

Fletcher Building (Australia) Pty Limited  
**Modern Slavery Statement 2021**



Improving the world around us through smart thinking, simply delivered



# A message from our Chief Financial Officer of Fletcher Building (Australia) Pty Ltd



This is Fletcher Building's second Modern Slavery Statement, which sets out our continuously improving efforts to identify, manage and mitigate Modern Slavery risks in our operations and supply chains.

In the past year we have established further improvements in our response to vulnerable workers and human rights abuse. Our own response to COVID-19 has also reminded us how important our supply chain partners are to us and ensuring that we have appropriate relationships, controls and visibility into our supply chain is not only essential from a human rights perspective, but equally to our success as a business.

We are committed to achieving the highest standards of ethical behaviour in the conduct of our business and activities and our supply partners must equally hold our social and governance values on this journey. We support and respect the protection of human rights and endeavour to make sure that Fletcher Building and our supply partners are not complicit in human rights abuses. To this end, we will not tolerate slavery or human trafficking or abusive or unfair treatment in any part of our own business, or in any of our supply chains.

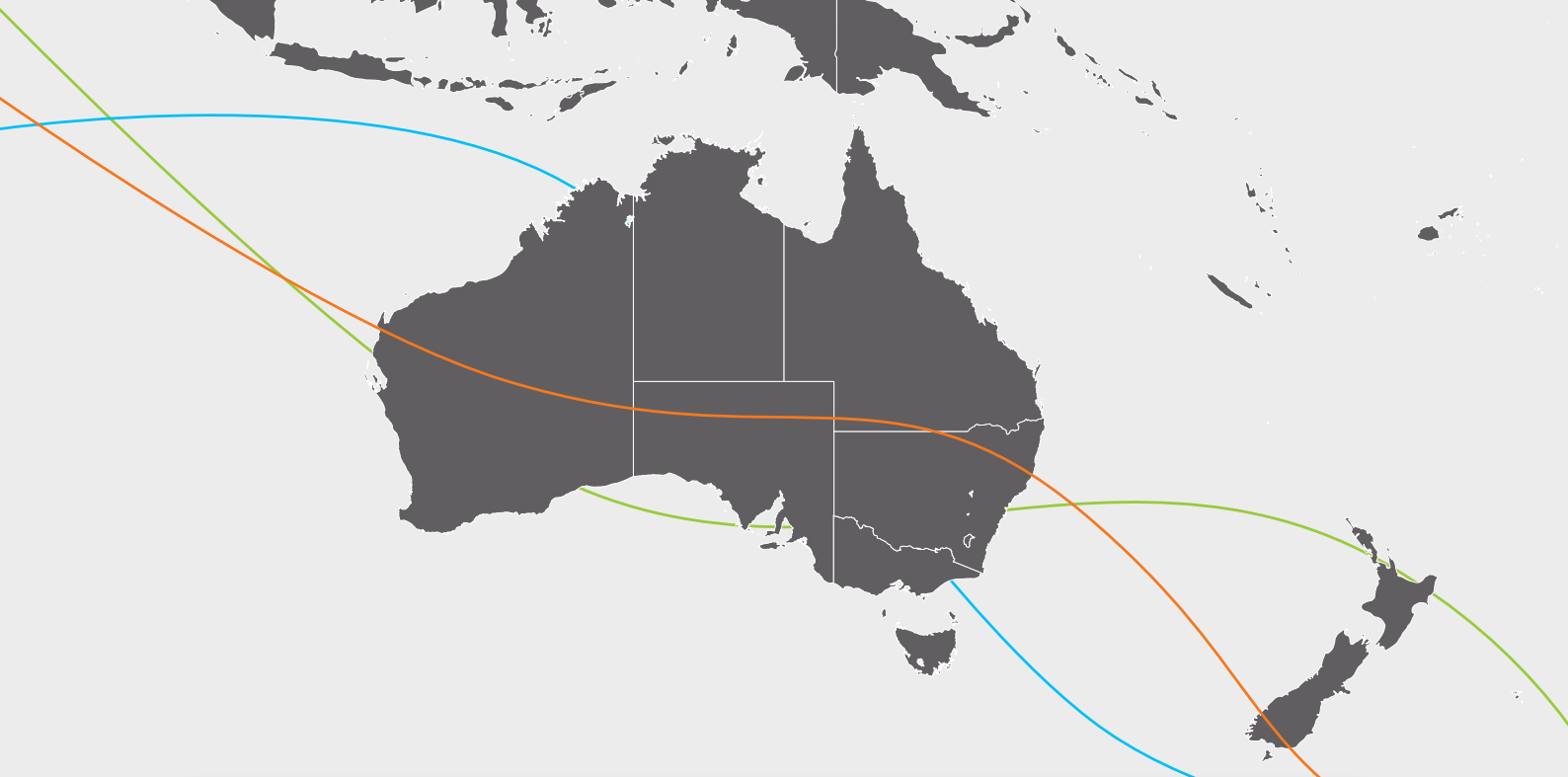
Our policies and practices in relation to procurement, human resources and corporate responsibility, support this commitment. Over the course of the past year we have seen our inaugural Modern Slavery framework become embedded into our supply chain and the commencement of the identification, review, and where required, escalation of high-risk suppliers for further investigation. Although this process has not resulted in any of our suppliers requiring remediation actions, we are not complacent as to the risks posed by Modern Slavery.

We have listened to feedback and improved our processes, and in the coming year we will be making further investments in training, guidance and Modern Slavery processes for our employees. In addition, we are moving from a 'procurement led' model to a 'business led' approach to Modern Slavery governance which will operationalise our policies, engaging more stakeholders across our business as we all have a responsibility to eradicate the risks of Modern Slavery.

This Modern Slavery Statement was approved by the Board of Fletcher Building (Australia) Pty Ltd.

A handwritten signature in black ink that reads 'MBrodie'.

**Matthew Brodie**  
Chief Financial Officer  
20 December 2021



Fletcher Building Group Revenue FY21

**\$8,120m\***

Australian Revenue FY21

**\$2,773m\***



**300+**

Business locations  
across Australia



**10,000+**

Suppliers to  
Australian businesses



**870**

Top suppliers



**14,500**

Employees in Australia,  
New Zealand and the South Pacific



**4,378**

Employees in Australia

\*From FY21 Annual Report which includes the Rocla business. All references to currency in this Modern Slavery Statement use the Fletcher Building Group currency which is New Zealand dollars.

This statement is made and published on behalf of Fletcher Building (Australia) Pty Limited and its subsidiaries pursuant to s.14 of the Modern Slavery Act 2018 (Cth) (Aust) (the Act). References to "Fletcher Building", "we", "us", "our" are to these bodies, together with the related entities that carry on the Fletcher Building business inside Australia.

# Overview

Our impact spans the full construction value chain. We are driven through efforts to create a better more sustainable world. We want to be smart and innovative in all we do, making our customers' lives easier in the process.

Dual-listed on the ASX and NZX, Fletcher Building operates through six divisions – Building Products, Distribution, Concrete, Residential and Development, Construction, and Australia. Fletcher Building (Australia) Pty Limited (“Fletcher Building Australia”) is Fletcher Building’s holding company for its Australian Businesses.

Our Australian Businesses manufacture and distribute high-quality building materials for a broad range of industries, employing people at manufacturing, distribution and sales sites across Australia. We manufacture products used to build homes, buildings and infrastructure, including insulation, plasterboard, laminate surfaces, steel roofing, and plastic piping. The Australian operations span more than 300 operating sites across the country and employs approximately 4,378 people.

The Australian Businesses include Laminex, Iplex Pipelines, Fletcher Insulation, Tradelink, Oliveri Solutions, and Stramit and those entities listed on page 9 (our Businesses).

During the reporting period, senior representatives from Fletcher Building Australia Group have actively engaged and consulted with all of our Businesses. This consultation was conducted via monthly procurement meetings, with supply chain representatives from each of our Businesses, where the Modern Slavery governance framework and the methodology for identification of risks in our business were actively discussed and best practices provided. In addition to this our audit function conducted a review (further details below) to assess the effectiveness of the implementation of our Modern Slavery policy in each of our Businesses.

Member of

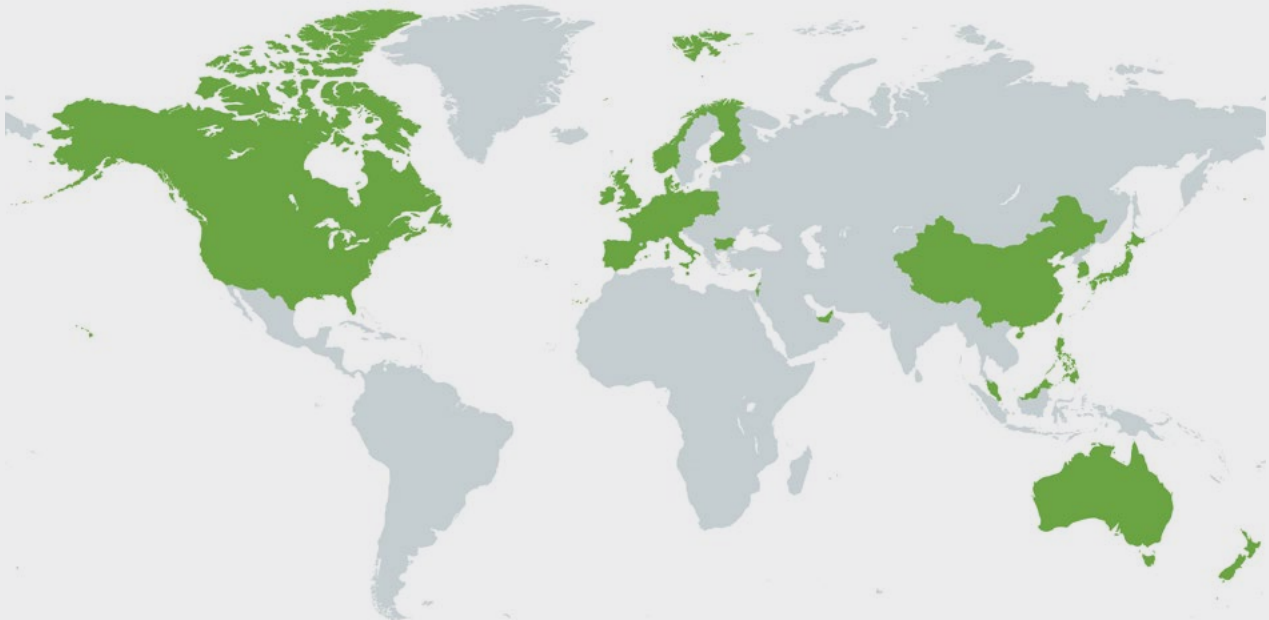
## Dow Jones Sustainability Indices

Powered by the S&P Global CSA

Fletcher Building has a comprehensive sustainability strategy, encompassing our operations and supply chain, and this includes a focus on human rights. We are members of the Asia-Pacific Dow Jones Sustainability Index, and of organisations including Champions for Change, the New Zealand Sustainable Business Council and Supply Nation in Australia that focus on improving diversity and representation within businesses and their supply chain.

### OUR OPERATIONS AND SUPPLY CHAIN

Our Businesses have relationships with a large number of suppliers, both nationally and internationally. Over 90% of our largest suppliers are based in Australia, with the remainder of our products, raw materials and services sourced from a range of countries as shown by the diagram below.



We have diversified Businesses which have a wide range of products and services supporting our operations include:

- **Finished goods:** these goods include taps, sinks and a range of other items are sold to our end customers;
- **Raw materials:** are used in our manufacturing processes to produce a wide range of goods which are sold to our customers;
- **Services:** a range of service providers enable our operations across Australia;
- **Site, office and home locations:** our physical locations for manufacturing, distribution, retail, back-office administration and private homes;
- **Technology providers:** IT hardware and software service providers which support our operations;
- **Our workforce:** our workforce contains a mix of employees and labour-hire workers.

\*Suppliers with a spend in excess of AUD\$100,000.

# Our Modern Slavery Risk Assessment

## IDENTIFICATION OF MODERN SLAVERY RISKS

A group of stakeholders from across our Businesses were brought together to review our response to the Act and external best practice available to be used to produce our response to Modern Slavery risks. The output of this group produced a risk-based approach to Modern Slavery risks to ensure that Fletcher Building Australia takes appropriate action to address the risk of Modern Slavery existing within our Business' supply chains.

**Our methodology for identification of Modern Slavery risks includes these key factors:**

**Spend with supplier:** The greater our spend with a supplier, the greater the level of understanding of each of our Businesses, resources and capacity to work together to ensure our standards are achieved and may reduce the risk of Modern Slavery.

**Supplier location:** Various regional influences such as cultural, political, regulatory or developmental status in some countries or regions may increase risks related to Modern Slavery.

**History of Modern Slavery related risks:** Suppliers in industries which are predisposed to low cost labour or have a history of unethical behaviour are monitored by our Dow Jones reporting tool and reported to our procurement team.

**Direct or indirect supply:** The type of goods or service procured will impact the chain of supply relating to that product or service with some goods having tiers of suppliers (indirect) and others being directly procured by Fletcher Building Businesses. Our visibility into each supplier reduces the more indirect the level of procurement. General speaking, finished goods will have a longer supply chain (more indirect) which will be further removed from Fletcher Building and have less transparency than raw materials or services supplied directly to us, where we will have more control and visibility with direct relationships.

**Status of contract:** We have updated our purchasing agreements and introduced our Supplier Code of Conduct which is required to be signed by each new or renewing supplier. Suppliers are also required to complete our Supplier Questionnaire; suppliers who refuse to complete or where answers are non-compliant will be escalated to our Australian Modern Slavery Steering Group.

**Ability to audit:** Suppliers which are audited either by Fletcher Building representatives or by third parties on behalf of Fletcher Building (and successfully pass our criteria) have a reduced risk to our Businesses.

**Our risk assessment and associated actions for our Businesses are outlined below:**

**Workforce (including labour hire) risk:** i.e. any person in Fletcher Building's workforce, whether employees or temporary labour hire workers, are subject to conditions which might be considered to constitute Modern Slavery. Our risk assessment concluded that the risk was higher for labour hire workers, although Fletcher Building has only a small portion of its total workforce employed as temporary workers, and all are within Australia or New Zealand.

Our Businesses employ over 4378 people in Australia with less than 10% of our workforce being temporary workers. Approximately 85% of our temporary workers are front line workers with the remainder being back-office support staff and managers. Recognising there is a greater risk of vulnerable workers in this community in 2021 we undertook a comprehensive review of our tier 1 labour hire suppliers and entered new agreements which include our new Supplier Code of Conduct and new health, safety and audit provisions to provide greater visibility and reduce the risk of abuse of this group.

## OUR WORKFORCE IN AUSTRALIA

		Independent Contractors	
	Employees	Independent Contractors	Back Office / Managerial
		Front Line Workers	
Laminex	1,343	6	6
Iplex	500	4	3
Tradelink	1,335	-	-
Oliveri	48	-	-
Stramit	792	149	21
Fletcher Insulation	245	124	4
Divisional Support and Functions	115	12	12
<b>Total</b>	<b>4,378</b>	<b>295</b>	<b>46</b>
<b>Percentage</b>	<b>93.7%</b>	<b>6.3%</b>	<b>15.9%</b>

Source: HR survey completed in December 2021.  
Number of Australian employees and contractors as at December 2021.

“

The protection of people is paramount. We endeavour to make sure that Fletcher Building and our supply partners are not complicit in human rights abuses. To this end, we will not tolerate slavery or human trafficking, abusive or unfair treatment in any part of our own business, or in any of our supply chains. Our policies and practices in relation to procurement, human resources and corporate responsibility, support this commitment. ”

Matthew Brodie, Chief Financial Officer, Fletcher Building (Australia) Pty Limited.

# Our Modern Slavery Risk Assessment

**Supply chain risk:** i.e. suppliers of goods and support services for our production and distribution sites and/or office locations may subject their staff and contract workers to conditions which might be considered to constitute Modern Slavery.

**Our risk assessment concluded:**

- **Suppliers of goods:** i.e. the suppliers of raw materials and finished goods used in our supply chain such as raw materials (e.g. resins, steel), finished goods for resale (e.g. sinks, taps), consumables (e.g. personal protective equipment) and hired assets (e.g. forklifts, trucks), present for the most part a low risk as the vast majority are sourced from within Australia. In accordance with our risk methodology, those suppliers which manufacture overseas (e.g. Asia), have a history of Modern Slavery related risks, or those that have longer, indirect supply chains present a higher risk. To date no material risks or breaches have required remediation.
- **Service providers:** i.e. the suppliers of services to enable our sites and office locations to operate such as catering, security and cleaning, as well as freight and travel service providers, in some instances present a risk and have been monitored closely with all suppliers receiving Modern Slavery questionnaires and assessment by our reporting tool. To date, no material risks or breaches have required remediation.
- **Site, office and home locations:** i.e. the manufacturing, distribution and retail sites together with the offices and private homes we work from present a low-risk as they are all located within Australia.
- **Technology providers:** i.e. IT hardware and software and print services that support our business is generally considered low risk given the maturity of the industry, strong supplier reputations and professional nature of the services rendered.

**The most relevant of the policies and procedures that we have in place, and the steps that we have taken to mitigate against any risks of Modern Slavery, include:**

- **Our Supplier Code of Conduct** which sets out the conduct that we expect of our contractors and suppliers, and explicitly states that we will not tolerate slavery or human trafficking;
- **Our Human Rights Policy** outlines how Fletcher Building will uphold and monitor human rights within our business operations;
- **Our Sustainability Policy** which, among other things, confirms our commitment to uphold human rights within our business and across our supply chain;
- **Our Terms and Conditions of Purchase of Goods or Services** which aims to ensure that all goods and services acquired on behalf of Fletcher Building are acquired in line with procurement best practice, at the lowest acceptable risk profile and with proper consideration of the social, environmental and ethical impacts of such activity;
- **Our Global Whistleblowing Protection Service** which includes a free phone service known as 'FBuCall' which can be used by any Fletcher Building personnel, customer, supplier or other individual to report suspected unacceptable, unethical or illegal behaviour. This service is operated by external providers who act as an independent third party to ensure, amongst other things, that the calls are kept anonymous where requested by the user.
- **Employee Code of Conduct** sets out the behaviours and conduct that we expect of our employees and temporary workers across our Businesses.



# Our governance, policies and procedures

**We have a zero-tolerance approach towards Modern Slavery and all forms of discriminatory or exploitative behaviour and treatment.**

## RISK MANAGEMENT GOVERNANCE

Fletcher Building’s risk management framework is aligned with ISO31000: 2018 Risk Management - Principles and Guidelines Standard. The purpose of the risk management framework is to ensure that the key risks we face are identified, assessed, controlled, monitored and reported, so that the Group can achieve its objectives and protect its staff, customers and reputation. The framework provides a consistent structure for: risk management, business processes, corporate knowledge and technology, and alignment with Group strategy.

The Group’s risk management framework is based on the three lines of defence model, as shown in Figure 1 below. Responsibility

for operational risk management sits with the managers in the individual business units and the divisional chief executives. Our risk management and assurance processes support this through our Group functions and are ultimately overseen by the Board and the executive leadership team. A dedicated internal audit team takes a risk-based approach to auditing key business activities and reports directly to the Audit and Risk Committee.

As part of its risk management responsibilities, the Audit and Risk Committee receives regular reports of the existing and emerging key risks, progress on the closure of recommendations that are generated through the risk engineering programme, current and target risk ratings as well as controls to mitigate or manage risks.

Below the Audit and Risk Committee, our Australian Modern Slavery Steering Group (which includes members from across Supply Chain, Finance and Legal) is responsible for developing and implementing initiatives that address and minimise the risk of Modern Slavery in our Businesses via a set of policies and procedures.

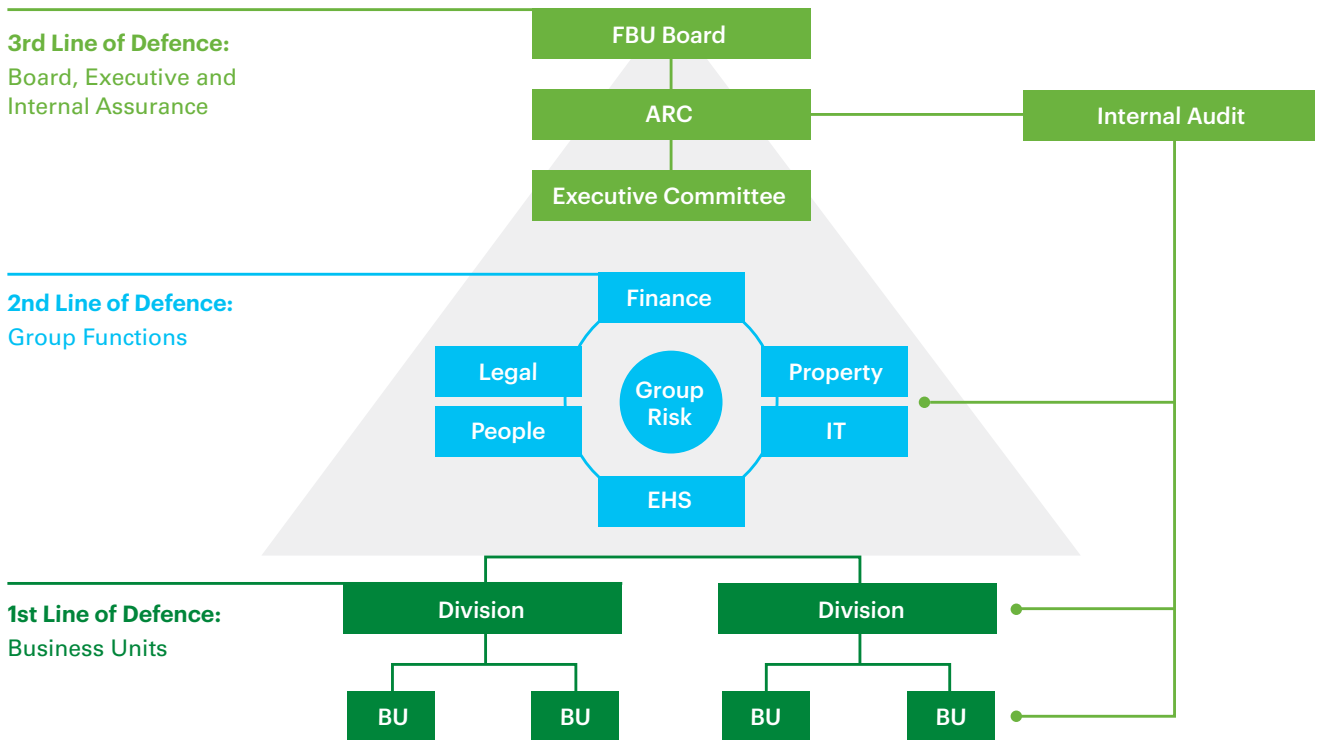


Figure 1

# Our actions

## We recognise that the greatest risk of Modern Slavery is in our supply chain.

From a modern slavery perspective we have taken the following action to embed our policies and procedures:

- **Modern Slavery governance framework:** We have embedded a scalable framework to identify, track, escalate and remediate Modern Slavery risks across our Businesses which is currently led by procurement representatives from each of our business areas and reports to the Australian Modern Slavery Steer Group to assess any identified potential breaches.
- **Modern Slavery resources:**
  - › *Risk assessment tool:* A risk assessment tool is used to support our review of supplier compliance with the Act by providing both historical and current information based upon tailored filters relevant to our Businesses.
  - › *Supplier questionnaire:* The user-friendly questionnaire is used for (i) new suppliers and (ii) existing suppliers operating in high-risk industries / geographies or otherwise identified as higher risk to us. The questionnaire requires suppliers to self-assess against the Fletcher Building Supplier Code of Conduct.
  - › *Third parties:* We use trusted third parties to support our risk assessments via the provision of supplier information and the performance of independent reviews.
  - › *Training and best practice:* In 2021 we updated our Modern Slavery assessment and awareness materials and shared our learnings via our monthly procurement calls with attendees from each of the Businesses.
- **Modern Slavery processes:** Our Modern Slavery risk assessment process for both existing and new suppliers ensures any identified risks are escalated quickly to key decision makers:
  - › *New suppliers:* our supplier onboarding process includes a risk-based assessment of new suppliers and requires the completion of the supplier questionnaire.
  - › *For existing suppliers:* we have identified those suppliers operating in high-risk industries, geographies or similar and required the completion of the supplier questionnaire.
- **Contractual protections:** Our updated supplier contract terms include warranties that suppliers comply with all Fletcher Buildings required 'attributes' including applicable laws, regulations, and Fletcher Building's Supplier Code of Conduct in an ethically compliant manner including with our standard business practices terms. These terms cover (amongst other things) labour and workplace management, and address matters such as child forced and involuntary labour, fair pay and working conditions, training, learning and development opportunities. Following feedback from our Businesses we will be introducing further contract management guidance to assist with the effective use of our contract terms across a variety of circumstances (for instance, where our contractual terms are not the basis for the supply of goods or services and in circumstances when purchase order terms are used).

- **Supplier audits:** The content and scope of our supplier audits have been updated to include reference to our updated Supplier Code of Conduct, workplace safety, labour laws and human rights compliance. In some instances, these audits are outsourced where location and/or greater Modern Slavery risks are identified. Where issues are identified, follow up audits are arranged to ensure that remediation measures are incorporated and, if not, escalated.
- **Outcome of these measures:** Following the implementation of these measures in 2021, a number of supplier issues were identified by representatives of the Businesses. In accordance with our Modern Slavery framework, these issues were then escalated from the Businesses to the Australian Modern Slavery Steer Group for consideration. Following review of each of these measures, in accordance with our risk methodology, it was determined that there were no significant issues or breaches across our Businesses in 2021.

## IMPACT OF COVID-19

In FY21 we have continued to actively manage the risks arising from the COVID-19 pandemic. Through the year, the Group's crisis management framework has supported relevant business units and divisions to respond to the dynamic operational environment created by COVID-19. The Australia Division's Crisis Management Team was activated as and when required during the year to address group-wide COVID-19 responses.

The impact of COVID-19 has inhibited our ability to meet face-to-face however we were able to meet virtually by the use of video conferencing technology to progress our actions required to address the risks of Modern Slavery. We have worked hard to maintain our supplier relationships and, where required, have opened new and transparent lines of communication in respect to the risks of COVID-19 with our supply chain partners.

Our Businesses continue to operate in full compliance with the government's Covid-19 response, changing laws and regulations, ensuring the continued health and wellbeing of our staff, contractors, partners and customers.



# Effectiveness of Our Actions to Prevent Modern Slavery and Future Plans

**We recognise that our efforts to identify and address the Modern Slavery risks in our supply chain will be an ongoing and evolving process that we are committed to continue to build upon.**

Whilst we have to date not identified any material Modern Slavery risks in our Businesses we are committed to continuous improvement so our audit team conducted a review of our supply chain and operations to determine what additional measures are required to address Modern Slavery risks in our Businesses. The assessment addressed:

- the awareness and understanding of Modern Slavery risks; and
- the effectiveness of the implementation of the Modern Slavery framework.

This feedback found that we needed to lift awareness generally as to the risks of Modern Slavery across our business, including the methodology we use to assess the risks of Modern Slavery and vulnerable workers. Subsequently, a number of recommendations have been endorsed to be implemented, including:

Focus Area	Objective	Target Outcome
<b>Awareness</b>	Transition to a business-led (rather than supply chain-led) approach to raise awareness of Modern Slavery risks.	Raise awareness and embed application of our Modern Slavery policies and procedures within the Businesses.
	Improve the application of our Modern Slavery framework by our Businesses.	Refresh the Modern Slavery framework with (i) clear roles and responsibilities; and (ii) methodology to identify Modern Slavery risks.
<b>Risk identification</b>	Deliver training which includes the application of our Modern Slavery governance framework and the methodology to identify potential cases of Modern Slavery in our supply chain.	Refreshed Modern Slavery content and materials made available to all supply chain and non-supply chain employees (who are involved in material purchasing activities).
<b>Risk mitigation</b>	Contract management guidance to assist with enforcing of our compliance obligations on third party suppliers.	Improved contract outcomes for all Tier 1 supplier negotiations.

We will introduce these measures, along with refreshed whistleblower protection training, into our Businesses and operations as we continually adapt and strengthen our actions and response to the risks associated with Modern Slavery.

## APPROVAL

This statement was approved by the board of Fletcher Building (Australia) Pty Limited for and on behalf of the relevant entities:

- Amatek Holdings Pty Limited
- Amatek Industries Pty Limited
- Amatek Investments Pty Limited
- Austral Bronze Crane Copper Pty Limited
- Bandelle Pty Limited
- Baron Insulation Pty Limited
- Crane Enfield Metals Pty Limited
- Crane Group Pty Limited
- Crane Share Plan Pty Limited
- Crevet Pipelines Pty Limited
- Crevet Pty Limited
- CTCI Pty Limited
- EE-Fit Pty Limited
- EFA Technologies Pty Limited
- FBHS (Aust) Pty Limited
- FBSOL Pty Limited
- Fletcher Building (Australia) Pty Limited
- Fletcher Building Products Australia Pty Limited
- Fletcher Industries Australia Pty Limited
- Fletcher Insulation Pty Limited
- Gatic Pty Limited
- Geraldton Independent Building Supplies Pty Limited
- Iplex Pipelines Australia Pty Limited
- Iplex Properties Pty Limited
- Key Plastics Pty Limited
- Kingston Bridge Engineering Pty Limited
- Laminates Holdings Pty Limited
- Laminex Group Pty Limited
- Laminex Overseas Holdings Pty Limited
- Laminex US Holdings Pty Limited
- Milnes Holdings Pty Limited
- Morinda Australia Pty Limited
- Northern Iron and Brass Foundry Pty Limited
- Oliveri Solutions Pty Limited
- Polymer Fusion Education Pty Limited
- S Cubed Pty Limited
- Stramit Corporation Pty Limited
- Tasman Australia Pty Limited
- Tasman Building Products Pty Limited
- TBP Group Pty Limited
- Tradelink Pty Limited

