

Modern Slavery Statement

2024 / 25



Introduction

This Modern Slavery Statement 2023-2024 ("Statement") is made of behalf of Fairbrother Pty Ltd and its controlled subsidiaries ("Fairbrother") that are reporting entities in accordance with the requirements of the Modern Slavery Act 2018 (Cth) for the financial year ended June 30, 2024.

This statement is Fairbrother's fifth under the Modern Slavery Act and outlines the approach taken by Fairbrother to address risks of modern slavery within our operations.

There are no changes in structure or operations during 2023-24.

Modern Slavery and worker exploitation manifests in various forms including, but not limited to, human trafficking, forced labour, servitude, debt bondage, child labour and deceptive and exploitative employment arrangements.

Fairbrother's foundation is built on our guiding principles and values. It is these non-negotiable foundations that drive us to value and promote strong corporate responsibility and to maintain high ethical standards in our operations. Refer to our website www.fairbrother.com.au for further details.

We are committed to working with our supply chain partners to eliminate risks of modern slavery within our operations and extended supply chain.

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



Craig Edmunds
Chairman

Overview



Fairbrother Pty Ltd is a privately-owned building and construction company and operates solely within Australia. Head Office is located at 12 Stony Rise Road, Devonport, Tasmania (ABN 51 009 510 561).

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

This reporting statement also includes our fully owned subsidiary company – Degree C Pty Ltd (ABN 16 009 587 008), head office located at 2 Fairair Court, Ulverstone, Tasmania. 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 has also established a charitable foundation and trust.

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)

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.

We are proud of our reputation for quality, innovation and collaboration and our wonderful workforce who are some of the best talents in the industry.

Our people are the heart of who we are. It is our people that have developed a core set of guiding principles that guide us in our pursuit to be a symbol of excellence in the Australian construction industry and who drive our unwavering pursuit for quality outcomes for our clients.

We are strongly engaged with, and committed to, the communities in which we operate and are proud of the economic and social benefits we are able to provide to these communities, both directly and through our charitable pursuits.

Our strong culture and engagement with our employees are why we are able to achieve great things and why we are confident we also champion a zero tolerance to modern slavery and are committed to preventing any form of slavery or exploitation in our operations and supply chains.

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 their own workforce, who are all engaged under Australian industrial agreements or common law contracts, with the exception of utilising respected local labour hire firms for short-term needs.

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

We view our relationship with subcontractors engaged to undertake specialised work on our projects as a partnership. It is important to us that these contractors are known to us and that they also share similar values and principles to our own.

However, we do recognise that the construction industry is potentially a high-risk sector due to its varied and complex supply chains. An estimated 220 million people or 8% of the global workforce works in construction¹.

Approximately 50 million people² 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.

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.

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.

¹ International Labour Organisation (ILO) estimate – 2020

² Global Estimates of Modern Slavery – Walk Free (ILO). Global Estimates of

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 further progress in relation to our identified actions.

We have further enhanced our key policies and procedures to ensure our commitment to supporting the principles of the Modern Slavery Act is clearly communicated throughout our business. We have updated our key procedures around contracting and purchasing to include questions

related to Modern Slavery compliance.

Modern Slavery awareness training incorporating education of our company policies that outline our commitment to eliminating these instances from our operations and to foster a high level of diligence when engaging with suppliers and subcontractors has now been provided to all employees who's role influences purchasing, contracting or labour hire decisions. This is now an integrated compulsory requirement in our employee onboarding process. To date this training has been provided to 120 employees across both associated entities.

Our Total Integrated Management system (TIMS) includes various formal policies and procedures that guide our employees in how to conduct business with a strong ethical base and compliance obligation. Such policies include amongst others our Modern Slavery Policy, Workplace Behaviour, Whistleblower Protection Policy, Procurement Procedure, and Diversity and Inclusion Policy.

Effectiveness and remediation - actions for the upcoming period

While our previously stated position of assessing the risk of any of our contractors or suppliers breaching the principles of the modern slavery act as low remains unchanged, 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 continue to deliver employee awareness training of modern slavery and our policies.

If we identify high levels of risk within our supply chain, we will review this with our key procurement staff and the suppliers involved to ensure this reflects our commitment.

We will undertake a review of our key suppliers and contractors to assess their level of engagement and commitment and will communicate with selected parties for the purpose of increasing awareness.

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

WHO WE ARE

OUR PURPOSE

To provide a workplace founded on Our Guiding Principles where our people can learn and grow to their highest potential

OUR VISION

A symbol of excellence in the Australian construction industry

OUR GUIDING PRINCIPLES

Our people have developed a core set of guiding principles that form the foundation of all company activities and decision-making processes. These guiding principles are a perpetual part of our company's character and remain constant in an ever-changing world. They are:

Valuing our people and their individual strengths as the company's greatest asset

Embracing quality in everything we do

Instilling honesty, integrity and professionalism in everything we do

Demonstrating and rewarding a never ending commitment to innovation and continuous improvement

Providing career path opportunities for all our people including ongoing training for skills advancement and development

Providing appropriate recognition, encouragement and reward to our employees for their accomplishments

Working together as a team for the achievement of a common goal

Providing unparalleled service to our customers

Having the courage to do the difficult things

Using open and effective communication at all times

Maintaining a proactive, positive, compassionate and caring attitude

Exhibiting loyalty to our company, our colleagues and our clients

Demonstrating a commitment to the health and safety of our people

Respecting and caring for the environment

Passionately believing in our company and our people

Working to receive a satisfactory profit for our work

Contributing as good corporate citizens to the well-being of our community on an ongoing basis

OUR VALUES

Our people above all else

Honesty and integrity at all times

Quality work as the accepted standard

Innovation and continuous improvement

Community contribution



Kurt Arnold

Chief Executive Officer

FAIRBROTHER PTY LTD

25 October 2023