:

- Our tools including our Modern Slavery Due Diligence Questionnaire and how they are being implemented.
- Our supplier assessments, and how they are conducted, integrated with supplier selection, and reported.
- Any concerns raised, including through the Whistleblower Policy; our escalation process; and our responses and remediation actions.
- Our approach in light of evolving best practice and that of our Shareholders.
- Training and capacity building for our procurement and human resources staff.
- Communications to further develop awareness and understanding of modern slavery and our actions within our workforce.

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

We may use our Shareholders and other subject-matter experts to conduct these assessments.



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