



Modern Slavery Statement

December
2021

Reporting Period July 20 – June 21

Table of Contents

Section 1 – Introduction	3
Section 2 – About Jaybro Group	4
Section 3 – Operations and Supply Chain	5
Section 4 – Risks in our Operations and Supply Chain	7
Section 5 – Actions to Assess and Address Risks	9
Section 6 – Remediation Approach	14
Section 7 – Assessing Effectiveness of Actions	14
Section 8 – Consultation	15

Section 1 – Introduction

This statement has been developed in accordance with the *Modern Slavery Act 2018* (the Act) for the reporting entity Jaybro Group Pty Ltd and the entities under its control, namely, Global Synthetics Pty Ltd, Jaybro NZ Ltd, Global Synthetics NZ Ltd, as well as Cadia Group Pty Ltd (together, the Jaybro Group). The statement relates to the Jaybro Group as a whole, with regards to the risks of modern slavery and the actions taken to assess and address those risks.

The Jaybro Group respects the fundamental human rights of all people and opposes modern slavery in all its forms. This includes serious exploitative practices such as human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage and the worst forms of child labour. Modern slavery is a complex issue and all businesses are susceptible to modern slavery risks, which can often be hidden in their business operations and supply chains. Jaybro Group recognises the importance of its role in the global collaborative effort to combat modern slavery and is committed to ensuring it has systems in place to actively identify, manage, and review effectiveness of actions taken against modern slavery risks to the business on an ongoing basis. Jaybro has and continues to receive an increasing number of modern slavery questionnaires from its customers and cooperates in all instances to complete and provide any required information as necessary.

Our actions in FY21 consisted of the addition of modern slavery clauses in our standard supply agreement template, the development of a supplier self-assessment questionnaire and expanded supplier due diligence taking modern slavery risks into consideration. The COVID-19 pandemic continued to hinder the progress of some planned activities particularly site audits, as did key supply chain personnel changes within the business.

Our plans for the next financial year is to build upon the initiatives from this financial year including analysis of results from the supplier questionnaire, implementing our ethical sourcing policy across the business and ensuring modern slavery risks are at the forefront of supplier evaluation in strategic sourcing activities. Pending the lifting of travel restrictions due to the Covid pandemic, site audits and collaboration with key suppliers will recommence to ensure our supply chain does not inadvertently harbour modern slavery practices. Jaybro Group recognises there is no simple solution to eliminate the risks of modern slavery from its business and will require a process of refinement in its approach over the coming years to strengthen its response against modern slavery.



Section 2 – About Jaybro Group

Jaybro Group Pty Ltd ACN 159 122 488 has its registered office at 29 Penelope Crescent, Arndell Park, New South Wales. The group core business supplies consumables, safety products, geosynthetics, temporary fencing, safety barriers, and plumbing supplies to the Australian and New Zealand civil and construction sector. Servicing the local industry for over 25 years, Jaybro Group has over 300 employees across all its locations and generates over \$300 million in sales annually.

With offices, warehouses and production sites across Australia and New Zealand, Jaybro Group strives to provide its customers with industry-leading service, fast delivery, expert advice and quality products. Since its inception, the business has experienced strong organic growth underpinned by its commitment to 'wow customers with service'. It complements this growth through strategic acquisitions that align with the core business model which has allowed Jaybro Group to flourish.

In 2012 Jaybro acquired the first of many companies which now make up the Jaybro Group. 2017 saw Champ Private Equity invest in Jaybro Group, spring boarding the business into the next stage of growth. The group owns several brands in its portfolio including Fortress, Defender Safety, Coverlite, Sqid and Brandwrap, each of which have been selected to enable Jaybro Group to offer superior service to its core customer base. A trusted supplier to some of Australia's biggest infrastructure companies, Jaybro is now firmly entrenched as one of the leading names in civil consumables.

Section 3 – Operations and Supply Chain



Jaybro was founded in **1996** before forming the Jaybro Group

There are over **300** team members across Australia and New Zealand



Strategically located warehousing and distribution sites to service all parts of Australia and New Zealand including:

- Arndell Park NSW
- Smithfield NSW
- Newcastle NSW
- Orange NSW
- Laverton North VIC
- Maidstone VIC
- Eagle Farm QLD
- Crestmead QLD
- Stapylton QLD
- Virginia QLD
- Para Hills West SA
- Welshpool WA
- Auckland NZ
- Christchurch NZ

Jaybro Group Operations

As a predominantly sales and distribution organisation, Jaybro Group has 16 distribution sites across Australia and New Zealand, with sales and other operational functions supported from head office. The manufacturing operation consists of custom banner mesh printing, and printed road and safety signs at selected facilities.

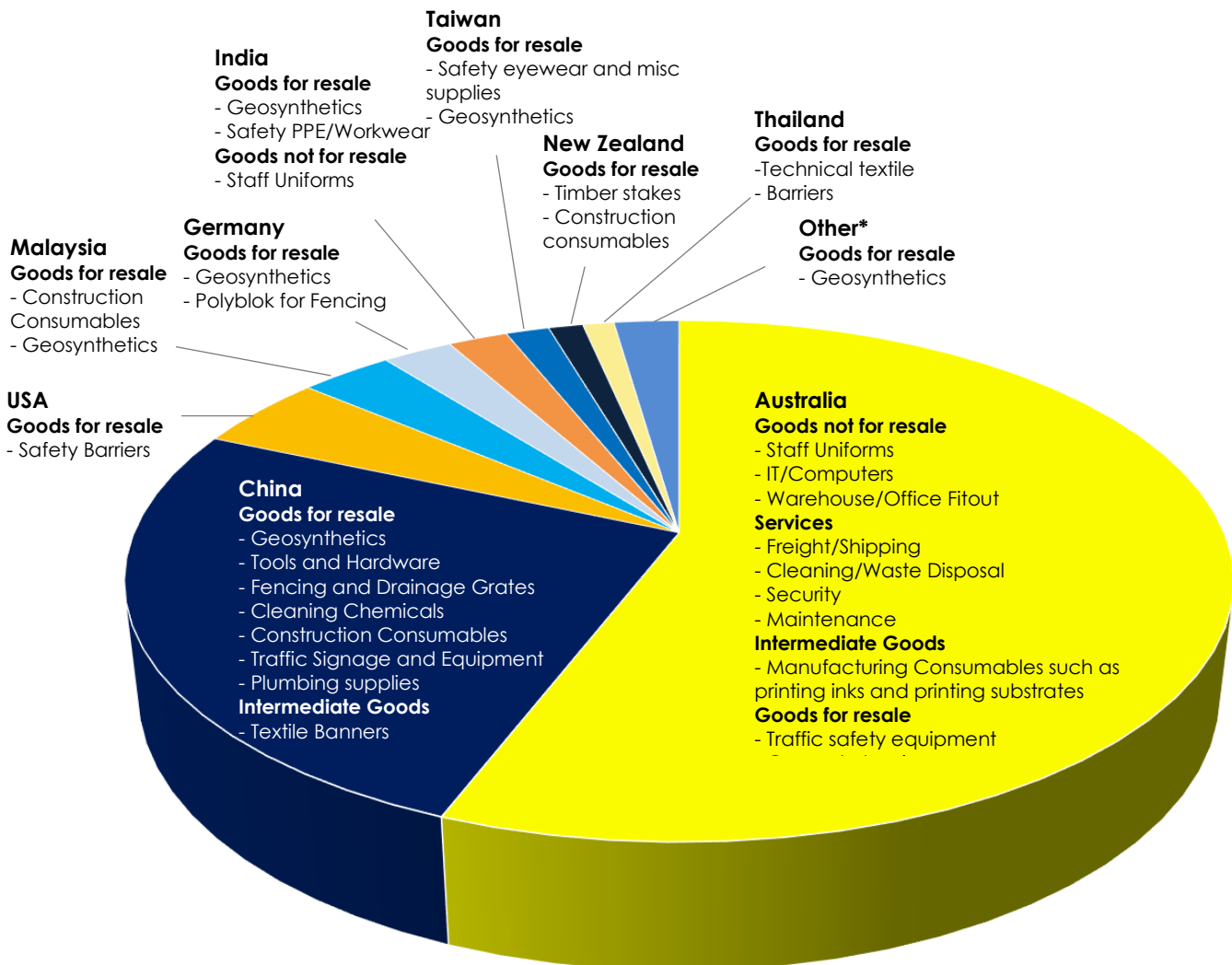
Our workforce comprises of warehouse personnel, manufacturing operators, sales representatives and head office team members in roles such as finance, IT, HR, marketing, customer service, procurement, logistics, executives, and other general administrators.

Jaybro Group Supply Chain

As well as procurement of a limited range of products to support our general operations, we source the majority of our resale range directly from reputable manufacturers of high quality products from around the world including leading brands such as Deltabloc, GEOMasta, Win United, 3M, UVEX, Steel Blue, Oliver, MSA, and DNC Workwear.

Our supply chain sourcing strategy involves building long term sustainable partnerships with suppliers and seeking innovative opportunities to ensure reliability and excellence in both product and delivery of service to the customer.

Our main sourcing countries are Australia, China, USA, Malaysia, Germany and India as shown below. Goods for resale are mostly sourced directly from manufacturers of the finished goods, while goods not for resale and a small volume of resale goods are purchased from local vendors who may import the goods. We engage local freight and transport providers to coordinate our road, air and ocean freight, as well as local contracting companies for various services such as cleaning, security and facility maintenance.



Section 4 – Risks in our Operations and Supply Chain

Jaybro and its subsidiaries operate in similar sectors, and therefore, we have provided a single, consolidated description of the modern slavery risks in our operations and supply chains in this Section 4.

Risks in Jaybro Group Operations

The risk of modern slavery in our operations remains low for the following reasons:

- Our HR policy requires right to work credentials to be checked and all prospective employees undergo police checks to ensure minimum age requirements are met.
- Workers' rights are protected by well-enforced workplace legislation.
- Individual employment contracts are written in compliance with legislation or covered by relevant awards.
- All employees undergo a comprehensive induction and onboarding program which includes introduction to our Modern Slavery Policy and other policies such as code of conduct, and anti-discrimination and harassment ensuring they understand their own rights as well as their obligation to respect the rights of fellow employees across the business.

There are plans to expand the induction module to raise awareness about modern slavery and how to identify red flags.

Open communication continues to be actively promoted within the organisation with direct access to the CEO highlighted to all employees who may have concerns, grievances or any other issues to raise. Particularly in light of COVID-19, the company has maintained flexible working arrangements and programs for the care of employee health and well-being, culminating in Jaybro being recognized as a Great Place to Work for its efforts in looking after its people.

2021 saw Jaybro officially certified as a great workplace by the Global Authority, Great Place to Work®. Based on anonymous feedback provided in a questionnaire on the benefits, culture, sustainability, gender diversity, inclusion and other key components, Jaybro was awarded this accolade.



Risks in Jaybro Group Supply Chain

Our focus on building long term sustainable partnerships with key suppliers, including the establishment of long term supply agreements with clauses allowing for reasonable and justifiable price variations during the agreement term, help to mitigate the risk of Jaybro contributing to modern slavery by its business practices. But as with many other companies operating in our sector, the risk that our business has been directly linked to modern slavery in our supply chain is heightened beyond tier 1 as our visibility decreases in relation to the conduct of suppliers in the later tiers. As outlined in our first modern slavery statement, Jaybro Group looked at the potential risks in the supply chain by comparison against commonly recognized modern slavery risks particularly relevant to Australian businesses according to sector or industry type, geographic or demographic risks, vulnerable populations, entity or business structure types where applicable.

The following areas of our supply chain remain the areas of increased risk of modern slavery impacts :

Impact of Covid-19 pandemic

The Covid-19 pandemic has continued to impact economies worldwide causing an increase of modern slavery risk in key sourcing countries. Our own business along with many other suppliers had similar experiences of disrupted business and supply chain activity, lockdown/travel restrictions, and potential impacts on the health and well-being of employees. During this time Jaybro Group focussed on continuity of business and wellbeing of employees, and committed to maintaining good procurement practices and open communication with suppliers to encourage stability for our suppliers' operations.

Due to strained resources as a result of the pandemic and hindered ability to undertake certain activities from both the business and suppliers' perspectives, activities in the following financial year are expected to provide greater impact to assess and address the risk of modern slavery in the business.

- Unknown origin of raw materials or intermediate components used in the manufacture of finished goods purchased particularly in high risk categories such as IT hardware and clothing/textiles. The International Labour Organization and the Walk Free Foundation consider the manufacturing sector to hold the third highest percentage of forced labour. The modern slavery risks associated with the manufacturing sector includes forced labour, debt bondage, child labour, excessive unpaid overtime and human trafficking. The utilisation of labour hire of base skilled workers, particularly in higher risk countries, increases the risk of modern slavery in the manufacturing sector.
- Potential outsourcing of certain manufacturing processes by vendors to countries with higher modern slavery risks.
- Manufactured goods from high risk countries such as China, India and certain parts of South East Asia particularly where lower tier suppliers are not visible.
- Contracted services particularly for low-skilled work such as cleaners where recruitment policies and practices are not always transparent.

Section 5 – Actions to Assess and Address Risks

Jaybro and its subsidiaries use the same policies and processes, and therefore, we have provided a single, consolidated description of actions taken to address modern slavery risks in this Section 5.

GOVERNANCE

The responsibility for human rights matters, including modern slavery, remains within the company's overall governance framework. All levels of management have a responsibility to consider the risks of modern slavery in their areas of management.

The Jaybro Group board continues to have overall responsibility for the oversight of Modern Slavery risk management, and approval of all company policies which includes the Modern Slavery Policy.

Modern Slavery remains one of the key elements of a quarterly ESG meeting with investor representatives and includes key personnel across different divisions within the company including operations, procurement, finance, compliance and human resources to ensure coverage of relevant issues relating to modern slavery from various perspectives.

The Chief Operating Officer is responsible for monitoring and coordinating Jaybro's overall response to modern slavery risks in compliance with the Act.

In FY2021, we continued to refine our strategy to identify, assess, and address modern slavery risks. This will be reviewed annually as we seek to mature in our approach year on year.

SUPPLIER DUE DILIGENCE

Suppliers are fundamental to the Jaybro Group business. Jaybro Group dedicates many resources to choose the right supply partners to ensure alignment of values, expectations, and performance. As part of supplier due diligence, any new supplier will undergo a suitability assessment based on several key factors including geographical considerations, size of business, reputation in the category or goods or services, supply capability, financial stability, cost of goods or services, business ethics and integrity, company policies and value alignment.

Based upon the initial screening, the procurement team determines the level of assessment required to validate the supplier's ability to meet required standards and includes evaluation of evidence of financial crime or fraud, WHS performance, insurance and licensing, and ethical business conduct. Where deemed necessary, supplier site audits are arranged and conducted by either a Jaybro employee or third-party representative.

PROCUREMENT MANAGEMENT

The Procurement team manages suppliers in key spend categories and takes a risk-based approach in assessing and monitoring all suppliers.

The types of supply arrangements can vary depending on the nature of the good or service provided. This ranges from formal procurement agreements for long- and short-term supply contracts to less formal arrangements such as purchase order terms and conditions.

In FY21, a modern slavery clause was added to our standard supply agreement template and used for all new and updated supply agreements. The inclusion of modern slavery risks in renewed agreements was highlighted to existing suppliers as a key point for their consideration. While not completed in the FY21 financial year, we are in the process of developing and implementing our Ethical Sourcing Policy which encompasses the minimum expectations of supplier conduct. Regardless of whether a supply agreement is in place, all suppliers will be required to acknowledge compliance to this policy which includes modern slavery considerations. In the following reporting period, purchase order terms and conditions will require suppliers to have read and acknowledge compliance to the Ethical Sourcing Policy.

A modern slavery self-assessment questionnaire was developed and in the process of being issued to major suppliers and suppliers at higher risk of modern slavery based on our assessment. As well as raising awareness, we anticipate that this will enable us to identify suppliers requiring further attention or assessment of risk for modern slavery. In FY2022, we will focus on analyzing the responses to the questionnaire to identify what further actions are required to address modern slavery risks in our supply chain.

We anticipate that verification procedures and due diligence processes will evolve based on emerging risks and challenges arising from these new activities.

The Jaybro Group has taken a phased approach, prioritising analysis on the tier 1 supplier level to identify the highest risks. In FY21, the intention was for Jaybro Group to continue to build opportunities to engage and leverage relationships with suppliers, and business partners to enhance recognition of human rights across their activities, alongside other sustainability issues. However one of the key challenges faced was the level of engagement with suppliers as those identified as having higher risks of modern slavery were not necessarily our volume suppliers with whom we would have the most leverage. Political tensions seem to have made some overseas suppliers reluctant to engage as it was seen as a question of their country's human rights practices rather than an issue relevant to business. Suppliers were also reluctant to divulge any significant details about their suppliers or sources on the basis that it was their intellectual property.

We recognise there are challenges and limitations to our ability to influence our indirect suppliers but that we nonetheless have a responsibility to work constructively with our direct suppliers to build trust and awareness of modern slavery risks.

POLICIES AND STANDARDS






Jaybro Group’s core values requires respect and the collective respect of fundamental human rights. Our policies are regularly reviewed to ensure that they reflect our core values and that any company with whom we have business dealings are expected to align with the same values.

We continued to review the reports made pursuant to our Whistleblower Policy to identify any concerns raised regarding modern slavery. As noted in our first modern slavery statement, our Whistleblower Policy is publicly available on our website.¹ The Policy outlines mechanisms to report instances of modern slavery confidentially and without fear of negative repercussions to the person reporting. Our suppliers of goods or services are eligible disclosers.

The Jaybro Group board and senior executive management 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 codes and policies.














OTHER RISK MANAGEMENT ACTIVITIES

The following table provides an update on the progress of our goals from FY20 and how we are tracking into the future.

		ONGOING	IN PROGRESS	COMPLETED	Future Planned Activities
Governance	Development of Modern Slavery Policy			<input checked="" type="checkbox"/>	
	Develop and implement Ethical Sourcing Policy.				
	Assign team responsible for overseeing the risk management program against Modern Slavery.			<input checked="" type="checkbox"/>	
	Incorporate modern slavery risks into internal audit program.				
	Annual reports to Board.				
	Development of risk mitigation strategies to minimize risk to the overall business based on susceptibility to risk factors.				
Risk Identification and Due Diligence	Raise awareness on issues surrounding modern slavery and its risk factors to all levels of the business.				
	Initial supply chain mapping of Tier 1 suppliers			<input checked="" type="checkbox"/>	

¹ <https://www.jaybro.com.au/pub/media/aboutus/Whistleblower-Policy-V1.0-June-2020.pdf>

MODERN SLAVERY STATEMENT

	ONGOING	IN PROGRESS	COMPLETED	Future Planned Activities
and identification of key risks.				
Identify Tier 2 and below suppliers based on risks assessed.				
Provide further training on specific employee roles and responsibilities with respect to modern slavery policy and associated processes.				
Expand due diligence for new suppliers to determine risk level and control measures.				
Implement acknowledgement process for Ethical Sourcing Policy (encompassing Supplier Code of Conduct) for all suppliers.				
Minimum standards for ethical sourcing issued to new and existing suppliers as part of compliance program.				
Add modern slavery clauses for all new supplier contracts.				
Issue modern slavery survey to tier 1 suppliers to assist prioritisation of risks.				
Follow up survey to Tier 1 suppliers.				
Expand survey to Tier 2 and below based on risks identified.				
Expand existing supplier site audit program to cover risk factors and red flags for modern slavery.				
Risk Management and Reporting				
Develop and implement reporting system for identified cases and/or extreme risk factors or concerns in the supply chain.				
Ensure awareness, accessibility and assurance of confidentiality for reporting mechanism is communicated to suppliers.				
Develop risk analysis procedure for reported incidences.				

MODERN SLAVERY STATEMENT

		ONGOING	IN PROGRESS	COMPLETED	Future Planned Activities
Remediation	Work with suppliers to remediate any reported incidences				
	Develop remediation procedure for reported incidences.				
Review of Effectiveness	Develop and implement procedure to review effectiveness of risk management activities.				
	Annual review of effectiveness of actions with respect to risk minimization.				
	Develop measurable outcomes or KPI targets to aid review activities.				
Improvements	Examine other entity's approaches to aid continuous improvement activities.				
	Collaborate with suppliers to help identify where the greatest impacts can be made.				
	Develop improvements to system raised from reviews of effectiveness.				
	Expand Modern Slavery awareness training to induction/onboarding module.				
	Provide awareness training to suppliers with a commitment to collaborate if cases are found				

Section 6 – Remediation Approach

During the FY21 period, no actual incidences or practices of modern slavery were identified. If we found that our business had caused or contributed to modern slavery, we would take guidance from the United Nations Guiding Principles on Business and Human Rights, which provides that businesses in this situation need to remediate the impact by taking a person-centred approach protecting the safety, privacy and wellbeing of the affected person. We would undertake a full investigation of the situation to ensure that an appropriate corrective action plan is implemented and assess how similar impacts could be avoided in the future.

This includes establishing a list of referral numbers so that victims have a support avenue for which advice and assistance can be sought for locally identified cases including:

Australian Federal Police (AFP) 131 237
Translating and Interpreting Service 131 450
Red Cross Support for Trafficked People Program 03 9345 1800
Anti-Slavery Australia +61 2 9514 9660
Anti-Slavery Legal Practice +61 2 9514 8115

Another focus area will be to provide training to suppliers with the aim that awareness of modern slavery issues will help to reduce the risk and facilitate an appropriate response should a case be reported. By building long term relationships and assurance of collaboration to find a solution as opposed to immediate termination of the supplier relationship, is also expected to help the remediation approach.

Section 7 – Assessing Effectiveness of Actions

We will continue to assess the effectiveness of our actions by reference to the table of our future approach as outlined in Section 5. Our aim is to improve our ability to assess and address modern slavery risks in our operations and supply chains year on year.

A key goal for FY22 is the internal audit of our supplier screening, evaluation and engagement processes to ensure risk mitigation procedures are being adopted. This is expected to be formalized in FY22. We are aiming to set targets in quarterly ESG meetings relating to the number of self-assessment questionnaires completed, supplier awareness training provided, and the completion rate of targeted staff training.

The way we assess effectiveness will continue to develop over time particularly as we develop and embed human rights considerations in the way we conduct our business.

Section 8 – Consultation

This Statement has been prepared in consultation with our key staff covering areas of Strategic Sourcing and Planning, Procurement, Legal, Human Resources, Risk Management and Compliance. This collaboration included the senior executive team representing the reporting entity and each of the entities under its control, thereby ensuring that each of the entities in the Jaybro Group were consulted in relation to this statement.

This Statement was approved by the Board of Jaybro Group Pty Ltd on 6th December 2021.

Signed,

A handwritten signature in black ink that reads "Joyce". The signature is written in a cursive style with a large, stylized 'J'.

Jeremy Joyce

Chief Executive Officer

Date: 6th December 2021