



Modern Slavery Statement

FY 2024

The Borg Modern Slavery Statement for the financial year ending 30 June 2024 is produced as a joint statement in accordance with the Modern Slavery Act 2018 (Cth) and covers the following reporting entities: Australian Panels Pty Ltd, Red Dot Holdings Pty Ltd, Plantation Pine Products Australia Pty Ltd and Borg Fleet Management Pty Ltd. The reporting entities and any entities they own or control, form part of the Borg group of companies and are referred to collectively throughout the statement as the Borg Group.



the Challenge

The Borg Group is committed to playing its part in the joint global effort to combat modern slavery, by continuing to evolve and continuously improve on its approach to addressing the risks modern slavery in its supply chain and operations.

The Modern Slavery Act 2018 (Cth) defines the term 'modern slavery' by reference to the Commonwealth Criminal Code, the "Trafficking Protocol" and the "Worst Forms of Child Labour Convention". The concept includes various forms of human trafficking and worker and child exploitation, usually involving some form of coercion, threat or deception.

It is estimated that there are 50 million people in modern slavery on any given

day, with 12 million of those children¹. These numbers have increased in both real and relative terms since 2016².

In its recently released report: Global Estimates of Modern Slavery: Forced Labour and Forced Marriage, the International Labour Organisation (ILO) recognised that "the challenge of forced labour is too big, and its myriad root causes too complex, for national governments or other stakeholders to address on their own" and warned against businesses or governments

looking to go-it-alone³. True progress will only be achieved if all organisations act to identify, mitigate, and prevent, modern slavery and other human rights abuses in their operations and supply chains.



¹ Global Estimates of Modern Slavery: Forced Labour and Forced Marriage International Labour Organization (ILO), Walk Free, and International Organization for Migration (IOM), Geneva, 2022, p 19.

² Ibid. p 23.

³ Ibid. p 94.

about The Borg Group

The Borg Group is a leader in Australian Manufacturing. The Borg Group operates several related businesses, including Australian Panels, Crossmuller, Woodchem, Polytec Malaysia, Borg Fleet Management, Plantation Pine Products Australia and Direct Pallets. These businesses are supported by manufacturing and distribution sites around Australia and Malaysia with over 2000 employees.

Australian Panels

Australian Panels is a manufacturer of Medium Density Fibreboard (MDF), Particleboard and associated products, suitable for a range of joinery applications in kitchens, living areas, bathrooms, laundries, wardrobes, home offices, furniture and commercial spaces.

Australian Panels is a leader in Australian manufacturing, with four major manufacturing sites located in Mount Gambier, Oberon, Charmhaven and Somersby. These sites are supported by fifteen distribution sites around Australia.

Crossmuller

Crossmuller specialise in end-to-end industrial manufacturing and automation systems. With a comprehensive team experienced in most forms of manufacturing and automation, Crossmuller has the resources and capability to deliver world-class manufacturing facilities, and automation solutions.

Crossmuller currently operates their services throughout New South Wales, including Oberon, Somersby and Sydney, as well as Mount Gambier in South Australia. Manufacturing facilities are supported by numerous Crossmuller divisions with over 300 workers to assist in enhancing state-of-the-art technologies, specially curated for the Borg group of companies.

Woodchem

Based in Oberon, Woodchem produces and distributes a range of products based on formaldehyde, urea, and melamine. The principal products are resins, which are used in the manufacture of Particleboard and Medium Density Fibreboard (MDF) for the use in the building and furniture industries.

Polytec Malaysia

Polytec Malaysia specialises in manufacturing Compact Laminate and High Pressure Laminate. These laminates are produced from high-quality cellulose paper, impregnated with

in-house developed resin, and processed under high temperature and pressure. These products are then utilised in our Australian manufacturing processes.

Borg Fleet Management

Borg Fleet Management purchases and maintains an internal fleet of company trucks, cars and plant, ensuring operational safety and reducing overall emissions through the latest technology, regular maintenance, and upgrades. Borg Fleet Management services the Borg Group of companies.

Plantation Pine Products Australia

Plantation Pine Products manage and harvest Radiata Pine for use in the panel industry of Australia. Plantation Pine Products specialise in renewable plantation pine and other plantation timbers, and the subsequent supply chain created through stumpage sales, harvesting and transportation services. Plantation Pine Products buy and lease properties, forests, woodlots, land and trees, and deliver the harvested materials for processing.

Direct Pallets

Direct Pallets, a closed loop pallet specialist, providing new, recycled, and custom-made pallets, crates, and dunnage for local or export use. Servicing the Greater Sydney and Newcastle, Direct Pallets offer removal, recycling and delivery services and re-condition pallets for re-use, offering a sustainable solution for businesses looking to reduce their logistics costs.

The Borg Group's key customers include medium to large secondary manufacturers, engineering and construction materials/machinery, decorative material, panel resellers and distributors.

The Borg Group is committed to minimising waste and maximising efficiency and undertakes a series of sustainability measures via circular resource recovery initiatives. Not only is this cost-effective, but it also allows for affordable products and services and benefits the environment. Ensuring the production of the highest quality product in the most cost-effective manufacturing processes is integral to The Borg Group's intent of delivering superior value to its customers.

In addition to its circular economy initiatives, the vertical integration of The Borg Group's business also means its supply chain is largely dominated by entities within the group. However, The Borg Group sources a portion of its raw materials, engineering machinery and wood-based products from offshore.



Identifying The Borg Group's Modern Slavery Risks

In order to recognise the practices that may constitute modern slavery and identify where these may occur, The Borg Group have completed an initial scoping exercise to identify which parts of its entities and operations may involve modern slavery risks.



As suggested by the United Nations guiding principles, we have focused on potential 'hotspots' where modern slavery is most likely to arise, for example high risk services or geographic locations.

Research shows that activities such as IT procurement, sourcing of promotional merchandise and facilities management (such as cleaning and building maintenance), for example, all give rise to the risk of modern slavery. High risk geographies can include conflict-affected zones, countries where there is a weak rule of law, high corruption or a significant population of migrant workers. We will continue to focus on achieving continual improvement in our ability to identify, manage, address and remediate modern slavery risks and impacts.

OPERATIONAL

We consider that the risk of modern slavery in our operations is low. We have controls in place to ensure all employees are employed in accordance with the Fair Work Act 2009 (Cth), any relevant Award and/or enterprise agreement (where applicable).

The areas of our operations at greatest risk are:

- Use of labour hire companies;
- Hiring of foreign workers; and
- The Borg Group's operations in Malaysia.

These areas only form a very small part of The Borg Group's overall approach to engaging personnel.

SUPPLY CHAIN

We consider the risk of modern slavery in our Australian supply-chain to be low. However, The Borg Group does engage with several international supplier operating in high-risk sectors such as manufacturing and raw material production.

The risk of modern slavery is greater when sourcing through:

- Low cost countries;
- Conflict-affected geographies; and
- Private raw material producers.

actions taken to Address Those Risks



OPERATIONAL

In FY2020, The Borg Group developed a Modern Slavery Policy to ensure compliance with the Modern Slavery Act 2018 (Cth). The policy is reviewed on an annual basis.

- Employees involved in the recruitment process have completed our modern slavery training.
- We have developed a training program based on our Modern Slavery policy.
- Our Modern Slavery statement and policy are included in our induction for all new sales employees throughout the country.

We undertake a yearly internal payroll audit to ensure all our employees are employed in line with minimum employment entitlements as stipulated by the Fair Work Act 2009 (Cth) and any relevant Award. Our payroll is also externally audited throughout the year.

Foreign Workers

Prior to being employed with The Borg Group all employees provide us with either their birth certificate or passport to ensure they have working rights in Australia. Anyone who is working in Australia under a temporary visa has their working rights confirmed via the Department of Home Affairs both at the pre-employment stage and during their employment with The Borg Group. Anyone that does not have working rights within Australia will not be employed with The Borg Group.

Labour Hire

As a business we do not utilise the service of labour hire companies in a large scale manner. They do not form a major part of our workforce or our recruitment strategy. However, any labour hire company we engage with agrees to terms of service with us that guarantee

all minimum Award rates and entitlements are adhered to.

Policies & Procedures

The Borg Group Modern Slavery Policy forms part of its broader Corporate Social Responsibility strategy. The Borg Group has several policies and procedures under this strategy that set out its commitment to human rights, including with respect to modern slavery:

- Grievances Policy
- EEO, Affirmative Action, Discrimination, Harassment and Workplace Bullying Policy
- Gender Equality Policy
- Modern Slavery Policy
- Whistleblower Policy



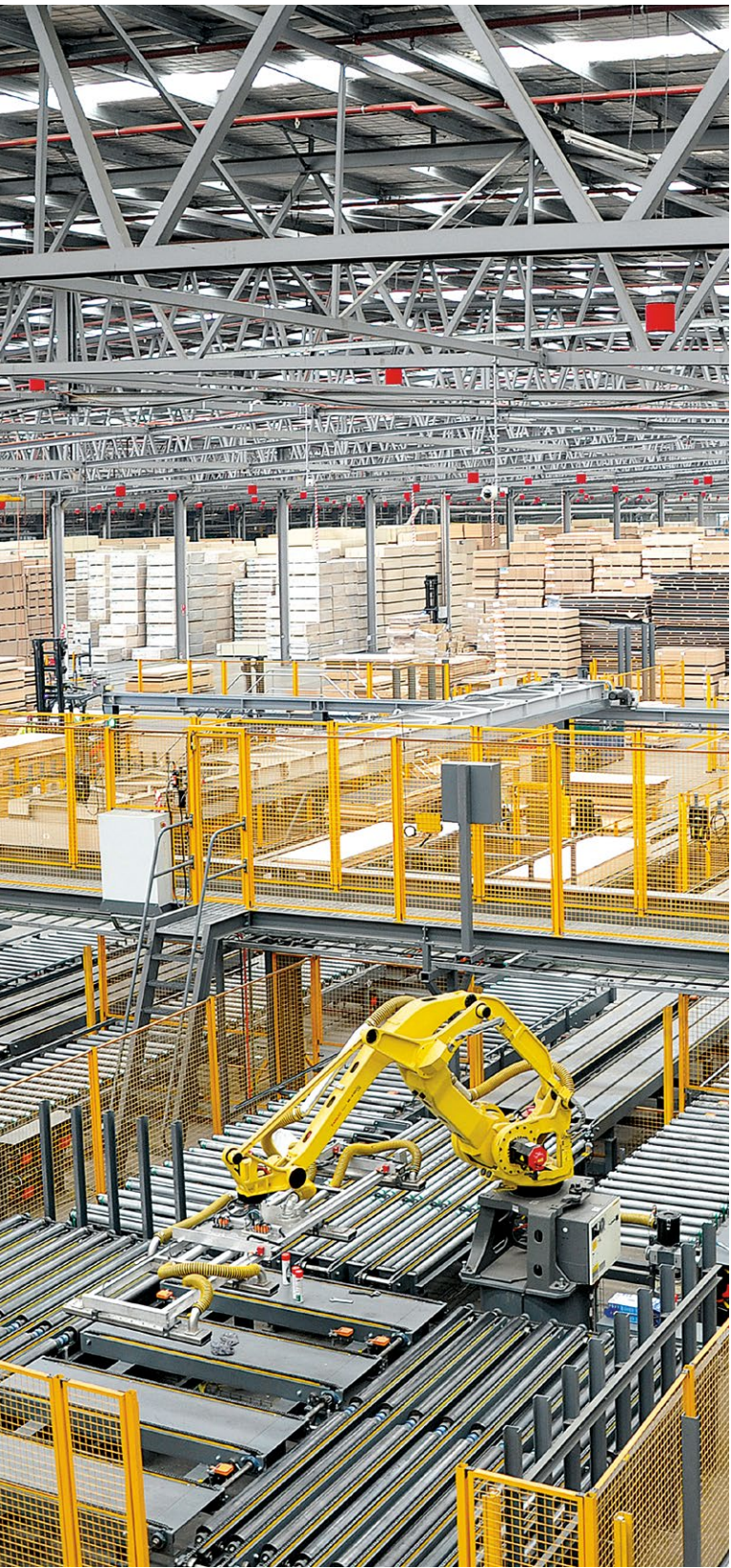
SUPPLY CHAIN

We have conducted a review into the operations of several of our major external suppliers and their efforts to remove risks of Modern Slavery from their operations. This review did not uncover any concerns surrounding exposure to breaches of the Modern Slavery Act 2018 (Cth) or evidence of Slavery within our supply chain.

The Borg Group undertook spot checks on several suppliers during the reporting period. These spot checks focus on a sample of organisations taken from The Borg Group's largest suppliers and include a review of their modern slavery statements and an assessment of their performance with their modern slavery obligations.

Key supply chain and purchasing employees have also completed our modern slavery training.

The Borg Group has also created a Modern Slavery Questionnaire that can be utilised to review our external suppliers and gather information on any modern slavery risks that may exist and ensure our suppliers have policies and procedures in place to identify and mitigate any issues or concerns that may be identified in their supply chains.



assessing our Effectiveness

In assessing the effectiveness of the actions taken, The Borg Group reviewed the following:

- The results of our modern slavery spot checks.
- The number of instances that an employee raised a potential modern slavery issue under the Modern Slavery Policy.
- The effectiveness of our internal investigation and response to such instances.
- The Statutory Review of the Modern Slavery Act 2018, published by the Attorney-General's Department in May 2023.
- The Modern Slavery Statements of comparable businesses.
- The effectiveness and awareness of our Modern Slavery Policy and Statement throughout our business.



Consultation

This statement for FY24 was largely developed by representatives from the People and Culture and Supply Chain business units in consultation with The Borg Group employees. Additional contributions were made by the legal and commercial teams, along with the Chief Executive Officers of Australian Panels, Woodchem and Crossmuller.

On publication, this statement will be communicated to relevant employees and senior management throughout the organisation.

This Statement has been reviewed and approved by the Boards of Australian Panels Pty Ltd, Borg Fleet Management Pty Ltd, Plantation Pine Products Australia Pty Ltd and Red Dot Holdings Pty Ltd.



John Borg
Director

Michael Borg
Director

Borg Group
December 2024

