



Modern Slavery Statement

FY23

“ We will not tolerate any forms of Modern Slavery in our direct business activities and will work with our subcontractors and suppliers to identify and address instances of Modern Slavery that may exist in the construction and infrastructure supply chains ”

- Extract from the Joss Modern Slavery Policy Statement

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Structure, Operations and Supply Chains

Colin Joss and Co Pty Ltd (Joss, the Company) is a family owned business based in Albury NSW. Originally a Partnership established in 1975, it was converted to a limited liability company in 1988.

Since its inception, Joss has established itself as one of regional Australia’s premier construction and facility management companies, servicing both Government and private Clients throughout New South Wales, Victoria and the Australian Capital Territory.

The growth of the Company can be attributed to the reputation Joss has developed as a trusted and experienced contractor capable of successfully delivering complex and challenging projects.

In response to the changing needs of the industry and our Clients, Joss has established two main divisions within the business, Joss Construction and Joss Facility Management, to enable the delivery of specialised services reflective of the experience and skill sets of our staff.

| Employee Breakdown | |
|-----------------------------|-------|
| Total Employees | 2,426 |
| Female Employees | 1,623 |
| Indigenous Employees | 159 |
| Employees with a disability | 97 |

The Head Office, Main Depot, and Workshop are all located in Albury. The Company also operates 15 regional offices throughout New South Wales and the ACT.



During the 2022/2023 financial year (FY23), a parent entity was established that is 100% owned by the Joss family. All trading operations are done through the Company, and all employees are employed by the Company.

The Company has no subsidiary entities and does not control any other entity.





Joss Construction

The commercial construction, civil and infrastructure division of Joss complete a wide variety of projects including commercial and industrial buildings, educational, sporting and health facilities, residential property development, refurbishment and renovation of existing buildings, roads, water treatment and services infrastructure works for a variety of customers including all levels of government and private enterprise. The division employs a permanent team of qualified and experienced personnel who plan, co-ordinate and manage subcontractors to deliver projects under Managing Contractor, Lump Sum, Early Contractor Involvement, Design and Construct, or Design Construct and Manage contract arrangements.

Joss Construction's supply chains may include consultants, subcontractors, material suppliers and indirect suppliers.



11

Projects Completed
during the period



1,394

Construction Subcontractors
& Suppliers



Joss Facility Management

The Facility Management division of the Company was established primarily to service NSW Government facilities but has since diversified to provide planned maintenance and reactive maintenance, cleaning, refurbishment works as well as deliver smaller construction projects for all levels of government and private enterprise.

Over the past 25 years, Joss has established a base of approximately 2,100 prequalified Subcontractors who, under the co-ordination, supervision and management of Joss, undertake maintenance and servicing works across more than 14,000 sites on behalf of our Clients.

Unlike the Asset Maintenance component of the Facility Management division, the cleaning works undertaken by the division is performed predominantly by employees, with specialist Subcontractors only utilised to undertake complex periodic work.

Joss Facility Management's supply chain includes subcontractors, material suppliers, and indirect suppliers.



14,604

Properties Serviced



2,080

Facility Management
Subcontractors & Suppliers



Risks of Modern Slavery in the Operations and Supply Chains


During the FY23 we continued to undertake assessments of our Subcontractors and Suppliers utilising various approaches to match the type, volume and risk of the various services.


Operations


The scope of operations performed by the Company did not change from the previous financial year and Joss have again assessed the risk of Modern Slavery within our Operations to be low.


A documented assessment was undertaken by the Joss Human Resources team utilising an internally developed tool. The assessment focusses on the identification mechanisms for Child Labour, Forced Labour, Bonded Labour, Human Trafficking and Employment Conditions as well as Grievance and Redress Mechanisms. This Assessment is currently being undertaken annually.

In addition to this documented assessment, the following factors supported the determination of a low risk rating:

 The Company employs a qualified and experienced team of human resources personnel that have created, implemented, monitor and continually develop our robust employment policies and procedures. These systems have been established to both ensure and demonstrate compliance with legally mandated employment conditions and awards across our entire workforce.

 The Company has established a diverse and layered approach to site inspections comprising of Senior Management Inspections, Site Manager/Supervisor Inspections and HSEQ personnel inspections/audits to monitor work practices on our sites. Joss also periodically engage the services of external consultants, predominantly Health and Safety Consultants, to inspect our sites and review our systems and practices.

 As a result of the industries we work in, and the Clients we perform work for, Joss is regularly subject to external assessment of our workplace practices and employment arrangements. These assessments may be by external Health and Safety Audits for State or Territory prequalification schemes, third party surveillance audits of our Certified Management Systems by SAI Global Assurance Services, Client initiated audits and visits by the NSW Code Compliance Unit, ACT's Secure Local Jobs Certification, annual financial audits required by ASIC or periodic state government payroll tax audits.

 For more than two decades, Joss has utilised consultation as a mechanism to identify issues, obtain feedback, disseminate information, and explore improvements. The Company's support of a Consultation Committee made up of elected Health and Safety Representatives from the various workgroups, combined with documented and communicated Grievance Procedures, facilitates a worker safety net that may be utilised directly, or anonymously.

In addition to the documented self-assessment, these entrenched practices and mechanisms all assess for common indicators of modern slavery.

Supply Chains

During the reporting period, Joss continued to utilise a combination of approaches to assess, monitor and educate our supply chains. One of which is a Modern Slavery survey of subcontractors and suppliers providing goods or services on projects when the value of the procurement is more than \$50,000 and who had not previously completed a questionnaire. This resulted in 52 surveys, which is a lower figure due to the higher number of surveys received in previous years.

The surveys for the period identified:

- None of the businesses in the assessed supply chain were subject to the Modern Slavery Legislation and only one business has a turnover greater than \$50M p/a.
- 946 workers were employed by those assessed.
- None of the businesses participated in, or were certified by, a third party responsible sourcing certification scheme.
- Only 22 businesses (less than 50%) had a policy, process or other commitment to eliminate Modern Slavery and only 4 of those firms had undertaken any form of Modern Slavery Training despite details of free available resources being provided by Joss.
- 30 businesses were aware they were utilising imported materials, but only 3 firms were importing materials directly themselves.
- Some of the more common imported materials remain as HVAC equipment, flooring products, electrical system components, fixings, equipment parts, glass and aluminium.
- The most recurrent countries listed where products were sourced from overseas included China, Japan, America, and New Zealand, as well as blanketing the continents of Asia and Europe. Of note is that businesses are becoming increasingly aware of the country where their products or materials are coming from than in previous years.
- 94% of businesses confirmed that if Modern Slavery was identified or suspected in an overseas supply chain, they would look at phasing to alternative suppliers/products to assist in eliminating Modern Slavery.

Through analysis of these survey results, coupled with online research, it is reasonable to view that Joss may have exposure to modern slavery in our supply chains via the engagement of Subcontractors and Consultants, as well as through the procurement of goods and materials (plant, equipment, vehicles, consumables and building materials).

Case Study 1

As part of the Company's sustainability initiatives over the past 12 months, Joss has installed solar systems on the balance of the Regional Offices that we own. Due to the large size of these works (approximately \$150K over 3 sites) and personal ownership of the systems, an analysis was initiated into the supply chain of the proposed panel manufacturer. What we discovered was not uncommon when undertaking assessments of this kind.

With limited information on the data sheets provided, a review of the company's Modern Slavery Statement was undertaken. The Statement was for an Australian limited liability company who is a wholly owned subsidiary of a Singapore incorporated company listed on the NASDAQ. The statement broke its chain into three elements effectively; local Australian suppliers supporting the marketing, sales and distribution throughout Australia; its manufacturing plants overseas; and the raw materials that these manufacturing plants source.

The location of their five manufacturing plants have been clearly identified, two of which have a medium rating due to their locations in Malaysia and China, whilst the remaining three have a low rating. Assessments of each of these facilities are stated, together with the company's efforts to reduce the potential for modern slavery. It is at this point where the analysis becomes more complex. Curious where the proposed panels are made, we find the statement declares that the cells are produced in Malaysia and the Philippines, and the solar modules in Malaysia and Mexico. The extent to what components come from the other three manufacturing plants is unclear, as well as the origin of sub-components with 22 supplying nations broadly listed in the statement. They did state, however, that their China manufacturing operations were far from Xinjiang and were subject to audits that have not discovered any deficiencies in practices.

The statement continued to detail the raw materials it sources and those that are high risk, but it was in their referenced Conflict Minerals Report where another layer of complexity is revealed. These reports are intended to provide an efficient way for suppliers to disclose country of origin and smelter or refiner information to customers. The reports, however, appear to be a catch-all with each facility classified according to all of their production and sources as opposed to those of the primary corporation we are trying to assess. What we concluded was that this approach effectively drops all manufacturers of similar products into the same bucket.

The solar industry has been subject to a significant amount of scrutiny over the past decade both in its manufacturing and supply of raw materials. This assessment together with numerous articles regarding the human rights concerns in the renewables industry, ultimately revealed how complex it can be for end users to accurately understand the potential for Modern Slavery.

Although not known prior to proceeding with the firm, the solar panel manufacturer in this case study has since been ranked (by one of many private assessment agencies) as being in the world's top 100 most sustainable corporations.

Subcontractors and Consultants

This year represented the third year of our supply chain mapping through the use of Modern Slavery Surveys. Due to the nature of the works we perform (pricing and delivering different projects and maintenance tasks around NSW, Victoria and the ACT), Joss is constantly engaging different subcontractors. To understand this element of our supply chain, we assessed 50% of our subcontractors by value in the first 12 months, and then for the past two years we initiated assessments for subcontractors who had not previously been assessed and had subcontracts in excess of \$50,000. This approach is not without its limitations, but it provided a practical means to assessing a constantly changing supply chain.

The data that has been collated this year is consistent with previous years. We are generally engaging with Small and Medium Enterprises (SME's) in predominantly regional areas that have very little exposure to large companies like ourselves. As a result it is often from the information provided with our modern slavery surveys, or the referenced tools within them, that has made subcontractors aware of the existence of Modern Slavery, and what to do if it is identified or suspected in Australia or internationally.

The other factor that has made subcontractors more aware of the source of their materials is COVID-19 and the Ukraine conflict. These international events and the significant impact they had on supply chains made subcontractors recognise their reliance on international resources and, from the surveys and discussions, we believe a more concerted effort is being made to seek out building materials and products made in Australia from Australian sourced materials. This ideal approach is limited, however, where local options are not available, specific products or brands are specified by clients and consultants, or subcontractors are forced to utilise cheaper imported materials to remain competitive. Further to this, current tight economic conditions may be influencing purchasing decisions.

Joss continues to monitor insurance arrangements and declarations relating to wages and entitlements, supervision on our sites and structured inspections provide a level of assurance to the correct employment practices by our subcontractors.

As a result, although a low possibility, Joss recognises that within the Subcontractors we engage and their supply chains, the potential exists for practices that may lead to Modern Slavery.

Goods and Materials

Unlike tier one contractors within the industry, Joss does not procure major elements of our construction projects ourselves. Directly purchased goods and materials represents only a very small component of the Company's expenditure (less than 5%), the Company does procure vehicles, small plant and equipment, cleaning consumables and IT equipment being the major contributors to this spend. Although not significant, uniforms and apparel also represented a portion of expenditure.

As a building and maintenance contractor, building materials, plant and equipment are utilised extensively to deliver the projects we construct and the services we provide. Although the majority of materials, plant and equipment are sourced by subcontractors, this represents secondary levels of our supply chain. The surveys of our own immediate subcontractors and suppliers confirmed the use of imported materials and, although again we have not determined any specific evidence of transgressions, it would be naïve to discount the potential existence of modern slavery in some portion of the supply chain.

Joss is aware that the three predominant manufacturers of its directly procured IT equipment (Hewlett Packard, Apple and Samsung) have all acknowledged the potential of Modern Slavery in their supply chains and the Company shall continue to monitor the steps they are taking to eradicate its prevalence.



Case Study 2

Case Study 2 Subcontractor is a small private business specialising in structural steel fabrication. They have operated in a medium sized, but extremely remote regional town for just over twenty years and, being remote, have a broad range of experience and capabilities. At the time of assessment, they employed 14 workers and 1 seasonal worker.

Like most businesses in regional towns, they contribute to the local community and economy as a matter of both social responsibility and good business sense, providing sponsorships and at times undertaking charitable work.

Despite their efforts, the Subcontractor was flagged in our assessment for follow up because of an answer that they provided in our Modern Slavery Survey. The Manager indicated that they held original identity related documents of workers. It was noted however, that the balance of the survey raised no other concerns, other than that they were not well aware of Modern Slavery legislation.

In following up with the business, it was soon evident that they had misinterpreted the question. They indicated that their employees often have to prove identification in order to be inducted onto contracts or projects, and when travelling distances they sometimes have to get copies of identification documents signed off as true copies so that due diligence activities can be undertaken before arriving on site. The Manager confirmed that they do not keep originals of these documents.

During the follow up, there was a number of other items discussed which gave Joss confidence in the firm and their practices. The survey indicated that they do not import products or materials from overseas, and they buy from Australian manufacturers and distributors. They were proud of the steps they had taken to engage employees with written contracts and that they included mechanisms to raise issues confidentially.

They indicated very few other clients were requesting similar employment and procurement information as Joss. Despite this, the Manager knew the basic principles behind what the Modern Slavery Legislation was trying to do, who it applied to, and what to do in the event that they identify or suspect Modern Slavery in Australia or in their overseas supply chain, principally because this information was contained in the Modern Slavery Survey Joss had initiated.

Actions taken to assess and address these risks

The work undertaken in previous years was furthered in the FY23 period with the continued implementation of training, assessment and risk mitigation activities. The Modern Slavery Advisory Group established early in FY21 continued to provide specific input into the procurement requirements and procedures within their various divisions, as well as advice and monitoring of the Company's Modern Slavery Policy and Procedures. It was determined by the group earlier in this reporting period that this would be the last year of the initial survey cycle and that next year we will begin re-assessing our subcontractors and suppliers in order to identify those firms that have progressed in making efforts to understand their supply chains, raise awareness, or implement controls to prevent the support of Modern Slavery.

As required by our current procedures, the Joss Human Resources Department undertook a documented internal assessment of our employment practices. There were no issues identified through this assessment, nor by the various levels of site inspections and audits undertaken as part of our regular systems implementation monitoring.

Modern Slavery Awareness Training had been initiated in previous years for all staff in procurement positions, with key positions also participating in more advanced training opportunities. During this period, another internal training module was developed for Supervisory personnel to assist them in identifying signs or indicators of modern slavery.

The Modern Slavery Group again reviewed and provided feedback on the implementation of procedures that they assisted to establish. Opportunities were identified to further intrench prompts into other procedural tools the Company utilise, as well as the initiation of a second phase of assessments described earlier. The Modern Slavery Group generally felt that the procedures established proportional controls for each of the Company divisions that were reflective of their individual requirements, but also considered the following limitations:

- changing project needs and locations of construction works;
- the high labour elements of Facility Management and Cleaning; and
- 'like with like' or 'deemed to comply' requirements of a number of existing Facility Maintenance contracts.

In summary this included:

| Construction and Civil | Facility Management | Joss Cleaning |
|---|---|---|
| Actions focussed on assessing all subcontracts and purchase orders over a set limit, the allocation of a risk rating and, depending on that risk rating, proceeding with procurement, escalation for further consideration or the identification of alternatives to eliminate or reduce the risk of supporting Modern Slavery to a lower level. | Due to the nature of the Facility Management works being predominantly labour intensive, Joss continued to utilise the extensive prequalification process coupled with contractual clauses, declarations, inspections, and toolbox talks to monitor and facilitate the identification of Modern Slavery issues. | The Cleaning division of Joss is characterised by a predominantly in house labour force undertaking contract works. Joss do utilise a small number of specialist subcontractors and suppliers and because of this, the division utilised (in combination) the Modern Slavery Surveys, Modern Slavery Statements, site monitoring actions, offsite visits to supplier/subcontractor premises and subcontractor declarations to both identify and monitor Modern Slavery risks. |



The effectiveness of these actions

The introduction of the Commonwealth Modern Slavery Act 2018, NSW Modern Slavery Act 2018 No 30, and the NSW Modern Slavery Amendment Bill 2021 are elements of what is a worldwide effort to pressure supply chains that will hopefully translate to a reduction and the eventual eradication of Modern Slavery.

The actions that Joss has undertaken during FY23 has continued to raise the level of awareness and commitment by ourselves and our supply chains, to pursue more sustainable procurement practices.

Due to the nature of the construction industry and the tendering processes at multiple levels within, it is likely that there are many enquiries and assessments made in relation to ethical sourcing of products and materials by firms during tendering phases, many of whom will be unsuccessful with their tenders. This current approach by the industry represents a resource burden but also an opportunity. We believe that there is great potential to pool the current resources being invested by many organisations to establish a single industry wide entity capable of exerting greater pressure on supply chains to be transparent and source through responsible and sustainable methods. Similarly, at a documentation level, ethical sourcing could be undertaken, and details included in procurement documents to either identify research already undertaken or to preclude high risk sources. This would represent a single effective approach that is more efficient and can be enforced contractually.

Joss has established milestones and KPI's within its own modern slavery strategy to assist in the monitoring and measurement of the actions and initiatives that it undertakes in order to determine if they are effective. For the FY23 all of the established milestones were achieved including:

- ✔ The implementation of division specific procedures that reflect the nature of procurement and the heightened risks of the works or services being performed.
- ✔ Modern Slavery Awareness training for all new employees who may potentially procure materials or services on behalf of the Company.
- ✔ Completion of the documented annual internal Modern Slavery Assessment and implementation of monitoring during Inspections and Audits.
- ✔ Assessment of the data obtained from our Subcontractors and Suppliers to assist in our decision making regarding subcontractor engagement and procurement.
- ✔ Interaction with industry bodies and clients to raise awareness of the potential of modern slavery practices in the manufacture of products and materials that may be nominated in designs, specifications, or contracts.

For the FY24, Joss shall continue to implement actions, report against milestones and KPI's, and identify further initiatives and outcomes in future Modern Slavery Statements. Concurrently, the Company shall continue to lobby industry associations to establish a consolidated approach to addressing Modern Slavery through the sharing of data or improved communication and transparency within contracts and specifications.

This Statement was approved by the Joss Board on 20th December 2023.

Paul Joss

Managing Director

20th December 2023



www.jossgroup.com.au