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# MODERN SLAVERY STATEMENT

# 2023

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JOHNS LYNG GROUP

# OUR BRAND IS OUR PEOPLE AND OUR CULTURE IS OUR SUCCESS

## INTRODUCTION

Modern Slavery Statement FY23

Johns Lyng Group Ltd (The Group, Johns Lyng) is opposed to slavery in all its forms, including: human trafficking; slavery; servitude; forced labour; deceptive recruiting for labour or services; debt bondage; forced marriage; and the worst forms of child labour.

This statement has been prepared in accordance with the reporting requirements of Australia's Modern Slavery Act 2018 (Cth) and associated guidelines (see Annexure). It describes the steps taken by Johns Lyng during the financial year ending 30 June 2023 to assess and address the risk of modern slavery occurring in its operations and supply chains.



# OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Market leading integrated building services group delivering building, restoration and disaster management services

## Structure

Johns Lyng Group is a market leading integrated building services provider delivering building, restoration and disaster management services nationally and internationally, along with strata management services and essential home services in Australia.

Beginning in 1953 as Johns & Lyng Builders, initially servicing Melbourne and its surrounding areas, the Group has grown into an international business with over 3000 employees and a subcontractor base in excess of 14,500.

The Group has a diversified client base comprising: major insurance companies, insurance brokers, loss adjusters, commercial enterprises, local and state governments, body corporates/owners' corporations and retail customers.

Johns Lyng is listed on the Australian Stock Exchange (ASX) and has its head office in Melbourne. It has majority control over all entities within the Group. Group revenue in FY23 was \$1,281.3m.

# OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

## Operations

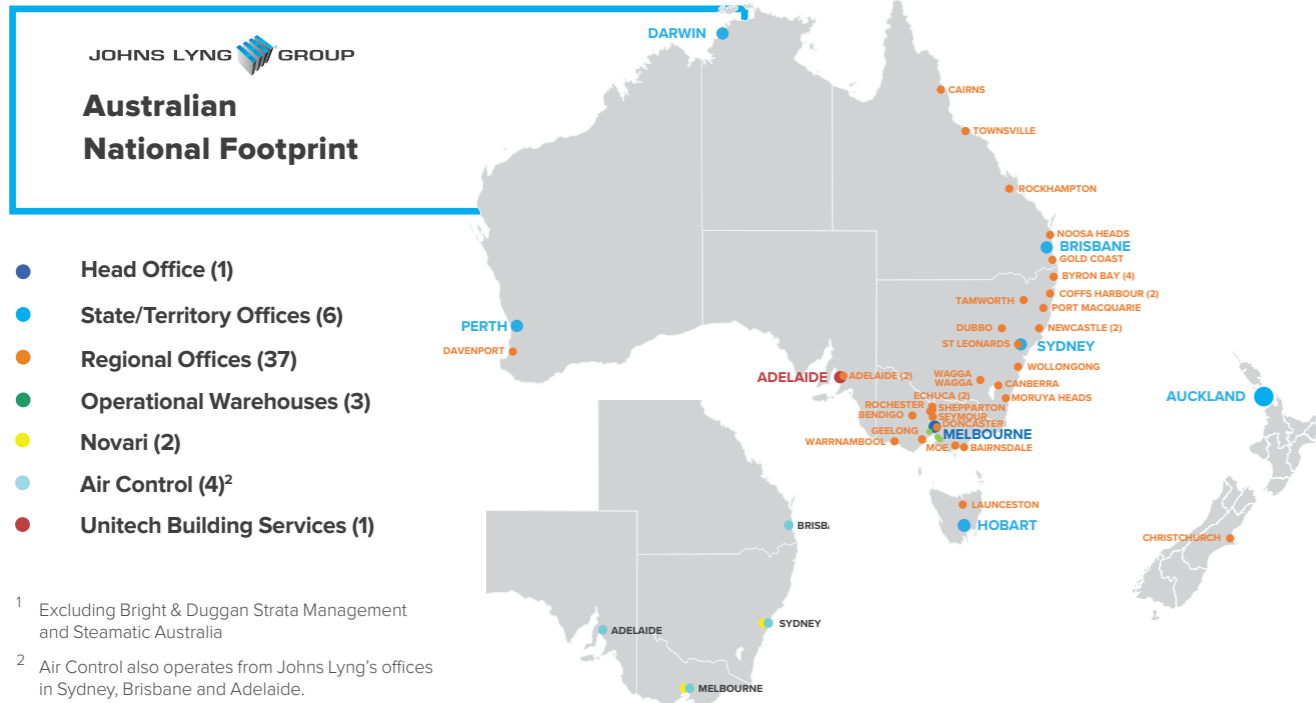
Johns Lyng's operations fall within four pillars:

- Insurance Building & Restoration Services
- Strata Building and Management Services
- Essential Home Services
- Disaster Management and Recovery Services

The Group has operations in Australia, New Zealand and the United States.

## Australia & New Zealand

Johns Lyng's core business is built on its ability to rebuild and restore a variety of properties and contents after damage by insured events and natural disasters, including impact, weather and fire events. Johns Lyng's head office is located in Melbourne, with a footprint in Australia and New Zealand of 54 locations (excluding Bright & Duggan and Steamatic Australia).



## Bright & Duggan

Founded in 1978, Bright & Duggan is a leading strata, facilities and building management business. Following Johns Lyng's initial acquisition in August 2019, Bright & Duggan has made 9 bolt-on strata management brand acquisitions.

Bright & Duggan employs more than 330 staff across 17 Australian offices with a portfolio comprising a total of 89,379 lots under strata and/or building management contracts across 3,840 buildings/ schemes.



## Steamatic Australia

Steamatic Australia is a leading national restoration services company. Established in 1986 under the Steamatic Inc. master franchise, the business currently employs more than 200 staff and operates a total of 40 locations, including 35 regional franchisees and 5 company-owned metro locations.



## United States

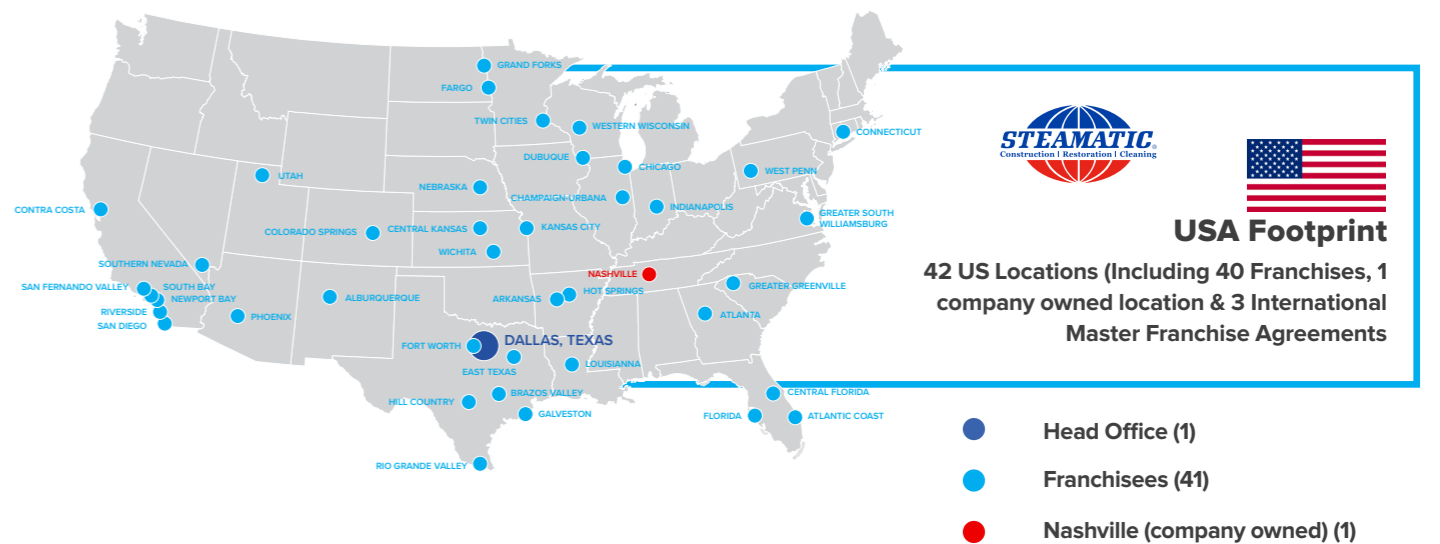
### Steamatic

In 2019, Johns Lyng acquired the trade and business assets of Steamatic Inc., a US-based fire and flood restoration services company. Established in 1948, Steamatic is a household name in the US market operating a Global Master Franchise Network with 41 US Franchisees (including 1 company owned franchise) and 3 International Master Franchise Agreements.

### Reconstruction Experts

On 1 January 2022, Johns Lyng acquired US-based Reconstruction Experts, a leading provider of insurance focused repair services to residential, commercial and industrial properties in the United States.

Reconstruction Experts employs more than 400 people across offices in four states, Colorado, Texas, Florida and California, and is currently authorised to undertake work in a total of 17 states nationally.



## Supply Chains

In FY23, JLG had a total supply chain spend of approximately \$834 million. Total suppliers across the Group numbered in excess of 15,000. Of these, are approximately 14,500 subcontractors providing a range of contractor-based services supporting operations across Johns Lyng's business divisions. The remaining suppliers supplied to Johns Lyng a diverse range of goods and services sourced from Australia and internationally.



# MODERN SLAVERY RISKS

In FY23, JLG engaged an independent specialist to undertake a risk assessment to identify and assess the risk of modern slavery in Group operations and supply chains. The risk assessment was conducted applying a methodology derived from the United Nations (UN) Guiding Principles on Business and Human Rights. Risks were identified through the lens of a Continuum of Involvement, from 'causing', 'contributing' and 'directly linked to', while the severity of risks was assessed by their scale, scope and irremediable character.



The risk assessment considered the findings of external modern slavery risk indices, including the Walk Free Foundation Global Slavery Index, in a broad range of risk areas ranging from: geographic risks, sector risks, workforce risk, and supply chain (product and services risks).

An employee survey was also conducted of a representative sample of JLG management and key functional and operational personnel across JLG businesses in Australia, New Zealand and the United States. The survey included questions to gauge views of the respondents on JLG's modern slavery risks and the adequacy and effectiveness of JLG's risk management approach.

## Operations

In FY23, Johns Lyng has assessed the risk of modern slavery within the Group's direct operations to be low. The Group has a robust system of HR policies and procedures that ensure compliance with legally mandated employment entitlements and awards across the entire Johns Lyng workforce. The policies apply to all controlled Johns Lyng entities within Australia, New Zealand and the United States.

JLG recognises that the Group operates within the construction and cleaning sectors. These sectors have been identified by the Global Slavery Index as having modern slavery risk in Australia, New Zealand and the United States due to the sectors' reliance on migrant workers who are particularly vulnerable to exploitation. However, JLG does not generally employ labourers in its service-based operations. Instead, exploitation of migrant workers is a risk that may arise in JLG subcontractors and is therefore addressed in the context of supply chain risk.

JLG's Steamatic businesses in Australia and United States operate a franchise model with third party franchisees carrying out cleaning related services. This may expose Steamatic businesses to the risk of migrant worker exploitation in the cleaning operations of third-party franchisees, noting that this is in the context of supply chain risk and not direct employees.

## Supply Chains

The Group's modern slavery risk assessment found that Johns Lyng may have exposure to modern slavery supply chain risks in two areas:

### Subcontractors

Within JLG's approximately 14,500 subcontractor base, the Group has subcontractors operating in the construction and cleaning sectors in Australia, New Zealand and the United States. As discussed above, these two sectors are among the sectors identified at risk for modern slavery in the Global Slavery Index on account of the prevalent use of migrant labour by construction and cleaning businesses.

### Procurement of goods and materials

Johns Lyng procures goods and materials directly, through corporate procurement, and indirectly when Johns Lyng contractors procure materials to fulfill works agreements. The Global Slavery Index has identified a list of 14 imported products common in G20 countries, such as Australia and the United States, which present a risk of forced labour. The Group considers exposure to be low, albeit three products are on the short list that JLG would procure, as set out in the table below.

Global Slavery Index: Products at Risk of Forced Labour	Direct Johns Lyng Group Exposure
Garments	Uniforms, workwear, PPE
Electronics	IT, computers, tablets, phones
Timber	Office paper and office furniture
	<b>Indirect Procurement Exposure (via Johns Lyng Contractors)</b>
Timber	Construction and building materials

# RISK MITIGATION ACTIONS

In FY21, Johns Lyng commenced implementation of a roadmap to mitigate the risk of modern slavery within the Group's operations and supply chains. The roadmap addresses six program areas.

Program Areas	Roadmap Actions
1. Policy and Contractual Framework	<ul style="list-style-type: none"> <li>The JLG Code of Conduct Policy was updated to include new standards of conduct applicable to modern slavery.</li> <li>In 2021, JLG introduced a Supplier Code of Conduct with modern slavery prohibitions.</li> </ul>
2. Risk Assessment	<ul style="list-style-type: none"> <li>JLG conducted its first comprehensive modern slavery risk assessment in FY21.</li> <li>Updated risk assesment conducted in FY23.</li> </ul>
3. Due Diligence	<ul style="list-style-type: none"> <li>Modern slavery content has been incorporated for all subcontractors, captured via the JLG learning platform.</li> <li>JLG employees are trained on the updated JLG Code of Conduct Policy.</li> </ul>
4. Training	<ul style="list-style-type: none"> <li>Modern slavery content has been incorporated into training for all subcontractors, captured via the JLG learning platform.</li> <li>JLG employees are trained on the updated JLG Code of Conduct Policy.</li> </ul>
5. Grievance Mechanism and Remediation	<ul style="list-style-type: none"> <li>The JLG Safe to Speak Policy outlines a whistle-blower system and incident management process that can be used by an employee of JLG to raise modern slavery concerns.</li> <li>The Safe to Speak Policy has been updated to extend to JLG suppliers and their employees.</li> </ul>
6. Monitoring, Review and Reporting	<ul style="list-style-type: none"> <li>The Group's modern slavery risk management approach is reviewed annually and reported to the Board's Risk and Compliance Committee.</li> <li>JLG issues an annual Modern Slavery Statement in compliance with the Modern Slavery Act 2018, which is approved by the JLG Board.</li> </ul>

# ASSESSING EFFECTIVENESS

Responsibility for assessing and addressing modern slavery risks has been assigned to Johns Lyng's National, HSE Risk and Compliance Manager under the oversight of the CEO JLG Australia and the Board's Risk and Compliance Committee.

The Group's modern slavery risk management approach is reviewed annually and reported to the Board's Risk and Compliance Committee.

The Group's FY23 modern slavery risk assessment included a controls assessment, which examined the adequacy of JLG's modern slavery risk mitigation processes in each of the program areas identified above. Recommendations have been made where control improvements would strengthen JLG's modern slavery risk management approach, which will guide future activity.

# CONSULTATION WITH ENTITIES OWNED OR CONTROLLED

Johns Lyng consulted with the relevant companies it owns or controls in the development of this statement. As discussed above, the FY23 risk assessment process included an employee survey of a representative sample of JLG management and key functional and operational personnel across JLG businesses in Australia, New Zealand and the United States to gauge views on JLG's modern slavery risks and the adequacy and effectiveness of JLG's risk management approach.

This statement was approved by the Johns Lyng Group Board on 8 December 2023.



**Peter Nash**  
Chairman



**Scott Didier AM**  
Managing Director and CEO

# MODERN SLAVERY ACT 2018 (CTH) STATEMENT ANNEXURE

Mandatory reporting criteria required by Modern Slavery Act 2018	Johns Lyng Group Ltd Modern Slavery Statement
Identify the reporting entity	<b>Section 1 - Introduction</b>
Describe the reporting entity's structure, operations and supply chains	<b>Section 2 - Structure, Operations &amp; Supply Chain</b>
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	<b>Section 3 - Modern Slavery Risks</b>
Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	<b>Section 4 - Risk Mitigation Risks</b>
Describe how the reporting entity assesses the effectiveness of these actions	<b>Section 5 - Assessing Effectiveness</b>
Describe the process of consultation with any entities the reporting entity owns or controls	<b>Section 6 - Consultation</b>
Any other information that the reporting entity, or the entity giving the statement, considers relevant	<b>N/A</b>

JOHNS LYNG  GROUP

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JOHNS LYNG GROUP LIMITED