



BADGE

MODERN SLAVERY STATEMENT

1 July 2023 – 30 June 2024

CONTENTS

CRITERIA	PAGE
Contents	1
Introduction	2
Criteria 1 <i>Identify the reporting entity.</i>	3
Criteria 2 <i>Describe the structure, operations and supply chains of the reporting entity.</i>	3
Criteria 3 <i>Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity.</i>	5
Criteria 4 <i>Describe the actions taken by the reporting entity to assess and address those risks, including due diligence and remediation processes.</i>	8
Criteria 5 <i>Describe how the reporting entity assesses the effectiveness of such actions.</i>	9
Criteria 6 <i>Describe the process of consultation with entities that the reporting entity owns or controls.</i>	9
Criteria 7 <i>Any other information that the reporting entity considers relevant.</i>	N/A

INTRODUCTION

At BADGE, we are committed to operating with integrity and to the highest ethical standards. We have a proud culture of delivering quality construction and enjoy a rich history of working with our trade partners and our supply chains to make a positive impact on our projects and society in general.

We recognise that modern slavery is a global issue impacting millions of people. We also acknowledge our responsibility as part of a global supply chain to join the broader community to combat modern slavery in supply chains across borders.

Our Values

Living our values is at the core of our business. We align everything we do with our values as they reflect our vision and culture as well as guide our actions by describing what we stand for as an organisation.

Our values form part of who we are and what drives our people.

TEAMWORK

Working collaboratively to achieve a common objective. Clarifying and understanding each other's roles and responsibilities.

INTEGRITY

Integrity is a concept of consistency of actions, values, methods, measures, principles, expectations and outcomes.

CLIENT FOCUS

Improving the delivery of our services by creating an environment where our people are engaged in adding value to the way we manage our business meet our client's needs.

CONTINUOUS IMPROVEMENT

Recognise who our audiences are, their needs and differences between each client. Listen and respond to individual client requirements.

ACCOUNTABILITY

Take ownership of your own performance, drive accountability of your team.

Our business has been built over 40 years by delivering a high level of product and services, coupled with ethical conduct across clients, suppliers, subcontractors, services providers and staff.

Criteria 1 – Reporting Entity

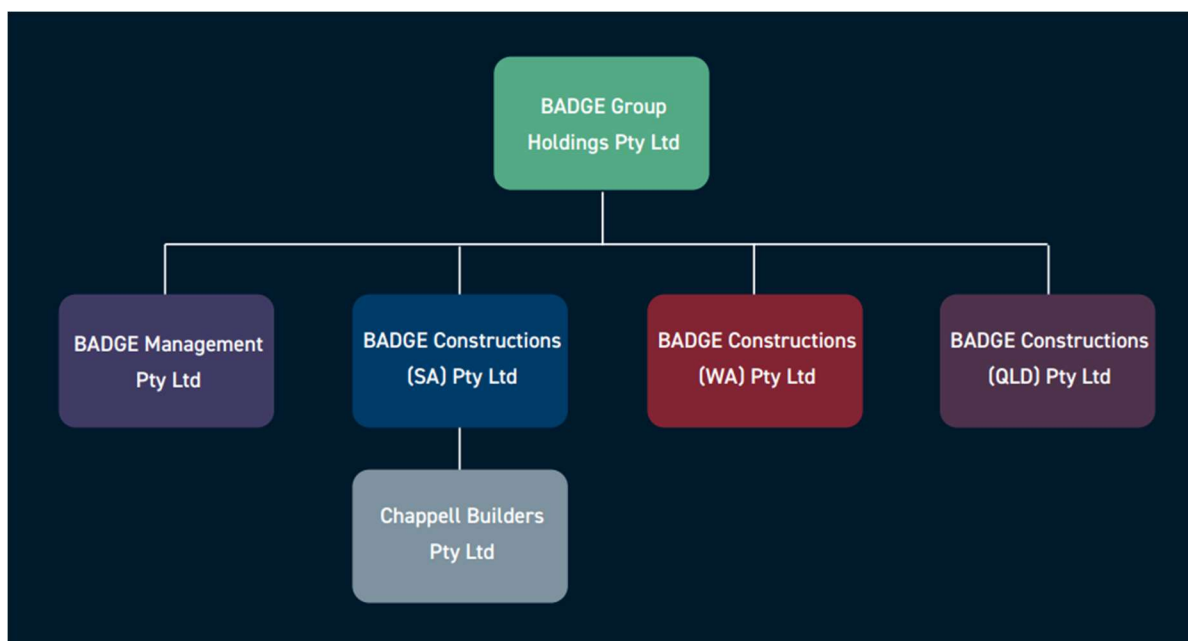
The reporting entity is Badge Group Holdings Pty Ltd ABN 18 606 660 271 (“**BADGE**”) on behalf of the entities that it owns and / or controls (“**Badge Group**”) for the financial year ending 30 June 2024.

This modern slavery statement is made in accordance with the *Modern Slavery Act 2018* (Cth) (“**Act**”).

Criteria 2 – Our Structure, Operations and Supply Chains

Our Structure

BADGE is the head company of the Badge Group. Within the Badge Group, there are various business entities beneath BADGE that run our operations as shown in the structure diagram below:



BADGE Management Pty Ltd is the entity that holds our employees and is not an operational construction entity. The other entities within the Badge Group are the operational entities which run our state-based construction operations.

Our operations

BADGE is a privately-owned construction company that was established in 1983. We operate across Australia in South Australia, Western Australia, Victoria, New South Wales, Northern Territory and Queensland. The Badge Group is managed from our head office at 9 Anzac Highway, Keswick SA 5035.

We employ more than 300 full time and part time employees across Australia and operate in both metropolitan and regional locations. We have a large direct employee base, fulfilling a wide range of key roles such as operation managers, commercial managers, estimators, design managers, project managers, contract administrators, site managers, supervisors, safety advisors.

We conduct our business across a broad range of industry sectors including.

- Education
- Health
- Aged Care
- Defence
- Retail
- Commercial
- Industrial
- Recreational

Our supply chains

During FY24, we engaged with approximately 2,400 Tier 1 suppliers who are primarily based in Australia¹.

Whilst BADGE has a large employee base which can fulfill many roles within our broader operations and projects, at the delivery phase of projects, BADGE engages specialist subcontractors and suppliers with a focus on local supply, limiting our direct overseas procurement.

Our supply chains can be divided into two supply chain groups – those that are core to the construction arm of the business and those that are supplementary to our broader operations.

Core Business – construction specific supplies and services including, but not limited to:

- Raw material suppliers
- Plant and equipment suppliers for hire or purchase
- Design and consultancy
- Supply and installation subcontractors (outlined further below)
- Construction support services i.e., traffic management.

Supplementary – corporate and sundry suppliers and services including, but not limited to:

- Corporate uniforms and branded merchandise
- Communications and information technology
- Legal and accounting

¹ “Tier 1 suppliers” are the suppliers that BADGE directly engages with (i.e., suppliers that BADGE has direct, contractual relationships with).

- Cleaning
- Motor vehicle purchasing and leasing
- Temporary accommodation
- Hospitality and catering
- Office consumables.

As outlined above; to deliver on our projects, we engage various subcontractors to provide works such as:

- Civil works – Local Supply & Installation
- Piling Works – Local Manufacture & Installation
- Concrete Place & Finish – Local installation
- Structural Steel – Local Manufacture & Installation
- Roofing – Local Manufacture & Installation
- Facade Cladding – Local Supply & Installation
- Façade Glazing – Local Supply & Installation
- Internal linings – Local Supply & Installation
- Joinery – Local Manufacture & Installation
- Services Works – Local Installation, local procurement agent

Criteria 3 – Risks of modern slavery in operations and supply chains

Operational risks

BADGE has a suite of policies and procedures in place to promote compliance and ethical conduct across our operations, including:

- Equal Employment and Opportunity Policy
- Anti-Discrimination, Bullying and Harassment Policy
- Whistleblower Policy
- Safety Policy
- Workplace Grievance Resolution Policy
- Employee Assistance Program
- Modern Slavery Policy

BADGE acknowledges that it does not have procedures relating to modern slavery and intends to fill this gap during the FY25 reporting period, as described in Criteria 4 below.

As outlined above, we have grievance mechanisms in place to allows employees, suppliers and other “eligible disclosers” to report grievances through various avenues. This extends to any modern slavery, human rights and employment concerns.

BADGE pays its employees in accordance with Australian laws and requirements. Through our tender process, we ensure that our subcontractors agree to comply with their legislative requirements, contractually enforcing the requirement to comply with obligations under the *Fair Work Act 2009* (Cth) and the *Work Health and Safety Act 2012* (Cth).

BADGE acknowledges that engaging labour hire inherently comes with heightened modern slavery risks. As part of our standard operations, we have a number of systems in place that allow us to have visibility over the work completed and the working hours of employees and subcontractors. For example, we have mechanisms to ensure that accurate time information is kept for all site workers, which assists us in monitoring the employment and health and safety conditions on site.

Based on the above, we consider our operational risks of modern slavery to be low. However, we have identified gaps in our policy and procedure framework to address our operational modern slavery risks which we are intending on actioning during the FY25 reporting period.

Supply chain risks

BADGE acknowledges that like all entities, BADGE is not immune to the risks of modern slavery, particularly deeper in our supply chains beyond our Tier 1 suppliers.

As a construction company, BADGE engages a wide variety of suppliers who operate across different industries. These supply chains are often complex and opaque, with suppliers ranging across multiple jurisdictions and “tiers” within the supply chains.

BADGE utilises the UN Guiding Principles “cause, contribute to, and directly linked to” framework to assess its supply chain modern slavery risks.

Linkage to modern slavery	Description	Example
<i>Cause</i>	Modern slavery that the entity causes its via its acts and / or omissions.	An entity that withholds identity documentation from migrant workers as a condition of employment.
<i>Contribute to</i>	Activities and / or omissions by an entity which facilitate or enable modern slavery.	Engaging a supplier that is unusually lower cost than the industry average.
<i>Directly linked to</i>	Linked to modern slavery and harm through products, services or business relationships.	Engaging a supplier that is later discovered to be engaging in child labour.

We have utilised the “cause, contribute to and directly linked to” framework and have assessed our key supply chains in the table below:

Supply chain	Risk for BADGE	Description of risk
Raw materials	Directly linked to	<p>Certain raw materials carry heightened modern slavery risks, such as bricks, lime, cement materials, glass and steel, particularly when these raw materials are sourced from high-risk jurisdictions.</p> <p>BADGE sources the majority of its equipment and raw materials from local Australian suppliers. However, BADGE acknowledges that there are inherent risks in these supply chains where there is a lack of visibility over the suppliers deeper in the supply chain.</p>
Solar panels	Directly linked to	<p>Solar panels are a high risk good for modern slavery, in particular the raw material component of solar panels known as polysilicon. The majority of the world's polysilicon is sourced from the Xinjiang Uyghur Autonomous Region in China which is known to use forced labour and forced labour camps.</p>
Corporate uniforms and branded merchandise	Directly linked to	<p>Garments and uniforms, particularly those made with cotton and linen, have heightened modern slavery risks due to the risks associated with cotton supply chains. Cotton is a high-risk raw material for modern slavery due to the complexities of these supply chains and when linked to high-risk jurisdictions such as the Xinjiang Uyghur Autonomous Region in China.</p>
Personal Protective Equipment (PPE)	Directly linked to	<p>PPE has been a high-risk sector, particularly since the supply chain impacts and sourcing issues from the COVID-19 pandemic which increased the risk of forced labour.</p> <p>A key example of this risk is the extensive media coverage around the production of single use gloves in Malaysia and its prevalent forced labour practices.</p>

Cleaning	Directly linked to	<p>The cleaning industry carries heightened risks because of the prevalence of the following risk factors:</p> <ul style="list-style-type: none"> • the volume of migrant workers in the industry; and • deceptive recruiting practices (for example, debt bondage) being commonly used in the industry.
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Criteria 4 – Actions taken to assess and address modern slavery risks

During the reporting period, BADGE started the process of undertaking an ESG gap analysis to assess what our ESG priorities are, what our key compliance gaps are, and what we can do to start to fill these gaps take genuine action in this space. Throughout this ESG gap analysis, we have identified key gaps to action in our modern slavery compliance framework and our broader ESG framework.

Accordingly, we have outlined some key action items that BADGE will be undertaking in the FY25 reporting period to assess and address our modern slavery risks:

- Developing and implementing a Supplier Code of Conduct to govern and outline our expectations for our suppliers.
- Developing a due diligence framework to implement a multi-faceted approach to supply chain due diligence. This includes steps such as undertaking independent risk screenings of our suppliers, assessing suppliers based on risk factors such as location, industry, product and service risks and entity risks, and issuing questionnaires to high-risk suppliers.
- Preparing a due diligence framework will then allow us to build supplier due diligence into our procurement and tendering processes as “business as usual”.
- Review of our existing modern slavery contract clauses and tender documentation.
- Development of a self-assessment questionnaire to send to high-risk suppliers for a deeper assessment of supplier modern slavery risks.
- Engaging third party guidance to assist with undertaking the above action items and progressing our ESG compliance more broadly.

Criteria 5 – Assessing the effectiveness of our actions

As outlined above, during the FY24 reporting period, BADGE undertook an ESG gap analysis to assess the key gaps in its modern slavery compliance framework and its ESG compliance more broadly. This review process has been crucial in putting together a plan for the FY25 reporting period and beyond for our broader compliance efforts.

Accordingly, during the FY25 reporting period, BADGE will prioritise the implementation of the action items outlined in Criteria 4.

Towards the end of the FY25 reporting period, BADGE will review the action items undertaken and how effective these actions have been to assess and address its operational and supply chain modern slavery risks. This will then inform the action plans for the following reporting periods to continuously improve our modern slavery and broader ESG compliance efforts going forward.

Criteria 6 – Consultation

This modern slavery statement has been prepared by BADGE on behalf of the Badge Group.

In terms of consultation during this reporting period, there is a common leadership team and Board governing the Badge Group. Furthermore, the policy and procedure framework outlined in Criteria 3 applies uniformly across the Badge Group. Accordingly, there has been consultation in the preparation of this modern slavery statement and through the application of the Badge Group's broader compliance framework.

Through the implementation of the action items outlined in Criteria 4, in particular the implementation of BADGE's new due diligence procedures, representatives from the Badge Group will be engaged through the development of these initiatives, which will apply across the Badge Group.

Going forward, when reviewing the efforts undertaken during the reporting period, representatives from the Badge Group will be engaged in this process to ensure that there is a robust consultation across the Badge Group.

APPROVAL

This modern slavery statement is BADGE's second modern slavery statement and is for the period of 1 July 2023 to 30 June 2024.

This modern slavery statement was reviewed and approved by the BADGE Board.

A handwritten signature in black ink, appearing to read 'J. Whiting'.

Jim Whiting - Chair

20 December 2024