Etex Australia

Modern Slavery Statement 2023

etex
inspiring ways
of living

A message from our Regional Head

At Etex, we seek to inspire ways of living by creating products and services for a sustainable future. We are committed to promoting a sustainable society and economy through our values– Connect and Care, Passion for Excellence, and Pioneer to Lead. We acknowledge the extensive reach of our global supply chain and remain committed to fighting modern slavery in all its form. Throughout 2023, our team has diligently evaluated suppliers to maintain a responsible and ethical global supply chain network.

We are pleased to present our fourth Modern Slavery Statement, covering the reporting period from January 1, 2023, to December 31, 2023. This report details our commitment to policies and measures to identify and combat modern slavery risks within our operations and supply chains. Our focus is on continuous learning and sharing knowledge, aiming to inspire a collective effort to protect human rights and uphold freedom for all.

This Modern Slavery Statement has been approved on 24 June 2024 by the board of Etex Holding Australia Pty Ltd and its controlled entities, including Etex Australia Pty Ltd, our only operating concern in Australia in their role as principal governing body.

Gavin Burton
Regional Head of EBP APAC
Etex Holding Australia Pty Ltd/Etex Australia Pty Ltd
June 2024

Disclosure

During the 2023-24 financial year, Etex Group signed an agreement with the Australian construction materials company BGC to acquire its plasterboard and fibre cement businesses. The acquisition was completed on 1 March 2024, following which BGC plasterboard and fibre cement businesses are part of Etex Australia Pty Ltd and will be included in the 2024 Modern Slavery Statement.

About this statement

Mandatory Criteria One and Two: Operations and supply chain

Operations

Etex Australia Pty Ltd is a manufacturer and distributor of lightweight construction solutions under the Siniat brand including plasterboard, compounds, and light weight metal framing systems. Now employing over 340 teammates our organisation has operated for over 30 years in Australia, starting in the early 1990s as a new manufacturer to the Australian construction industry. We have plasterboard manufacturing facilities in Matraville (Sydney, NSW), Altona (Melbourne, VIC), and Bundaberg (QLD). Our compound manufacturing is based in Altona (Melbourne, VIC) and our metal profile lines are in Beenleigh (Brisbane, QLD).

Our products are distributed via a national distribution network comprising of company owned retail stores, independently owned and operated Plastamasta stores, and other independent retailers. Our manufacturing facilities are certified and independently audited to the stringent requirements of management system standards including:

ISO 9001:2015 Quality
ISO 14001:2015 Environment
ISO 45001:2018 Health & Safety

Figure 1. Our Operations

Plasterboard

Our range of Siniat plasterboard products for internal wall and ceiling linings includes performance boards for fire, water, impact and sound resistance and high performance specialty multi-function boards.

Compounds and Accessories

We manufacture and distribute a range of Siniat compounds for the finishing of our internal wall and ceiling systems, as well as a range of associated accessories such as paper tape.

Metal

We design and manufacture a comprehensive range of Siniat metal framing components for use with our wall and ceiling systems.

Supply chain

We prioritise sourcing goods locally whenever possible. In 2023, 91.9% of our total spending was with Australian suppliers, while only 8.1% was with international suppliers. Our network of international suppliers is spread across various countries including New Zealand, the United States, Singapore, South Korea, China, Thailand, and various European countries.

Figure 2. Geographic spread of our supply chain

Our main spend categories are:

- Raw materials;
- Energy;
- Merchandise; and
- Overhead spending (such as labour hire, IT, and professional services).

Our primary spending area is the procurement of raw materials, which accounts for 45.3% of our budget. A substantial 96% of our raw material expenditure is dedicated to purchasing from Australian suppliers, including locally sourced gypsum, plasterboard liner paper and steel coil. Another major spend category includes local overheads, which make up 33.2% of our budget, while overseas overheads account for 5.2%. Smaller spend categories include locally sourced energy at 7.9% and merchandise, with 7% sourced locally and 1.4% from overseas.
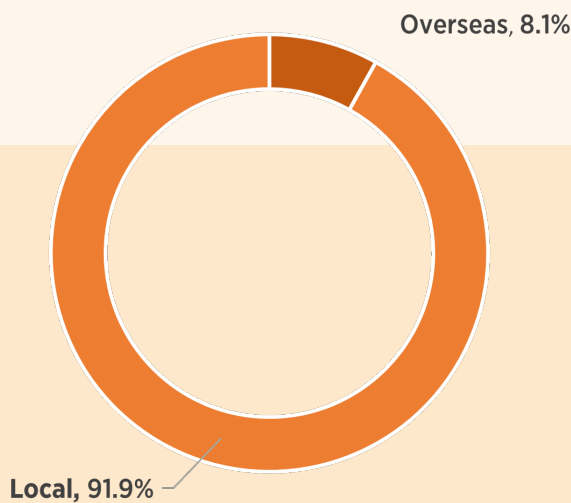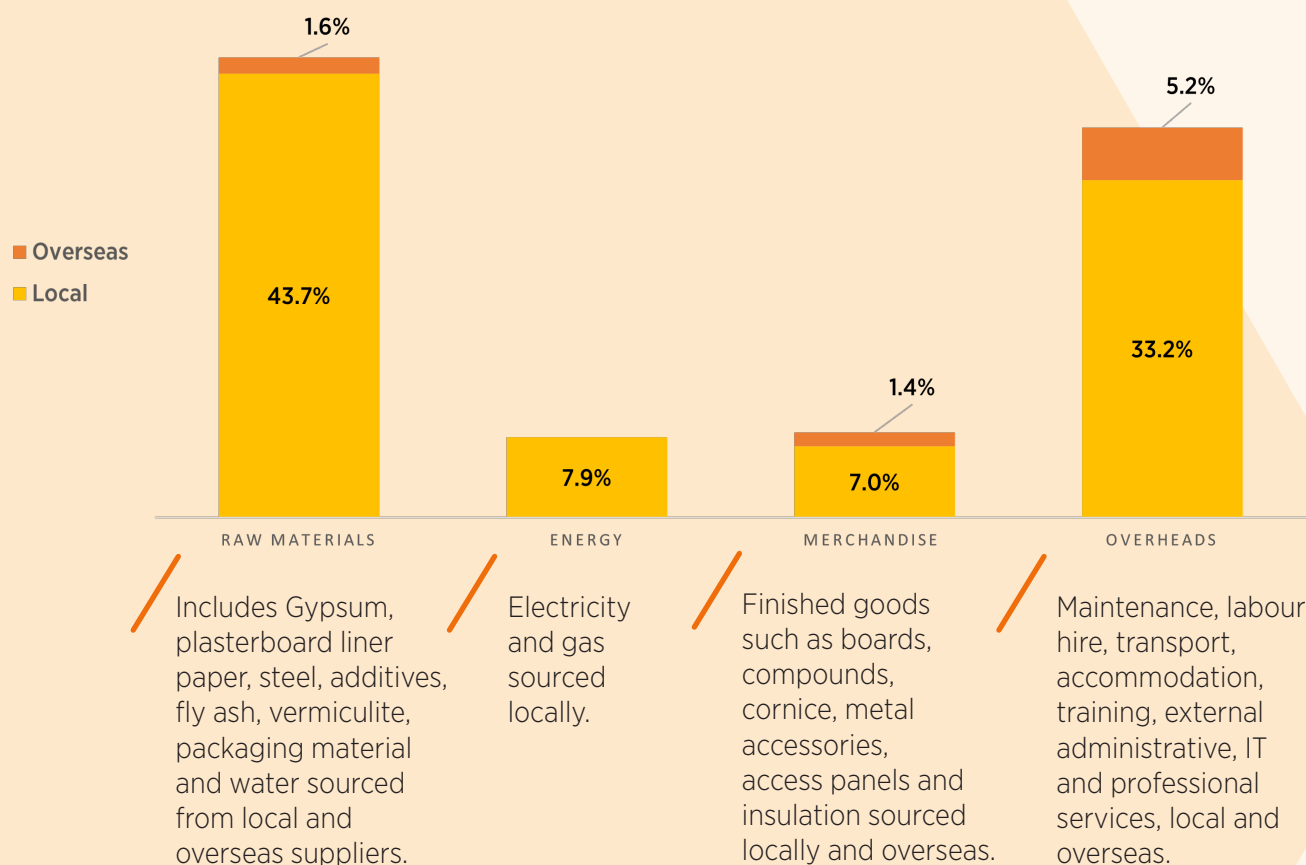
Figure 3. Local vs Overseas supply chain spend

Overseas, 8.1%

Local, 91.9%

Figure 4. Supply chain by spend category and origin

- Overseas
- Local

1.6%

43.7%

RAW MATERIALS

7.9%

ENERGY

1.4%

7.0%

MERCHANDISE

5.2%

33.2%

OVERHEADS

Includes Gypsum, plasterboard liner paper, steel, additives, fly ash, vermiculite, packaging material and water sourced from local and overseas suppliers.

Electricity and gas sourced locally.

Finished goods such as boards, compounds, cornice, metal accessories, access panels and insulation sourced locally and overseas.

Maintenance, labour hire, transport, accommodation, training, external administrative, IT and professional services, local and overseas.

Mandatory Criterion Three: Identifying modern slavery risks

We have continued to take steps to identify the potential risks areas for modern slavery practices in our operations and supply chains, to support our risk management approach.

In our operations

Etex does not tolerate any form of human rights violations and supports the relevant national laws and the applicable provisions of the Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, the International Covenant on Economic and Social Rights as well as the principles concerning fundamental rights in the 1998 International Labour Organisation Declaration on Fundamental Principles and Rights at Work. We have assessed the risk of modern slavery in our operations and reviewed our policies and its effectiveness and believe that the risk remains very low.

We have predominantly high skilled labour requirements in our workforce, as well as only using labour hire companies who are appropriately qualified, such as under the Queensland Labour Hire Licensing requirements.

There are strong human resources controls in place for the review of employees' wages and salary, and we ensure that employees are aware of and comprehend our company guidelines and policies. This includes an anti-bribery and corruption, and competition law.

We have The Etex Way – our code of business conduct that acknowledges our responsibility to respect human rights in our operations, and support protecting internationally proclaimed human rights. At Etex its leaders and employees are expected to always behave safely, ethically, and in compliance with applicable laws and regulations in all areas of operation. Etex does not tolerate unlawful exemptions relating to human rights, environmental, health, safety, labour, taxation, financial incentives, or other issues.

Etex SpeakUp Policy supplements the Etex Way that provides guidance on how to report suspected violations of the Etex code of business conduct, Etex's internal policies and procedures, or the law. It offers an additional internal reporting channel the "SpeakUp Line" which is a reporting tool provided by an independent third-party allowing web and phone intake which is specifically designed to preserve the confidentiality, and if need be, the full anonymity of the person reporting a concern.

Worker engagement and participation is emphasised throughout our operations via consultation processes which include team meetings, EHS committees, consultative committees, as well as communication via structured company-wide communications meetings and regular surveys conducted internally and via third parties such as Gallup and Willis Towers Watson. Engagement is an internal indicator across functional teams and participation a requirement of management systems under ISO 45001 Health & Safety.

In addition, regular training is conducted on educating employees and managers on respect in the workplace which covers EEO and harassment. Our organisation also has a strong focus on wellbeing and mental health, with a confidential Employee Assistance Program (EAP) provided by LifeWorks. It is launched to provide free and confidential support and counselling to all employees with any personal and/or work-related challenges.

Etex's culture is all about teaming up, motivating, inspiring and taking care of each other. The Health, Safety and Wellbeing ambition included in our 'Road to Sustainability 2030' demonstrates our commitment to employee health and wellbeing.

In our supply chain

While the majority of our spending is in Australia, we acknowledge the global scope of our supply chain and the potential modern slavery risks it presents, particularly in the lower tiers where we have less visibility and influence. In 2023, we continued to assess our suppliers to identify and mitigate the risk areas of modern slavery practices in our global supply chains.

During this reporting period, we evaluated all our Tier 1 suppliers across six key spend categories: Raw Materials, Energy, Local Merchandise, Overseas Merchandise, Local Overheads, and Overseas Overheads. Suppliers were assessed for potential modern slavery risks based on their geographic locations, sector risks, and product category import risks

to Australia, using the updated risk index in the 2023 Global Slavery Index (GSI) published by the Minderoo Foundation. The GSI considers five criteria for modern slavery vulnerability assessment: governance issues, lack of basic needs, inequality, disenfranchised groups, and effects of conflict. Only 1.5% of our total spend, involving five suppliers located in South Africa, China, and Thailand within the Mining and Manufacturing sectors falls in the geographically high risk category as per 2023 GSI.

Suppliers identified as potentially high-risk were classified as "Category A" suppliers. We performed further assessment of these Category A suppliers by requesting completion of a Modern Slavery Questionnaire and reviewing their company history, credible assessment reports, certifications, and human rights policies to gauge the extent of potential modern slavery risks.

Low visibility areas of the supply chain

While we have identified potential modern slavery risks within our Tier 1 supply chains, we acknowledge that hidden risks may exist in the lower tiers of our global supply chain. According to the 2023 GSI report, solar panels imported from China have been highlighted as a product bearing import risks for Australia. In 2023, 0.4% of our total expenditure was allocated to purchasing solar panels from Tier 1

Australian vendors, which may have inherent import risks within their supply chains. We have conducted due diligence in assessing the Tier 2 supplier based in China and found no evidence of human rights violations or forced labor in its manufacturing facilities. However, we recognise that modern slavery risks may still be present in the lower tiers where we have limited visibility and influence.

We are also aware that certain service industries, such as the cleaning sector, often lack transparency and may employ migrant workers who are particularly vulnerable to exploitation. To address these concerns, we are continuously collaborating with our suppliers and contractors to implement strategies aimed at mitigating these risks.
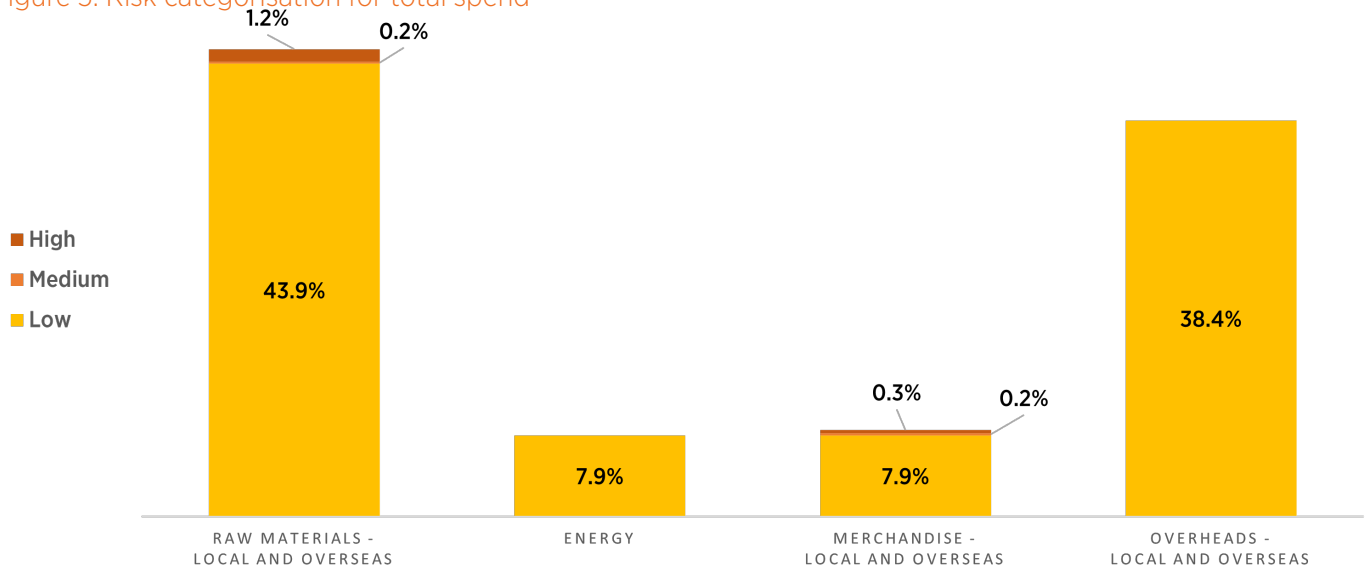
Figure 5. Risk categorisation for total spend

Figure 6. Risk Assessment Summary

	Geographical risk
Australia (91.9% spend)	low
Germany, United States, New Zealand, Netherlands, Ireland, Italy, France Belgium, Luxembourg, Poland, Singapore, Spain, Greece	low
South Korea	medium
China, Thailand, South Africa	high

Geographically high-risk supplier location	Sector	Internal Risk Category
China (3 suppliers), South Africa (1 supplier) and Thailand (1 supplier)	Manufacturing and Mining and Quarrying	Category A

Mandatory Criterion Four: Key actions taken to address modern slavery risks

Our cross-functional team, comprising members from Sustainability, Human Resources, Finance, Procurement, and Marketing, collaborates to continuously monitor and address modern slavery risks within our business. In the 2023 reporting period, we enhanced our due diligence efforts to assess, identify, and mitigate these risks across our operations and supply chains.

Corporate policies and procedures

We adhere to the Etex Way, our code of business conduct, which mandates high ethical standards regarding human rights and sets minimum acceptable standards for legal and ethical compliance in our operations. Etex's ethical business conduct policy includes a zero-tolerance stance on bribery and corruption, reinforced by an annual e-learning module required for all office workers.

Our supplier code of conduct sets minimum standards for legal and ethical compliance from our suppliers. Our purchasing framework agreement demands adherence to principles in human rights, labor, environment, and anti-corruption, with non-compliance potentially leading to contract termination.

Risk assessment

For reporting period 2023, we conducted a comprehensive internal assessment of our key suppliers to identify potential modern slavery risks within our global supply chains. High-risk suppliers, classified as Category A, are identified based on significant spend volumes and high geographic, sector, and import risks. We undertook detailed reviews of these suppliers, analysing company policies, relevant news articles, and database searches to gain a deeper understanding of the modern slavery risks in their operations and supply chains.

Supplier questionnaire

We have provided questionnaires to our identified Category A suppliers to further gain insight into the potential risks of modern slavery in their operations and supply chains, keeping in mind to respect their privacy while seeking information. We have established a streamlined process to actively engage with our suppliers to communicate our expectations and work collaboratively to mitigate the risks of modern slavery in our businesses.

Corrective action

We have established an approach to corrective action plan in cases where any of our suppliers may be identified as potentially non-compliant. We have identified alternative suppliers for contingency allowing us to investigate suspected non-compliant suppliers without disrupting our supply chain.

Supplier Onboarding

We have a modern slavery clause included in our supplier onboarding contractual terms, clearly outlining our expectations for ethical business practices and efforts to prevent human rights violations within their supply chains. For every new supplier onboarded in the 2023 reporting period, we reviewed their risk profile based on geographical location, spend amount, and category of goods and services.

Awareness

We continuously raise awareness among our employees about modern slavery risks through communication meetings and updated induction programs. We also engage in meaningful discussions with the procurement management team to integrate modern slavery considerations into our procurement process.

Mandatory Criterion Five: Assessing effectiveness

During the 2023 reporting period, we reviewed our risk management strategy to address modern slavery risks in our supply chain. We engaged with internal stakeholders and suppliers to better understand the effectiveness of our actions and to continue improving our approach to tackling modern slavery. Key steps included:

Risk assessment strategy
We regularly undertake a critical review of our risk assessment approach to identify areas for improvement, learning from industry peers and engaging in discussions to ensure we have an updated view on modern slavery risks.

Routine Risk Review
We routinely review our suppliers to identify any emerging modern slavery risks. We reassessed our existing suppliers by referring to the updated geographical risk and G20 importing risk data published in the 2023 GSI. We have also set up a streamlined process for regular engagement with our suppliers and customers to receive and respond to their queries and feedback. The occupational health and safety management of our suppliers is also periodically reviewed as part of our GreenTag Product certification assessment.

Grievance Mechanisms
We monitor the whistleblowing channel and incident reports to identify any grievances relating to modern slavery or human rights violations. In the 2023 reporting period, no incidents of modern slavery or human rights violations were reported.

Annual Reporting
We will continue to assess the effectiveness of our due diligence processes, corrective actions, and relevant policies, and report through publishing our annual modern slavery statement.

Mandatory Criterion Six: Consultation with other entities

In the 2023 reporting period, we as Etex Australia Pty Ltd, the only operating concern in Australia, did not own or control any other entities under Etex Australia Pty Ltd and therefore this criterion is not applicable to us.
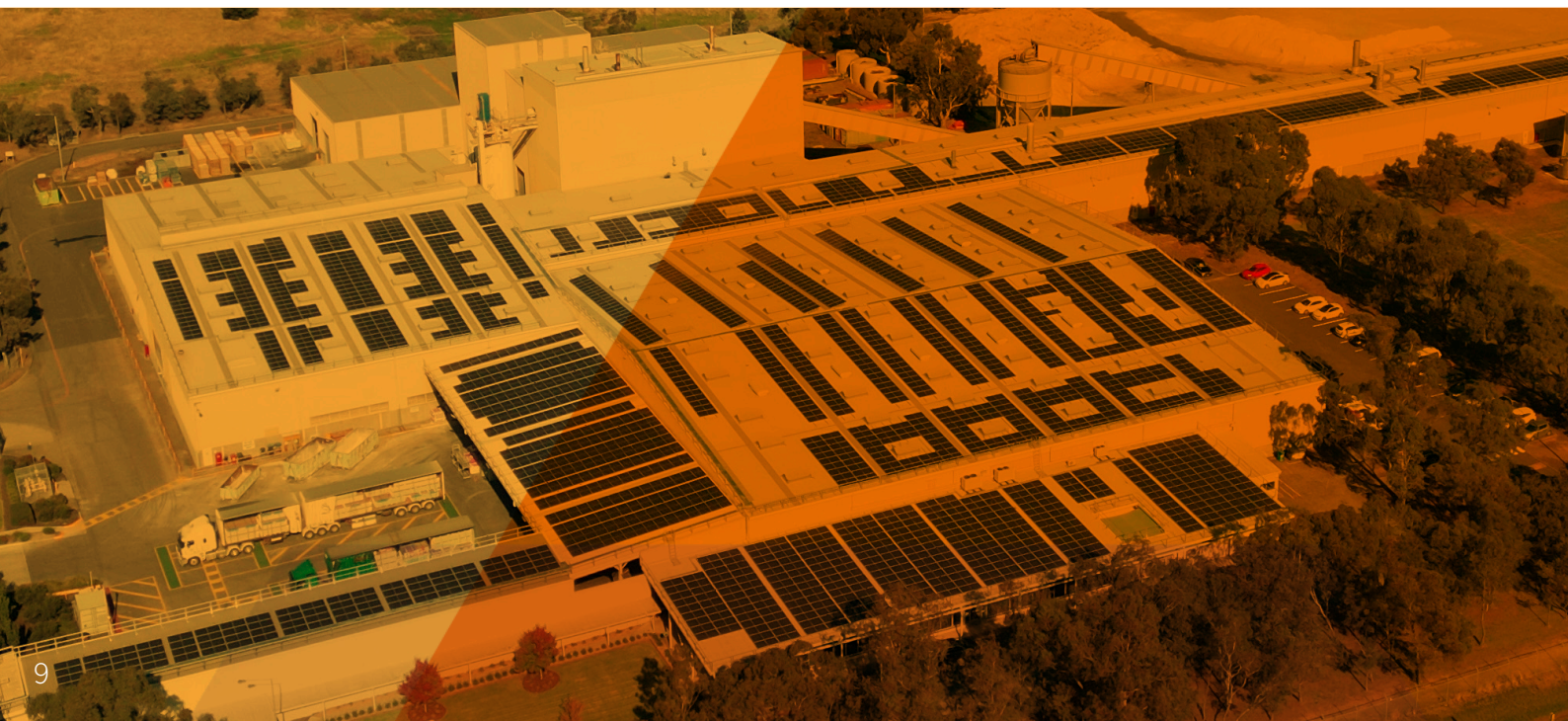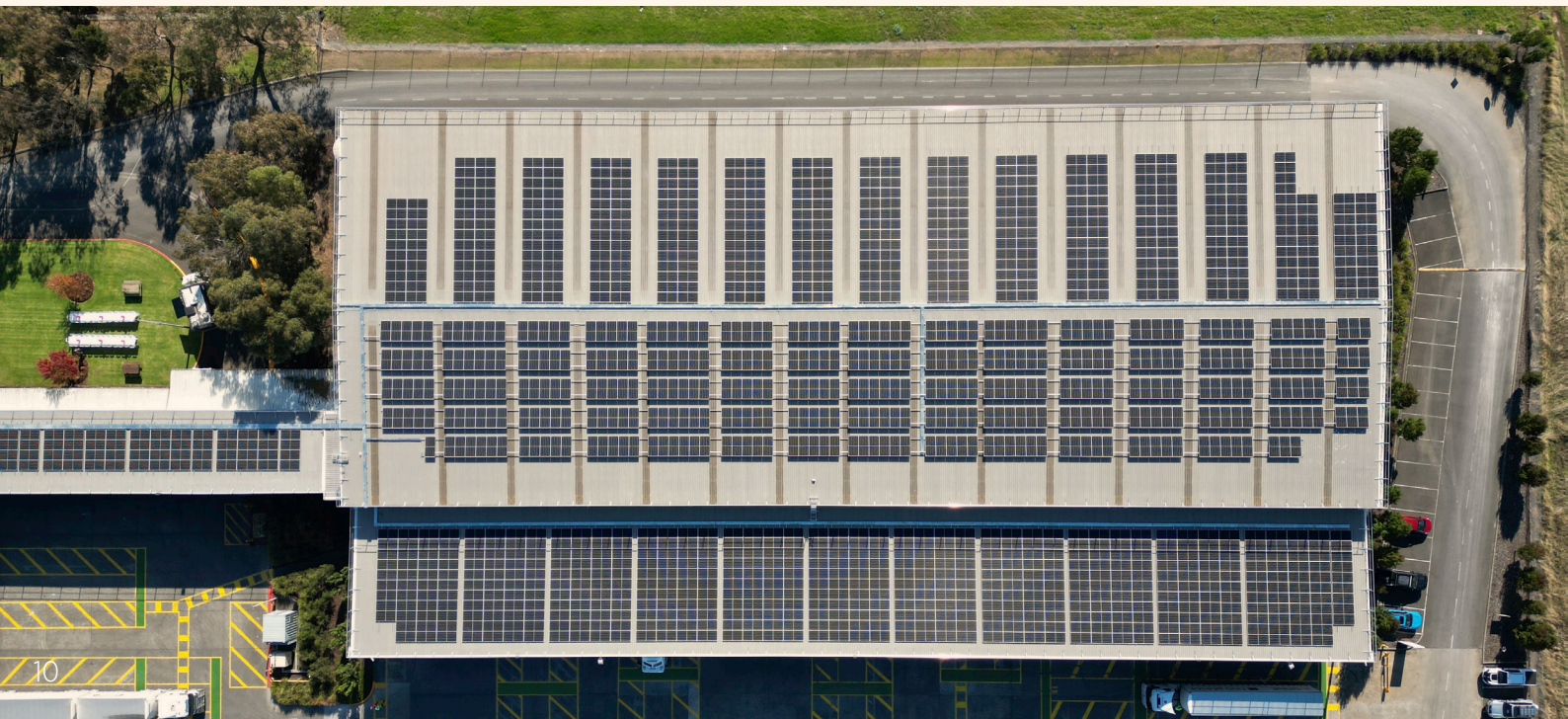
Mandatory Criterion Seven: Future actions

We are committed to ethical, legally compliant, and socially responsible business management. We expect our suppliers to share this commitment and make reasonable efforts to promote compliance among their own suppliers and subcontractors. As a condition of doing business with Etex, we expect all suppliers to operate in a manner that complies with the standards set in our Supplier Code of Conduct. Instances of non-conformance to the code by suppliers are reviewed by Etex.

As part of our commitment to sustainability, the corporate group of Etex continues to work with EcoVadis, a sustainability ratings service provider that assesses a business's supply chain network across 21 sustainability criteria in four critical areas: environment, ethical business practices, sustainable procurement, and labor and human rights. Following the first EcoVadis supplier rating in 2022, Etex Group was re-awarded a Silver Medal for 2023, with an improved rating and overall scoring by more than 10%. The Group's improvement actions over the past year raised the score, particularly in environment and sustainable procurement-related disclosures. Etex Group will continue to measure our performance and assess our supply chain to create future-proof business opportunities and ensure we take care of our impact on society and the planet.

Etex Australia is dedicated to ongoing employee training to raise awareness of modern slavery risks within our operations and supply chains. We will continue to conduct regular vendor risk reviews and update our corrective action plans to strengthen our mitigation strategies. Our goal is to implement industry best practices and enhance our risk management approach through proactive engagement with our industry peers.