

Modern Slavery Statement

Policy Statement

This Modern Slavery Statement (**Statement**) covers Borg Manufacturing Pty Limited (**Borg**), a leading manufacturer of board products for kitchen and joinery decorative door, panel and laminate markets. This Statement has been prepared for the financial year ending 30 June 2021 in accordance with the *Modern Slavery Act 2018 (Cth)*.

Modern slavery is an abhorrent practice that violates fundamental human rights and violates an individual's liberty for the pursuit of personal or commercial gain. The purpose of this Statement is to demonstrate Borg's commitment to engaging primarily with ethical organisations and suppliers and ensuring that risks arising from Borg's supply chain are identified and that clear policies and procedures are in place to address those risks.

This is our second Modern Slavery Statement.

Our business and its supply chain

Borg is a leading Australian manufacturer of melamine panels and components for all joinery applications. Our manufactured products include a range of raw and white melamine panels; decorative melamine board products; shelving; components; doors, Thermolaminated, Melamine, Createc, Venette and Ultraglaze.

With a commitment to the Australian landscape, Borg's four major manufacturing sites are located in Mount Gambier, Oberon, Charmhaven and Somersby. Borg's diligence in obtaining state-of-the-art technology allows for unparalleled product quality, while maintaining extensive job opportunities for the community. The four sites referenced above are supported by fifteen distribution sites around Australia and over 1500 workers.

Borg is highly aligned with sustainability, and has adapted vertical integration into every aspect of the business. Not only is this cost-effective and allows for affordable products and services, vertical integration also benefits the environment. Ensuring the production of the highest quality product in the most cost-effective manufacturing processes is integral to Borg's intent of delivering superior value to its customers.

Borg's key customers include medium to large secondary manufacturers; decorative material and panel resellers and distributors; and its company owned distribution business, Polytec.

Modern Slavery risks

In order to recognise the practices that may constitute modern slavery and identify where these may occur, Borg 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 general areas where modern slavery risks are likely to be most pertinent, for example high risk services or geographic locations.

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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.

Borg continues to accept the obligation to investigate and understand the risk of modern slavery in our supply chains, and to put reasonable steps in place to respond to these risks.

Actions taken to assess and address Modern Slavery risks

The risk of modern slavery in Australia is lower than many other jurisdictions. While we consider the potential for us to cause or contribute to incidents of modern slavery to be low due to our vertical integration, potential areas of vulnerability in our operations include the few areas where we utilise services and materials purchased from Australian and overseas suppliers.

In financial year ending June 2020 we developed a Modern Slavery policy. This policy was developed to ensure adherence to the requirements set out in the *Modern Slavery Act 2018 (Cth)*. This policy will continue to be reviewed on an annual basis.

We have developed a training program based on our Modern Slavery policy. This program will also be extended to our employees involved in the recruitment process, in addition to our Supply Chain and Purchasing employees, to further spread the awareness of modern slavery within our organisation. This training, and the potential need to extend the training to other areas of our business, will be reviewed on an annual basis.

Our vertically integrated business model means that we do not have a large number of major external suppliers. 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.

We do not anticipate that we will enter any new major commercial arrangements that will drastically impact our supply chain in the coming year. However, if we enter into any commercial arrangements with new suppliers we would investigate their practices in line with the undertakings in this statement.

The responsibility of identifying, reporting and preventing incidents of modern slavery in any part of the organisation or supply chain is the responsibility for all persons working for Borg. All employees should avoid any act which may lead to a breach of our Modern Slavery Policy.

Employees must notify their Manager as soon as possible if you believe that a breach of our responsibilities has or may occur. If an employee is uncertain as to whether a certain practice meets the threshold to fall under the definition of modern slavery, they should raise it with their Manager as soon as possible. These reports are made in accordance with company grievance procedures and responsibilities outlined in our Modern Slavery Policy.

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We have did not receive any complaints or grievances in line with our Modern Slavery Policy or grievance handling procedure in the past financial year.

Assessing the effectiveness of actions taken to assess and address Modern Slavery risks

We continue to remain committed to the continued development of our knowledge of the risks of modern slavery and recognise the need to continually assess our actions taken to address those risk. To that end we will continue to:

- Conduct annual reviews our Modern Slavery Policy ensure it accurately outlines our responsibilities and commitments to eradicating Modern Slavery.
- Conduct annual reviews of our Modern Slavery training with our Supply Chain, Purchasing and Recruitment teams.
- Continue to undertake audits and spot checks of our supply chain and suppliers.

Borg will continue to monitor changes and developments in the modern slavery regulatory framework, industry trends and key modern slavery risks for the business.

Consultation

This latest Modern Slavery will be communicated to relevant employees and senior management throughout our organisation. Borg will continue provide the the relevant teams throughout our business with training to ensure that employees have an understanding and awareness of their obligations to this policy and to identify risks of modern slavery within Borg and its supply chain.

This Statement and our actions taken to assess and address Modern Slavery risks in our supply chain will be reviewed annually.

This Statement has been approved by the Board of Borg Manufacturing Pty Limited.

This Statement has been approved by Jim Snelson, Chief Executive Officer of Borg Manufacturing Pty Limited.



Jim Snelson
Chief Executive Officer
Borg Manufacturing Pty Limited

23 December 2021