



Fairbrother

**2022-23
MODERN SLAVERY
STATEMENT**

Introduction

This joint Fairbrother Modern Slavery Statement 2022-2023 is made of behalf of Fairbrother Pty Ltd and its controlled subsidiaries that are reporting entities in accordance with the requirements of the Modern Slavery Act 2018 (Cth) for the financial year ended June 30, 2023.

This statement is Fairbrother's fourth under the Modern Slavery Act. There are no changes in structure or operations during 2022-23.

This statement has been endorsed by the Board of Fairbrother Pty Ltd.

A handwritten signature in black ink that reads "Craig Edmunds". The signature is written in a cursive style with a period at the end.

Craig Edmunds
Chairman

Overview

Fairbrother Pty Ltd operates solely within Australia. Head Office is located at 12 Stony Rise Road, Devonport, Tasmania (ABN 51 009 510 561).

This reporting statement also encompasses our fully owned subsidiary company – Degree C Pty Ltd (ABN 16 009 587 008), whose head office is located at 2 Fairair Court, Ulverstone, Tasmania.

Founded in Tasmania, with offices in Hobart, Launceston, and Devonport/Ulverstone, Fairbrother Pty Ltd also provides commercial construction services to the central and western areas of Victoria with offices in Bendigo, Warrnambool, Geelong and Melbourne.

The areas of construction and related expertise in which we operate include:

- Commercial and industrial construction
- Joinery
- Facility management and maintenance
- Air-conditioning and refrigeration (both commercial and residential)
- Steel fabrication
- Electrical contracting (commercial, industrial, and residential)

Most of our supply chain is based on materials and operations that are created and completed in Australia. However, Fairbrother does recognise that the construction industry is a potentially high-risk sector given the breadth and reach of its supply network.



Our structure

Fairbrother is a privately-owned building and construction company headquartered in Devonport, Tasmania. It has operational divisions in North West, Northern and Southern Tasmania, Central and South Western Victoria, as well as the Geelong and Melbourne regions.

Fairbrother owns one subsidiary entity, Degree C Pty Ltd and has established a charitable foundation that operates as a trust.

The subsidiary entity, Degree C Pty Ltd, is a multi-trade contracting company headquartered in Ulverstone, Tasmania and with operational divisions in North West, Northern and Southern Tasmania.

Fairbrother Pty Ltd is majority-owned by the Fairbrother family. It has an active

employee shareholder scheme with key management employees owning 15%.

Fairbrother Pty Ltd and Degree C Pty Ltd operate as separate entities and both companies have a Board and Executive Management structure.

The Chairman of Fairbrother is also the Chairman of Degree C and both companies share a common Chief Financial Officer who is also a director of both.

Fairbrother and Degree C combined directly employ approximately 650 employees.

A copy of the Fairbrother and Degree C organisational charts are included in Appendix A.

Identifying the risks of Modern Slavery - our supply chains

We view the elimination of modern slavery risks in our business operations and supply chains as a natural extension of our people-centric Values and our Guiding Principles.

Fairbrother and Degree C directly employ our workforce, with the exception of utilising respected local labour hire firms for short-term needs, who are all engaged under Australian industrial agreements or contracts.

However, we do recognise that the construction industry is potentially a high-risk sector due to its varied and complex supply chains. An estimated 8% of the global workforce works in construction.

Approximately 50 million people are estimated to be living in modern slavery across the world. Another reason the construction industry is vulnerable to modern slavery is its high demand for manual labour, often also low-skilled roles, which have been identified as susceptible to exploitation.

With the exception of vary rare, specialised items, our products are procured through Australian registered businesses, with the vast majority from operations that manufacture or operate within Australia.

We continue to work toward gaining a better understanding of these relationships and the ultimate source of the products we purchase. What we are doing toward this is outlined in section “actions for the upcoming period”.

We predominantly operate in regional locations in Victoria and Tasmania and support local businesses by buying local. Our largest spend categories include engaging subcontractors to carry out specialist work, concrete, and reinforcing steel products.

Our supply chain includes the following services and products:

- Building and construction – steel and timber materials, paint and plastering, concreting products, subcontract services, labour hire, signage, equipment, fencing and scaffolding hire.
- Joinery – timber, laminate, benchtop and metalwork materials, adhesives, and solvents.
- Fabrication – metal products, insulation, tools, parts and equipment, labour hire, freight services, subcontract services, equipment hire, welding gases.
- Electrical and Mechanical Contracting – tools, heating and cooling units and parts, pumps and parts, electrical supplies, subcontract services, equipment hire.
- Business Support – travel and accommodation, uniforms, protective clothing and equipment, training providers, insurance services, vehicles and fuel, health and first aid services, IT services and supplies, cleaning services, waste management, office and kitchen equipment and supplies.

By directly employing a large component of our required labour resource and using only contractors registered in Australia, who are known to us, we are comfortable from a direct labour perspective that our risk of modern slavery is negligible.

With regard to our product supply chains; while we assess the risk as low because of the businesses and jurisdictions we choose to procure through, we acknowledge our need to increase our understanding of the depth of these supply chains to fully understand the level of risk.

Actions taken to assess and address risks

Fairbrother engages constructively with the vital role of the Australian Industrial Relations System, and the Fair Work Act 2019, in policing and supporting compliance with, among other matters, correct and fair wages and entitlements.

We undertake robust due diligence on all significant suppliers and subcontractors before their engagement as a standard pre-contract assessment and have established on-going measures to monitor, review and manage these relationships. A key aspect of this is the confirmation of their compliance with the provisions of Australian employment legislation, and more recently, an assessment of their current progress in relation to supporting the legislation.

During the last twelve months we have made good progress in relation to our identified actions.

We have finalised our mapping of key policies and procedures to ensure our commitment to supporting the principles of the Modern Slavery Act is clearly communicated throughout our business.

Modern Slavery awareness training is now a compulsory requirement for all roles who influence purchasing, contracting or labour hire decisions.

We have updated our current Subcontractor Agreement and key procedures around contracting and purchasing to include questions related to Modern Slavery compliance.

Effectiveness and remediation - actions for the upcoming period

While we continue to assess the risk of any of our contractors or suppliers breaching the principles of the modern slavery act as low, we understand the role we have in helping to raise the awareness and requirements of the legislation through our relationships.

Our primary focus through the next twelve months will be to continue to build our knowledge of our own supply chain as well as encouraging our key relationships to do the same.

We will finalise our education of key people by ensuring Degree C is at the same level as Fairbrother.

While we did not advance obtaining questionnaires of our key supplier / contracting partners during the past 12 months, knowledge of the requirements of the legislation now appears to be more widely understood which may provide an opportunity to reactivate this.

Consultation with related entities

Effective consultation on modern slavery legislation and organisational requirements is achieved with Fairbrother's owned/controlled entities through:

- Fairbrother's Chairman also chairing the Degree C board as well as the Chief Financial Officer holding that position for both companies.
- A consistency of reporting / resourcing from a shared business support team.

Input solicited from all senior management positions.

- A common governance framework.

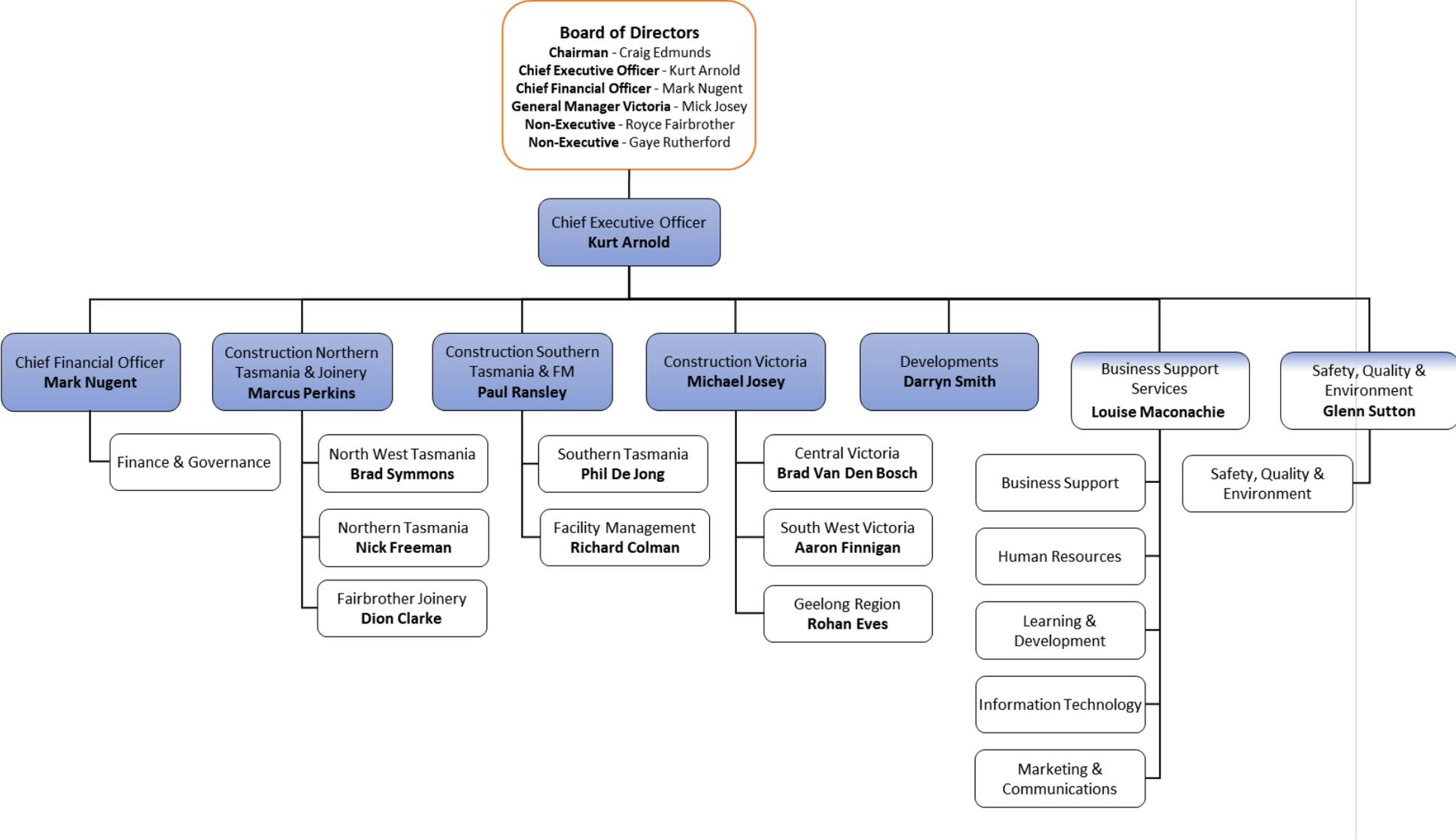
This consultation will continue as Fairbrother further develops our response to modern slavery risks.





Appendix A

Fairbrother Organisation Chart



Degree C Organisation Chart

