
MODERN 20
SLAVERY 20
STATEMENT





JOHNS LYNG GROUP

OUR BRAND IS OUR PEOPLE AND OUR CULTURE IS OUR SUCCESS





INTRODUCTION

MODERN SLAVERY STATEMENT FY20

Johns Lyng Group Ltd (the Group, Johns Lyng) is opposed to slavery in all its forms, including: human trafficking, slavery, servitude, forced labour, deceptive recruiting for labour or services, debt bondage, forced marriage and the worst forms of child labour. This statement has been prepared in accordance with the reporting requirements of Australia's *Modern Slavery Act 2018 (Cth)* and associated guidelines.

It describes the steps taken by the Group during the financial year ending 30 June 2020 to assess and address the risk of modern slavery occurring in our operations and our supply chains.



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JOHNS LYNG GROUP

OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Structure

Johns Lyng Group is a market leading integrated building services group delivering building and restoration services across Australia, while also operating a franchise business in the United States. The Group's core business is built on its ability to rebuild and restore a variety of properties and contents after damage by insurable events e.g. impact, weather and fire events.

Beginning in 1953 as Johns & Lyng Builders, initially servicing Melbourne and its surrounding areas, the Group has grown into a diversified national business with approximately 1000 employees and a contractor base in excess of 6000. Johns Lyng has a diversified client base comprising: major insurance companies, insurance brokers, loss adjusters, commercial enterprises, local and state governments, body corporates/owners' corporations and retail customers.

The Group is listed on the Australian Stock Exchange (ASX) and has its head office in Melbourne. Johns Lyng Group has majority control over all entities within the Group.

OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Operations

Johns Lyng Group operates three main business divisions:

- Insurance Building & Restoration Services
- Commercial Building Services
- Commercial Construction

The Group's diversified portfolio of insurance building and restoration services businesses deliver comprehensive work programs across a variety of industries including: insurance, commercial, industrial and government sectors.

Johns Lyng also operates a portfolio of complementary commercial building services businesses including: residential and commercial flooring, emergency domestic (household) repairs, retail shop-fitting, HVAC mechanical services, pre-sale property staging and a commercial construction business (Johns Lyng Commercial Builders).

Australia

The Group's head office is located in Melbourne, with a National footprint in Australia of 27 locations. Over 98 per cent of Johns Lyng employees are based in Australia.

In August 2019, the Group acquired a 51% voting (46% economic) interest in Bright & Duggan. Founded in 1978, Bright & Duggan is a leading strata and facilities management business with 14 offices, more than 220 staff and over 55,000 strata titled units under management across more than 1,500 strata schemes.

In February 2020, in-line with the Group's strata market strategy, Bright & Duggan acquired an 85% equity interest in QLD based Capitol Strata Management – adding a further 16,000 units across 1,250 strata schemes.



● Head Office (1)

● Regional Offices (14)

● Dressed for Sale (3)

● State/Territory Offices (6)

● Operational Warehouses (2)

● Air Control (1)

bright & duggan
australia's strata leader


Capitol
FOLLOW THE LEADER

National Footprint
17 locations nationally



 > **71,000**
Strata Units

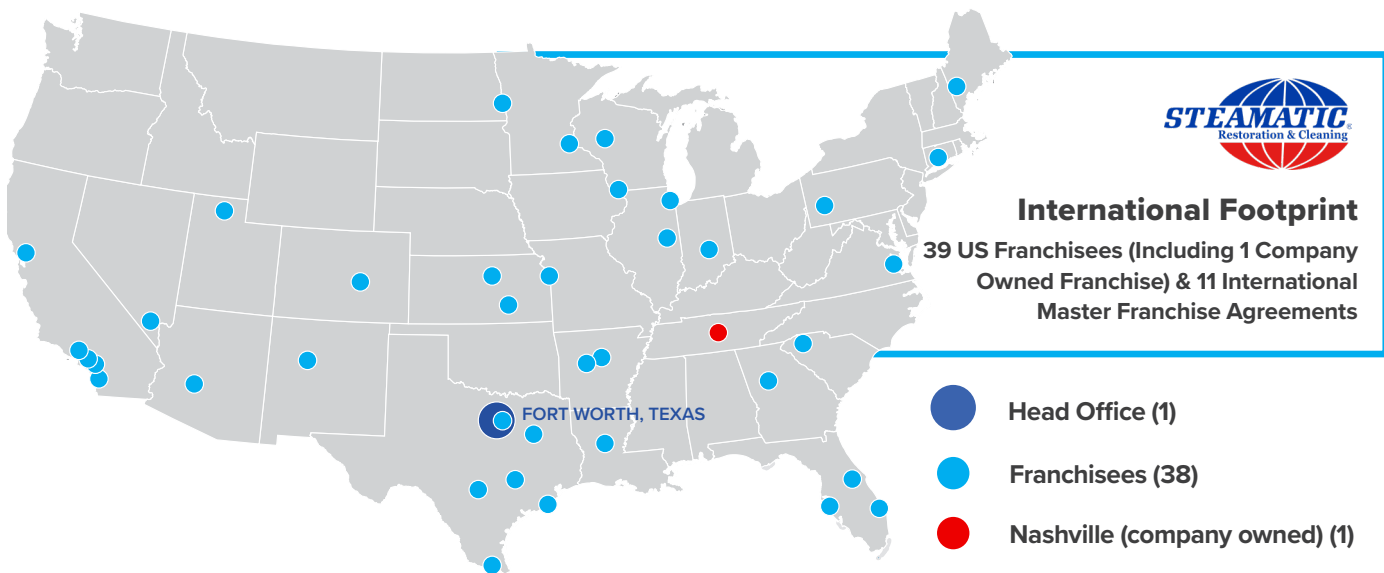
 > **2,750**
Strata Schemes

 **Bright & Duggan (14)**  **Capitol Strata (3)**

United States


In April 2019, the Group acquired the trade and business assets of Steamatic Inc. ('Steamatic') – a US based fire and flood restoration services company. Established in 1948, Steamatic is a household name in the US market with 39 current US Franchisees (including 1 company owned franchise) and 11

International Master Franchise Agreements. In January 2020, the Group acquired 100% of the trade and business assets of Steamatic Nashville (USA). Less than 2 per cent of Johns Lyng's employees are based in the United States within the Steamatic business.



International Footprint

39 US Franchisees (Including 1 Company Owned Franchise) & 11 International Master Franchise Agreements

 **Head Office (1)**
 **Franchisees (38)**
 **Nashville (company owned) (1)**

Supply Chains

In FY20, The Group had a total supply chain spend of approximately AUD\$370 million with total suppliers numbering 6,386. Of the suppliers active in FY20, just over 4,000 were Australian based contractors providing a range of contractor-based services

supporting operations across JLG's three business divisions. The remaining suppliers totalled over 2,300, which supplied to Johns Lyng a diverse range of goods and services sourced from Australia and internationally.



MODERN SLAVERY RISKS

In FY20, the Group engaged an independent specialist to undertake a risk assessment to identify and assess the risk of modern slavery in our operations and supply chains. The risk assessment was conducted in consultation with the Group's senior managers in Australia and the United States. It examined modern slavery risks with reference to a number of modern slavery risk indices, including the Walk Free Foundation Global Slavery Index.

Operations

Based on the risk assessment, Johns Lyng has assessed the risk of modern slavery within the Group's operations to be low. Johns Lyng Group has a robust system of HR policies and procedures that ensure compliance with legally mandated employment entitlements and awards across the entire Johns Lyng workforce. The policies apply to all controlled Johns Lyng entities within Australia and the United States.

Supply Chains

The independent risk assessment found that the Group may have exposure to modern slavery supply chain risks in two areas:

Contractors

Johns Lyng Group uses contractors in the construction and cleaning sectors. These two sectors are among the sectors identified at risk of forced labour in the Global Slavery Index country profile for Australia on account of the prevalent use of migrant labour.

Procurement of goods and materials

Johns Lyng Group procures goods and materials directly, through the Group's corporate procurement, and indirectly when Johns Lyng contractors procure materials under work agreements. The Global Slavery Index has identified a shortlist list of 15 imported products common in G20 countries, such as Australia, which present a risk of forced labour. The Group potentially has exposure to five products on the short list as set out in the table below.

Global Slavery Index: Products at Risk of Forced Labour	Direct Johns Lyng Group Exposure
Cotton	Raw material used in manufacturing of uniforms, workwear, PPE
Apparel	Uniforms, workwear, PPE
Electronics	IT, computers, tablets, phones
	Indirect Procurement Exposure (via the Group's Contractors)
Bricks	Construction and building materials
Timber	Construction and building materials

RISK MITIGATION ACTIONS

The independent risk assessment set out a road map consisting of additional mitigation measures that Johns Lyng should take to mitigate risk of modern slavery within the Group's operations and supply chains. The recommended road map will be implemented over the course of FY21.

The road map includes a number of measures, with a particular focus on addressing modern slavery risks in the Group's supply chains where the risks are most prominent. These include, among others:

- Adopting a Johns Lyng Supplier Code of Conduct containing minimum standards of supplier conduct relating to modern slavery as well as other social and environmental criteria. Compliance with the Supplier Code of Conduct will become a requirement of a supplier's Terms and Conditions;
- Adoption of modern slavery due diligence processes in the selection of new suppliers as part of the Group's corporate procurement; and
- Integrating modern slavery due diligence, remediation and training processes within the Group's Contractor Management.

ASSESSING EFFECTIVENESS

Responsibility for assessing and addressing modern slavery risks has been assigned to the Group's National, HSE Risk and Compliance Manager under the oversight of the Executive General Manager and the Board's Risk and Compliance Committee.

The independent risk assessment assessed the adequacy of the Group's current approach to modern slavery risk management against best practices in Australia and internationally. The Identified gaps in Johns Lyng Group's modern slavery risk management approach will be addressed through the recommended modern slavery road map.

The Group's modern slavery risk management approach will be reviewed annually and reported to the Board's Risk and Compliance Committee. The next review will take place at the conclusion of FY21 and reported in next year's modern slavery statement.

This statement was approved by the Johns Lyng Group Board on 14 September 2020.



Peter Nash

Chairman

25 August 2020



Scott Didier AM

Managing Director

25 August 2020



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