Modern Slavery Statement 2024

Fletcher Building (Australia) Pty Ltd

A message from our Chief Executive of Fletcher Building (Australia) Pty Ltd

Gareth O'Reilly, Chief Executive

As I reflect on my first year with Fletcher Building Australia, I am pleased to present our Modern Slavery Statement for FY24. This statement highlights our ongoing commitment to maintaining ethical standards in our operations and supply chains. Fletcher Building Australia acknowledges its responsibility in addressing modern slavery and ensuring our business practices align with our core values of integrity, respect, and accountability. This year, we have made improvements to our risk assessment processes, strengthened our governance frameworks, and engaged with our suppliers to promote a culture of transparency and ethical behaviour. Together, we are dedicated to making a positive impact and driving progress in the fight against modern slavery.

Gareth O'Reilly
Chief Executive

Acknowledgement of Country Statement

Fletcher Building honours the 65,000-year history of this nation. We recognise that Aboriginal and Torres Strait Islander peoples, have cared for, and conserved this land since the Dreaming.

Their ties to the land, animals, oceans, and rivers are intrinsic to their being. Fletcher Building respects the Traditional Custodians of the land on which we operate, work, and live.

We honour Elders past and present and we are dedicated to a bright future as we move forwards on our road towards reconciliation.

Artist: Elaine Chambers Hegarty

Contents

At a glance

Fletcher Building Group Revenue FY24:

$7,683*m

Australian Revenue FY24:

$1,979*m

Suppliers to Australian Businesses:

7,275

High Risk Suppliers:

523

High Risk Countries:

9

High Risk Spend: (AUD)

$1,366m

Percentage of Suppliers which are High Risk:

7%

This statement is made and published on behalf of Fletcher Building (Australia) Pty Limited and its subsidiaries pursuant to s.14 of the Modern Slavery Act 2018 (Cth) (Aust) (the Act). References to "Fletcher Building", "we", "us", "our" are to these bodies, together with the related entities that carry on the Fletcher Building business inside Australia.

*From Fletcher Building Limited Annual Report 2024 using the Fletcher Building Group currency which is New Zealand dollars.

Our structure, operations and supply chain

Fletcher Building Australia is a division of the Fletcher Building Group. During this reporting period, Fletcher Building (Australia) Pty Ltd together with its six business units: Fletcher Insulation, Iplex, Laminex, Oliveri, Stramit and Tradelink made up Fletcher Building Australia's operations.

Our businesses manufacture products used to build homes, buildings and infrastructure – including insulation, particleboard, laminate surfaces, steel roofing, plastic piping and sinks.

Corporate Shared Services

Fletcher Building Australia together with the six business units share certain aspects of its supply chain. These shared services include software and technology solutions, and other services such as freight and employment agencies.

Employment Standards

We are committed to high employment standards to ensure the well-being and rights of our employees. All employees sign contracts that comply with Australian law, ensuring fair treatment and legal protection. Additionally, Fletcher Building Australia adheres to its Human Rights Policy, which reinforces employment policies covering workers' rights including safe working conditions, fair wages, non-discrimination, and a robust process for addressing grievances.

Countries

Australia, China, Denmark, Ireland, New Zealand, Singapore, United Kingdom.

Fletcher Insulation

Fletcher Insulation is a leader in the production of high-performance thermal and acoustic insulation products. Its manufacturing facilities across Australia are dedicated to crafting glass wool, polyester, and reflective foil laminates. These products cater to a variety of applications, from residential to commercial and industrial, ensuring optimal insulation solutions.

Its supply chain includes sourcing and importing a diverse range of raw materials - Resin, Borax, Soda ash, Sand, Dolomite, Feldspar, Glass cullet, Urea, and Ammonium sulphate and various traded goods – Rockwool, XLPE foam and Glass wool products from multiple countries.

Operations and Supply Chain

Products Manufactured

Fletcher Insulation manufactures glass wool and related products.

Products and Raw Material

Products

Fletcher Insulation purchases various packaging materials, consumables, spares, capital equipment and traded goods.

Countries

Australia, China, Malaysia, Taiwan, Thailand, United Arab Emirates, United States of America, Vietnam

Materials

Fletcher Insulation sources resin, borax, soda ash, sand, dolomite, feldspar, glass cullet, urea, ammonium sulphate, dyes, adhesives, foil laminates and fabric laminates.

Countries

Australia, China, New Zealand, South Korea

Organisations, industry bodies or other group membership

- Insulation Council of Australia and New Zealand (ICANZ)

Iplex

Iplex specialises in the manufacturing and distribution of plastic piping systems designed for water, gas, and industrial uses. Operating several manufacturing facilities across Australia, Iplex offers a wide variety of pipes, fittings, and associated products. Its supply chain includes sourcing raw materials like polyethylene, polypropylene, and PVC from international suppliers across multiple countries.

Operations and Supply Chain

Products Manufactured

Iplex manufactures a variety of pipes including PVC, PE, PP, pipe and fittings.

Products and Raw Material

Products

Iplex purchases GRP, metal pipe, metal fittings, valves, rubber, PVC fittings.

Countries

Australia, China, India, Poland, Thailand, United Arab Emirates, Vietnam
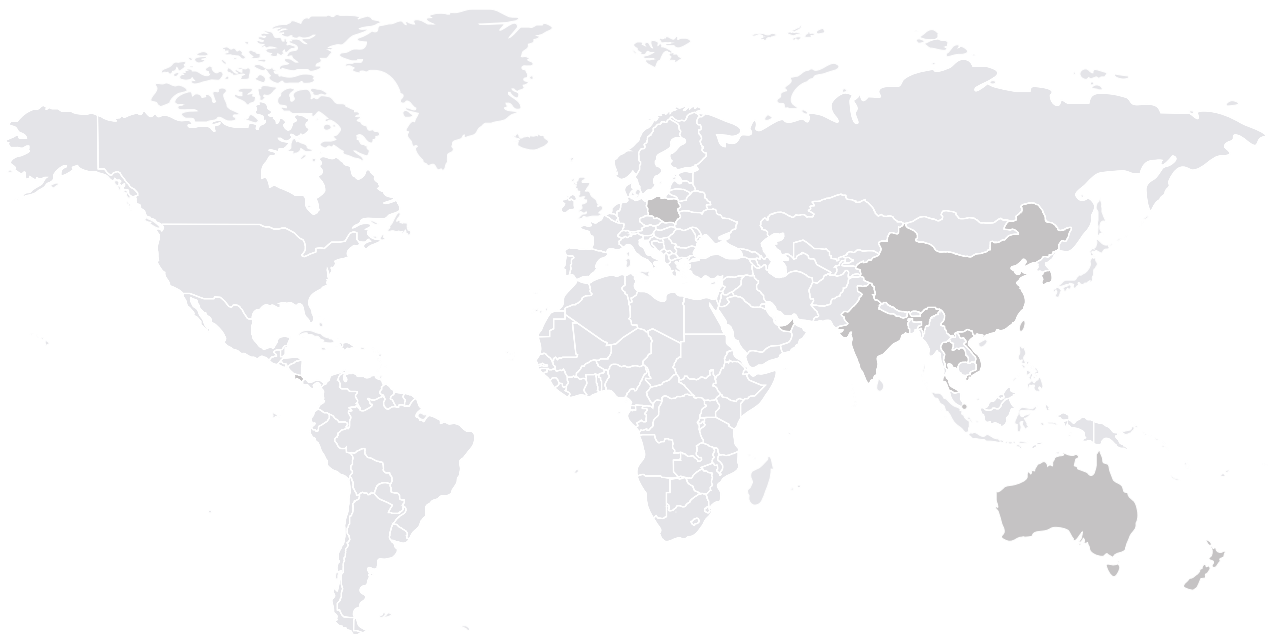
Materials

Iplex sources PVC, PE, PP resin, additives.

Countries

Australia, China, Costa Rica, South Korea, Taiwan, Thailand, United Arab Emirates, Vietnam

Organisations, industry bodies or other group membership

- Australian Water Association (AWA)
- Plastics Industry Pipe Association of Australia (PIPA)

Laminex

Laminex's supply chain involves the sourcing of raw materials such as resin, paper, and wood from a network of suppliers, primarily based in Australia. This supply chain supports Laminex's status as a leading manufacturer and distributor of decorative surfaces. These materials are used for cabinetry and construction projects in both residential and commercial sectors.

Operations and Supply Chain

Products Manufactured

Laminex manufactures a variety of boards, including particle board, low-pressure melamine, and high-pressure laminate. These materials are utilised in the production of cabinetry (doors and drawers), benchtops, wall panels, building products, and toilet and shower partitions.

Products and Raw Material

Products

Laminex purchases a range of componentry and or goods for resale.

Countries

Australia, Brazil, Chile, China, Germany, Indonesia, Italy, South Korea, Malaysia, South Africa, Spain, United States of America
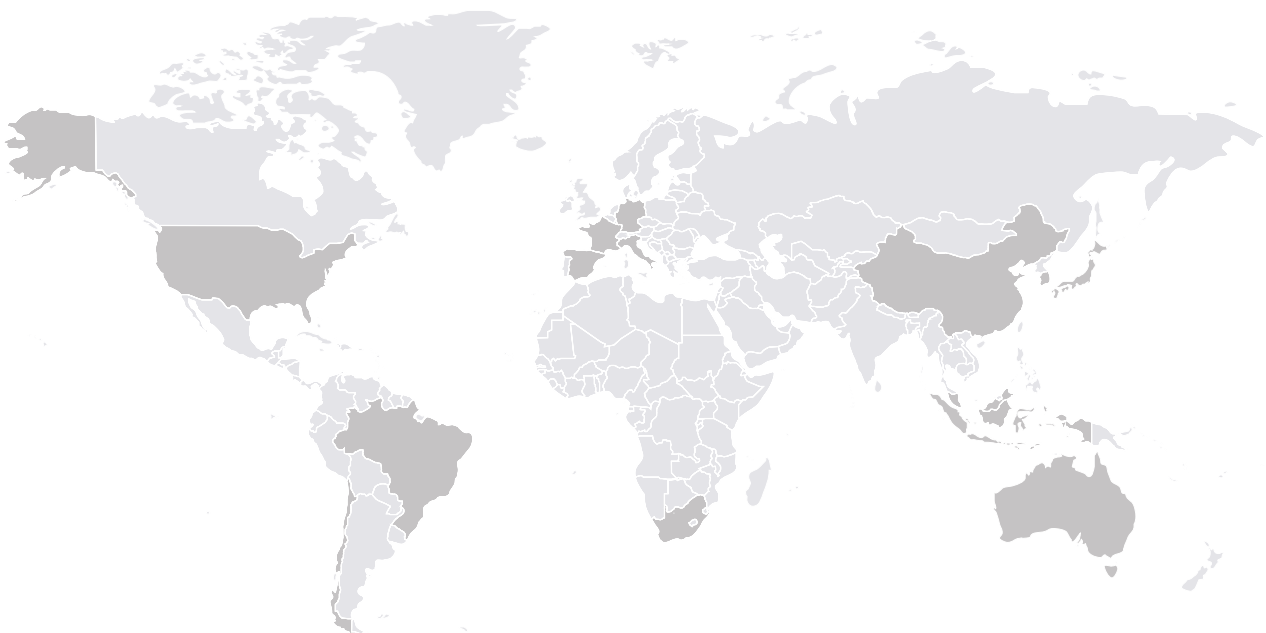
Materials

Laminex sources resin, wood fibre, and paper.

Countries

Australia, France, Germany, Japan, Malaysia, Spain, United States of America

Organisations, industry bodies or other group membership

- Engineered Wood Products Association of Australasia (EWPAA)

- Forest & Wood Products Australia (FWPA)

- Housing Industry Association (HIA)

Oliveri

Oliveri manufactures and markets high-quality kitchen and laundry sinks, taps, and accessories in Australia. It sources stainless steel and other materials from global suppliers. This year, Oliveri opened three new distribution centres in Leppington, NSW, Yatala, Qld and Bibra Lake, WA. It also widened its product range.

Operations and Supply Chain

Products Manufactured

Oliveri manufactures pressed kitchen and laundry sinks.

Products and Raw Material

Products

Oliveri purchases fabricated kitchen sinks, kitchen and bathrooms tapware, kitchen tapware, bathroom vitreous china, granite kitchen sinks, packaging and accessories.

Countries

Australia, China, Italy, United States of America

Materials

Oliveri sources steel and packaging.

Countries

Australia, Finland, Japan, Taiwan

Organisations, industry bodies or other group membership

- Australian Stainless Steel Development Association (ASSDA)

- Housing Industry Association (HIA)

- Plumbing Merchants Association

Stramit

Stramit manufactures and distributes steel construction materials, providing roll-formed steel roofing and structural components. With several manufacturing sites across Australia, Stramit's supply chain includes top-grade steel and other essential raw materials from both global and local suppliers.

During the reporting period, Stramit closed a plant in Cardiff, NSW and moved to a new shared distribution centre in Newcastle, NSW.

Operations and Supply Chain

Products Manufactured

Stramit manufactures roll-formed steel roofing and structural products.

Products and Raw Material

Products

Stramit procures steel accessories and various roofing-related products, such as fasteners, brackets, roller door motors, and insulation.

Countries

Australia, China, New Zealand, South Africa, Thailand

Materials

Stramit sources steel.

Countries

Australia, Japan, Taiwan, South Korea

Organisations, industry bodies or other group membership

- Australian Building Codes Board
- Australian Steel Institute (ASI)
- Housing Industry Association (HIA)

Tradelink

Tradelink serves as a key provider of plumbing supplies, catering to residential, commercial, and industrial needs. Boasting an extensive network of branches and distribution hubs throughout Australia, Tradelink sources plumbing essentials, ranging from pipes and fittings to fixtures from both local and global manufacturers. This year, it introduced dozens of product lines, and launched a new flagship retail store in Alexandria, NSW.

Following this year's reporting period, Tradelink was sold to Metal Manufactures Pty Limited in September 2024.

Operations and Supply Chain

Products Manufactured

Tradelink does not manufacture products.

Products and Raw Material

Products

Tradelink purchases all its finished goods.

Countries

China, India, Poland

Materials

Tradelink does not source any raw materials.

Organisations, industry bodies or other group membership

- Housing Industry Association (HIA)
- Master Plumbers Association
- Plumbing Products Industry Group (PPI Group)

Our modern slavery risk assessment

We are committed to upholding high ethical standards in our operations and supply chains, so our customers can trust our business practices. At Fletcher Building Australia, we use a risk-based approach to tackle modern slavery and address risks within our supply chains.

Identification of modern slavery risks

Our methodology for identification of modern slavery risks includes these key factors:

Supplier location:

We recognise that regional influences, such as cultural, political, and regulatory conditions, can affect modern slavery risks. As part of our commitment to ethical sourcing, we conduct periodic reviews of these geographical locations to stay current about the global conditions. For higher-risk areas, we implement additional monitoring measures to ensure compliance.

History of modern slavery-related risks:

Industries with a predisposition for low-cost labour, child labour, forced labour, human trafficking or a historical tendency towards unethical behaviour are under continuous scrutiny. We utilise the Dow Jones reporting tool to monitor these suppliers and the countries they operate it. Should we receive information that indicates a potential or real concern, this information is provided to the relevant business unit's procurement teams who will discuss the concerns with the relevant supplier.

Monitoring services provided by the Dow Jones reporting tool includes checking regulatory issues such as corruption, fraud, and sanctions, as well as competitive and financial concerns at a country level. The tool also allows us to be aware of social and labour concerns at a country level, such as issues relating to discrimination, human rights violations, workforce disputes, and workplace health and safety issues. By addressing these key areas, we uphold our commitment to eliminating modern slavery and fostering a transparent and responsible business environment

Expenditure with suppliers:

We categorise our suppliers based on expenditure, seeking additional information when our spend is significant, for example when we anticipate supplier spend over AUD $500,000.

Direct or indirect supply:

We differentiate how procurement methods impact our supply chain transparency by categorising them as direct or indirect supply. Direct procurement, such as sourcing raw materials or services, offers greater control and clarity. In contrast, indirect procurement of finished goods often involves longer supply chains with multiple tiers, which can reduce our direct oversight.

Implementing multiple identification points, allows Fletcher Building Australia to maintain robust oversight and ethical standards, ensuring that we remain vigilant and proactive in addressing any potential risks of modern slavery across our diverse supply chains.

Audits

We maintain supply chain integrity using a strong auditing system. Suppliers are audited by Fletcher Building Australia representatives or third parties and must show they meet our standards. During the reporting period, on-site audits were conducted in China and Italy.

We collaborate with an independent third-party service provider to conduct thorough assessments of potential manufacturing sites in China prior to engaging new sites. This comprehensive process includes evaluating factory operations, management practices, employment conditions, workplace health and safety, and quality management systems. Additionally, these assessments are benchmarked against globally recognised Corporate Social Responsibility standards.

Our modern slavery risk assessment (continued)

As part of these audits, facilities are assessed against five compliance pillars. Two of these pillars are employment practices and workplace health and safety. These assessments ensure adherence to legal and ethical employment practices, including the presence of employment contracts, appropriate wages, and access to and use of suitable personal protective equipment (PPE). Additionally, they verify that ethical standards are met, ensuring that no child or bonded labour is employed.

Periodic audits are maintained throughout the duration of any contract to ensure ongoing compliance. During this reporting period, Fletcher Building Australia conducted an on-site audit of our third-party service provider.

In addition to in-person audits, Fletcher Building Australia utilises the services of Ethixbase360, a comprehensive third-party risk management platform designed to assist Fletcher Building Australia undertake remote audits by identifying, assessing, mitigating, and reporting on risks associated with their value chains. This service offers several key benefits:

- Enhanced Risk Management
- Regulatory Compliance
- Improved Transparency

Employee and Customer Engagement

Fletcher Building Australia engages an external provider to operate our Global Whistleblowing Protection Service, which includes a free confidential phone service known as 'FBuCall'. This service can be used by any Fletcher Building personnel, customer, supplier, or other individual to report suspected unacceptable, unethical, or illegal behaviour. By offering this grievance mechanism, FBuCall ensures that concerns are addressed promptly and appropriately, maintaining the integrity and accountability within our operations.

While we focus on education and awareness as our primary tool for employees to understand and reduce risks of modern slavery in our supply chain, any breach of our policy on human rights is treated seriously and intentional breaches are a disciplinary offence.

Our Actions

Our risk assessment and associated actions for our businesses are outlined below:

Modern Slavery Risks	Actions Taken
Regional influences (cultural, political, regulatory conditions)	Annual reviews of geographical locations, additional monitoring for higher-risk areas
Industries with low-cost labour or historical unethical behaviour, including child labour, forced labour, and human trafficking	Continuous scrutiny using the Dow Jones and Ethixbase360 reporting tool, reporting concerns to procurement teams, supplier contracts include requirement to adhere to the Fletcher Building Supplier Code of Conduct
High expenditure with suppliers	Categorising suppliers based on expenditure, seeking additional information for significant spend
Indirect procurement of finished goods	Implementing robust auditing systems, collaborating with third-party service providers for thorough assessments
General modern slavery risks in supply chains	Robust auditing systems, ongoing periodic audits, independent third-party assessments
Unethical behaviour reporting	Operating Global Whistleblowing Protection Service (FBuCall)

Our modern slavery risk assessment (continued)

Working with Overseas Providers

During this reporting period, Fletcher Building Australia conducted an on-site audit of its third-party sourcing provider, Surity, in China.

Surity, which has partnered with Fletcher Building Australia for over a decade, sources products from 42 Chinese factories. In FY24, this collaboration generated approximately AUD$29 million in trade, including AUD$11 million for Tradelink.

On-site Factory Audits

During our recent trip, we participated in a Surity-led audit in Hangzhou and an independent Corporate Social Responsibility (CSR) audit in Xiamen. The auditors adhered to globally recognised standards such as BSCI, SMETA, SA800:2014, or ICS criteria. The Surity audit reviewed management practices, employment conditions, Workplace Health & Safety (WH&S), quality control, and environmental considerations, all in line with Fletcher Building Australia's modern slavery policies.

The independent audit found no violations relating to modern slavery, including confirmation that living wages are being paid and regular employment is being provided. Both factories demonstrated a strong commitment to CSR and environmental initiatives, reflecting their dedication to ethical practices and employee welfare.

Key Observations

We noted robust assurance programs implemented by Surity, including:

- Thorough initial factory screening followed by audits scheduled based on prior results.

- A five-pillar audit program consistent with global compliance and CSR standards.

- Proprietary software for conducting audits, accessible via smartphones.

- Real-time monitoring of management actions verified through the app or site visits.

- Independence declarations by auditors to address any conflicts of interest.

Our governance, policies and procedures

Risk Management Governance

Fletcher Building's risk management framework is aligned with ISO31000: 2018 Risk Management - Principles and Guidelines Standard. By adopting this risk management framework, we have in place processes to identify, assess, control, monitor and report key risks.

The risk management framework is based on the three lines of defence model, as shown in Figure 1 below. As part of its risk management responsibilities, the Audit and Risk Committee (ARC) receives regular reports of existing and emerging key risks, and reviews the adequacy of internal controls to identify, monitor and manage Fletcher Building's material strategic, financial, operational and emerging risks.

The Modern Slavery Steering Group reports to the Safety, Health, Environment and Sustainability Committee (SHES) on responsible procurement processes and practices and Fletcher Building's approach to management of human rights including modern slavery aspects.

1st Line of Defence:

Responsibility for operational risk management sits with the managers in the individual business units and the divisional Chief Executive which our risk management and assurance processes support through our corporate and governance functions.
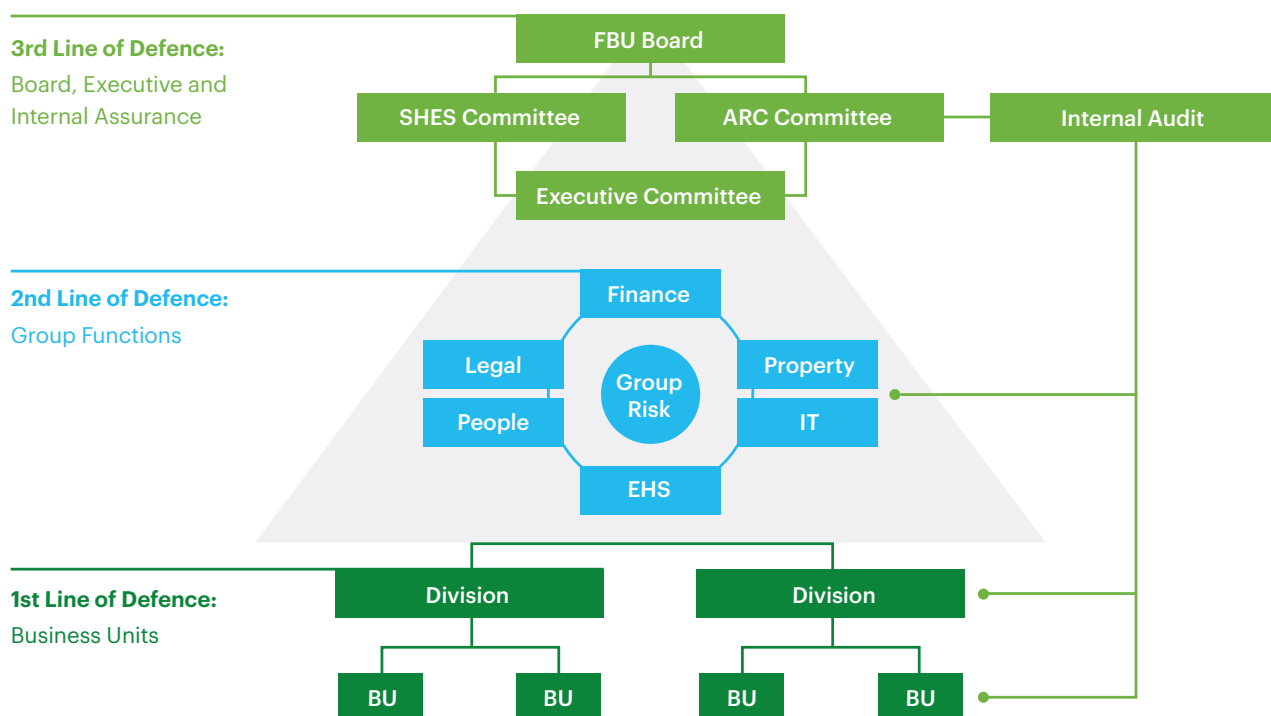
2nd Line of Defence:

In addition to the dedicated group functions, we have an established Steerco. The Australian Modern Slavery Steering Group (which includes members from across Procurement, Supply Chain, Finance and Legal) is responsible for developing and implementing initiatives that address and minimise the risk of modern slavery in our businesses via a set of policies and procedures.

3rd line of Defence:

Risk management and assurance processes are overseen by the ARC and the Executive Committee. A dedicated Internal Audit team takes a risk-based approach to auditing key business activities and reports directly to the ARC.

Figure 1

3rd Line of Defence:
Board, Executive and Internal Assurance

2nd Line of Defence:
Group Functions

1st Line of Defence:
Business Units

FBU Board · SHES Committee · ARC Committee · Internal Audit · Executive Committee · Finance · Legal · Group Risk · Property · People · IT · EHS · Division · Division · BU · BU · BU · BU

Effectiveness of our actions to prevent modern slavery and future plans

Fletcher Building Australia engaged with each business unit to identify challenges related to implementing modern slavery processes and gather suggestions for enhancing current procedures.

While no significant issues have emerged this reporting period, it was noted that some suppliers, particularly small businesses, were hesitant to complete the due diligence questionnaires due to either a lack of awareness about the requirements or insufficient internal time to fill them out.

To address these challenges, it was proposed to create an educational package for small businesses to help them better understand modern slavery and its objectives. Fletcher Building Australia is committed to preparing additional information specifically tailored for small businesses.

In addition to supporting small businesses, we are exploring alternative compliance options for companies that also have obligations under the Modern Slavery Act. We will continue to provide internal training to our employees.

In summary, although no significant issues have emerged, we will maintain open communication with customers and employees to consistently enhance Fletcher Building Australia's modern slavery protocols. This will help us uphold the highest standards of ethical behaviour and responsibility.

Over the next reporting period, we will continue to evolve our approach to combating modern slavery. Our goal is to make our procedures as user-friendly and accessible as possible, including a more streamlined online experience. This continuous refinement showcases our dedication to elevating our protocols and maintaining the highest standards of ethical behaviour and responsibility.

List of companies

While preparing the annual statement, Fletcher Building Australia consulted the six businesses within the Australian Division. The consultation process involved information gathering, where each business reviewed and provided data on its operations to identify and address modern slavery risks. Additionally, each business had to review and approve the statement, ensuring it accurately represented their operations and supply chains.

This statement was approved by the board of Fletcher Building (Australia) Pty Limited for and on behalf of the relevant entities:

Amatek Holdings Pty Limited

Amatek Industries Pty Limited

Amatek Investments Pty Limited

Bandelle Pty Limited

Baron Insulation Pty Ltd

Crane Enfield Metals Pty Limited

Crane Group Pty Limited

Crane Share Plan Pty Ltd

Crevet Pipelines Pty Ltd

Crevet Pty Limited

CTCI Pty Ltd

EE-Fit Pty Ltd

FBHS (AUST) Pty Ltd

FBSOL Pty Ltd

Fletcher Building (Australia) Pty Ltd

Fletcher Building Products Australia Pty Ltd

Fletcher Industries Australia Pty Limited

Fletcher Insulation Pty Ltd

Gatic Pty Limited

Geraldton Independent Building Supplies Pty Ltd

Iplex Pipelines Australia Pty Limited

Iplex Properties Pty Limited

Key Plastics Pty Ltd

Kingston Bridge Engineering Pty Ltd

Laminex Group Pty Limited

Milnes Holdings Pty Limited

Morinda Australia Pty Ltd

Northern Iron and Brass Foundry Pty Ltd

Oliveri Solutions Pty Limited

Polymer Fusion Education Pty Ltd

S Cubed Pty Ltd

Stramit Corporation Pty Limited

Tasman Australia Pty Limited

Tasman Building Products Pty Limited

TBP Group Pty Ltd

Water Filters Australia Pty Ltd

This Modern Slavery Statement was approved by the Board of Fletcher Building (Australia) Pty Ltd.

Gareth O'Reilly
Chief Executive of
Fletcher Building (Australia) Pty Ltd.

Fletcher Building