

# MODERN 20 SLAVERY 21 STATEMENT







JOHNS LYNG GROUP

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

## INTRODUCTION

MODERN SLAVERY STATEMENT FY21

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. It describes the steps taken by Johns Lyng during the financial year ending 30 June 2021 to assess and address the risk of modern slavery occurring in its operations and supply chains.





## OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

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### Structure

Johns Lyng Group is a market leading integrated building services group delivering building and restoration services nationally and internationally along with strata management services in Australia. The Group's core business is built on its ability to rebuild and restore a variety of properties and contents after damage by insured events including: impact, weather and fire events.

Beginning in 1953 as Johns & Lyng Builders, initially servicing Melbourne and its surrounding areas, the Group has grown into a diversified international business with over 1,200 employees and a subcontractor base in excess of 6,000.

Johns Lyng 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.



# OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

## Operations

Johns Lyng Group operates three main business divisions:

- Insurance Building & Restoration Services
- Commercial Building Services
- Commercial Construction

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 including: impact, weather and fire events. The Group’s diversified portfolio of insurance building and restoration services businesses deliver comprehensive work programs across a variety of industries including: insurance, commercial, industrial and government sectors along with strata management.

Johns Lyng also operates a portfolio of complementary commercial building services businesses including: residential and commercial flooring, emergency domestic (household) repairs, retail shop-fitting, HVAC mechanical services, pre-sale property staging and a commercial construction business (Johns Lyng Commercial Builders).

### Australia

Johns Lyng’s head office is located in Melbourne, with a National footprint in Australia of 30 locations. Over 98 per cent of the Group’s employees are based in Australia.

### Bright & Duggan

Founded in 1978, Bright & Duggan is a leading strata, facilities and building management business. Following Johns Lyng’s initial acquisition of a controlling 51% voting/46% economic equity interest in August 2019, Bright & Duggan acquired an 85% equity interest in Capitol Strata in February 2020.

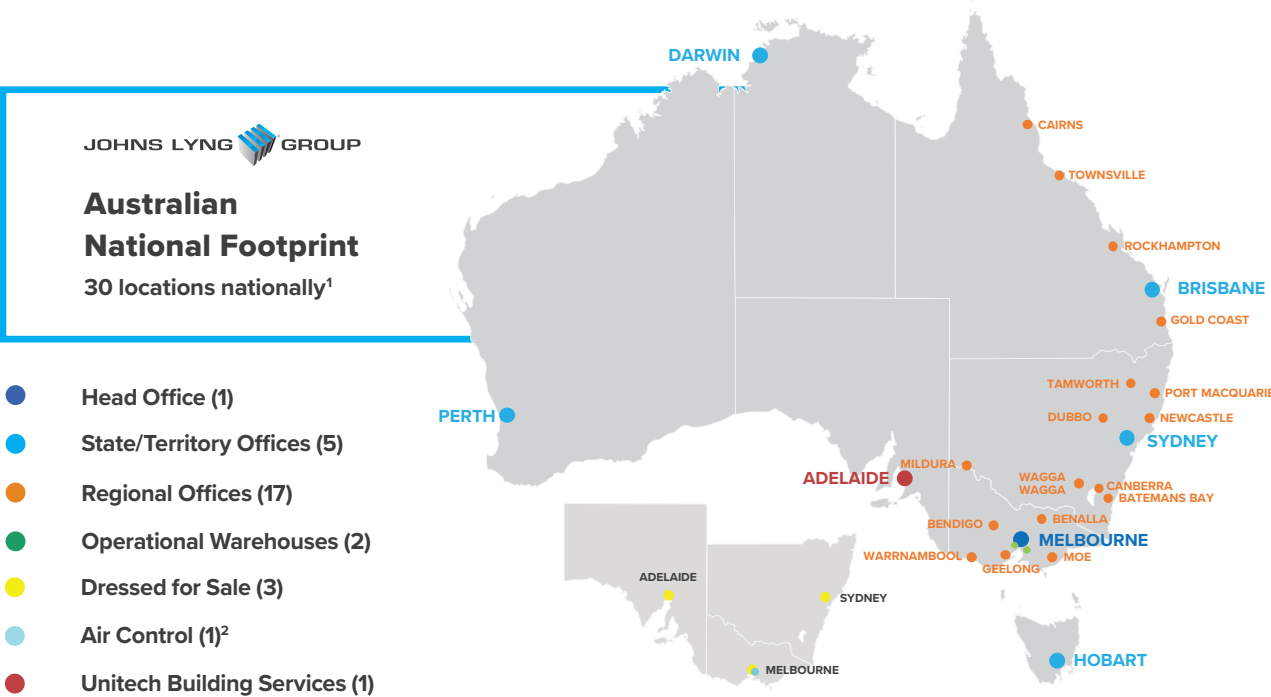
In July 2021, Bright & Duggan made 3 strategic bolt-on acquisitions including:

- Change Strata Management (100% equity interest);
- Structure Building Management (75% equity interest); and
- Shift Facilities Management (75%1 equity interest)

Bright & Duggan’s current (enlarged) business employs more than 317 staff across 19 offices with a portfolio comprising a total of 86,977 lots under strata and/or building management contracts across 3,302 buildings/ schemes.

### Steamatic Australia

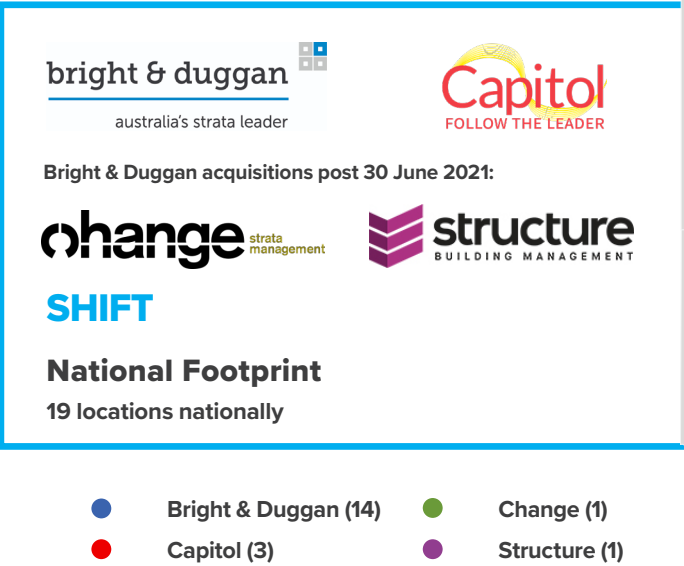
In July 2021, Johns Lyng acquired a 60% controlling equity interest in Steamatic Australia - a leading national restoration services company. Established in 1986 under the Steamatic Inc. master franchise, the business currently employs 190 staff and operates a total of 39 locations including 34 regional franchisees and 5 company-owned metro locations.



¹ Excluding Bright & Duggan Strata Management and Steamatic Australia

² Air Control also operates from Johns Lyng’s offices in Sydney and Brisbane

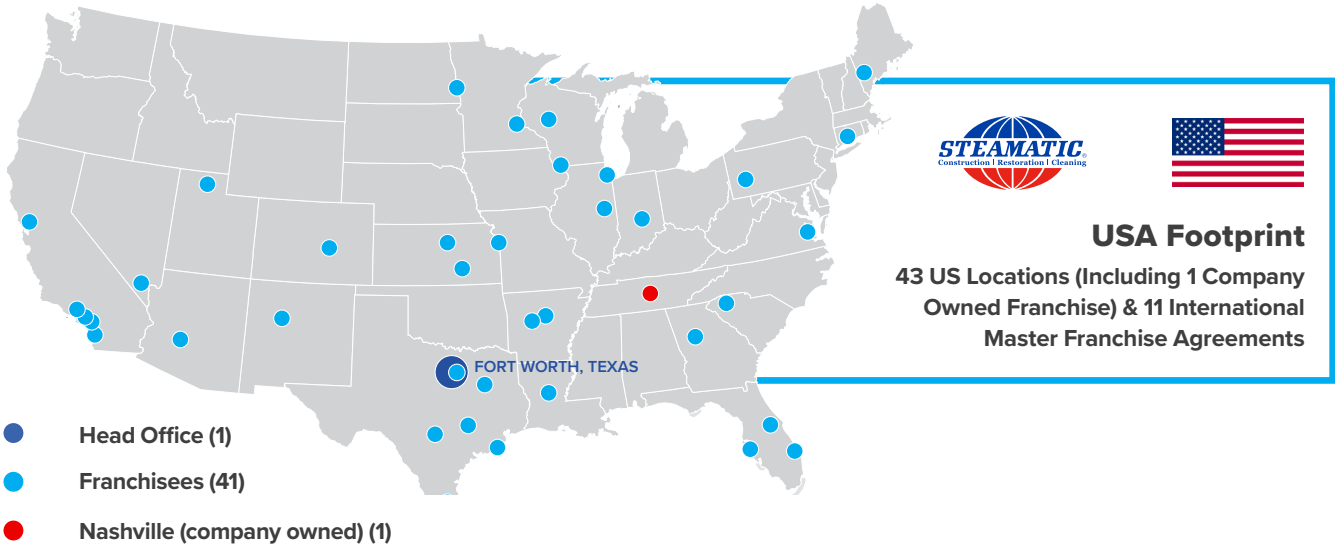
Current portfolio under management:



### United States

In April 2019, Johns Lyng acquired the trade and business assets of Steamatic Inc. (Steamatic) – a US based fire and flood restoration services company. Established in 1948, Steamatic is a household name in the US market with 42 current US Franchisees (including 1 company owned franchise) and 11 International Master Franchise Agreements. This ‘platform’ acquisition provides the Group additional opportunities to

introduce existing Johns Lyng core services into the US market through Steamatic – in particular the Group’s insurance building and general contracting businesses. In January 2020, the Group acquired 100% of the trade and business assets of Steamatic Nashville (USA). This initial franchisee buy-out is in-line with the Group’s US growth strategy. Less than 2 per cent of the Group’s employees are based in the United States within the Steamatic business.



### Supply Chains

In FY21, The Group had a total supply chain spend of approximately AUD\$386 million with total suppliers numbering 6819. Of the suppliers active in FY21, just over 4000 were Australian based contractors providing a range of contractor-based services supporting operations across Johns Lyng’s three business divisions. The remaining suppliers totalled over 2700, which supplied to Johns Lyng a diverse range of goods and services sourced from Australia and internationally.





# MODERN SLAVERY RISKS

In FY20, Johns Lyng engaged an independent specialist to undertake a risk assessment to identify and assess the risk of modern slavery in the Group’s operations and supply chains. The risk assessment was conducted in consultation with Johns Lyng senior managers in Australia and the United States. It examined modern slavery risks with reference to a number of modern slavery risk indices, including the Walk Free Foundation Global Slavery Index.

In FY21, the findings of the risk assessment were reviewed in light of recent acquisitions and it has been determined that the modern slavery risk profile of the Group remains unchanged.

## Operations

Based on the independent risk assessment, Johns Lyng has assessed the risk of modern slavery within the Group’s operations to be low. JLG 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 and the United States.

## Supply Chains

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

### Contractors

The Group uses contractors in the construction and cleaning sectors. These two sectors are among the sectors identified at risk of forced labour in the Global Slavery Index country profile for Australia on account of the prevalent use of migrant labour; and

### Procurement of goods and materials

Johns Lyng procures goods and materials directly, through corporate procurement, and Indirectly when Johns Lyng contractors procure materials under works agreements. The Global Slavery Index has identified a shortlist list of 15 imported products common in G20 countries, such as Australia, which present a risk of forced labour. The Group potentially has exposure to five products on the short list as set out in the table below.

Global Slavery Index: Products at Risk of Forced Labour		Direct Johns Lyng Group Exposure	
Cotton		Raw material used in manufacturing of uniforms, workwear, PPE	
Apparel		Uniforms, workwear, PPE	
Electronics		IT, computers, tablets, phones	
		Indirect Procurement Exposure (via Johns Lyng Contractors)	
Bricks		Construction and building materials	
Timber		Construction and building materials	



# RISK MITIGATION ACTIONS

The independent risk assessment set out a road map consisting of additional measures Johns Lyng should take to mitigate risk of modern slavery within the Group’s operations and supply chains. During FY21, John Lyng Group implemented a number of the key road map measures, including the adoption of a new Supplier Code of Conduct setting out minimum standards for Johns Lyng suppliers in the area of modern slavery, as well as other social and environmental issues.

Click the link below:

[https://investors.johnslyng.com.au/FormBuilder/\\_Resource/\\_module/juURNaHpX0a6NaEh-f8lLg/file/JLG\\_Supplier\\_Code\\_of\\_Conduct\\_Final.pdf](https://investors.johnslyng.com.au/FormBuilder/_Resource/_module/juURNaHpX0a6NaEh-f8lLg/file/JLG_Supplier_Code_of_Conduct_Final.pdf)

Compliance with the Supplier Code of Conduct will now be a requirement in supplier Terms and Conditions and will be considered during supplier selection processes.

In addition to the above, the Group has identified modern slavery risk criteria which have been integrated into the due diligence processes prior to all new acquisitions commencing FY22. During FY22, the focus will be on strengthening modern slavery due diligence, remediation and training processes within Johns Lyng’s Contractor Management Framework.

# 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 Executive General Manager and the Board’s Risk and Compliance Committee.

The independent risk assessment assessed the adequacy of the Group’s approach to modern slavery risk management against best practices in Australia and internationally. Any identified gaps in Johns Lyng’s modern slavery risk management approach are being addressed through the recommended modern slavery road map (see above).

The Group’s modern slavery risk management approach is reviewed annually and reported to the Board’s Risk and Compliance Committee. The next review will take place at the conclusion of FY22.

# CONSULTATION WITH ENTITIES OWNED OR CONTROLLED

Johns Lyng consulted with the relevant companies it owns or controls in the development of this statement.

This statement was approved by the Johns Lyng Group Board on 13 October 2021.



**Peter Nash**  
Chairman  
13 October 2021



**Scott Didier AM**  
Managing Director  
13 October 2021







## **MODERN SLAVERY STATEMENT**

JOHNS LYNG GROUP LIMITED