

FY2023

MODERN SLAVERY STATEMENT



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OUR COMMITMENT

Respect for people is at the core of what we do. It underpins our values and our commitment to Environmental, Social and Corporate Governance.

Our view on ESG is that it is a continuous process of aligning our operations and controls with our culture and how we do things “The Bay Way”.

Our ESG commitments are structured around three key areas:

- 1. Our Environment**
- 2. Our People and the Community**
- 3. Our Corporate Governance**

Incorporating ESG factors into the company’s sourcing and purchasing practices is central to our continuous improvement efforts.

As a business, our key external focus has been on consolidating our supply chain to reputable organisations with ESG Governance policies. We are identifying areas of vulnerability or potential improvement and then taking actions to build these relationships or replace those deemed to be high risk.

As a part of our commitment we have incorporated Modern Slavery risk into our policies, procedures and overall business framework. Our efforts continue to take a staged approach to systematically tackling this risk.

COMPANY OVERVIEW



Bay Building Group (BBG) commenced in 1985 and retains its head office in Melbourne from which it has expanded its footprint and now operates in all states and territories within Australia, with the exception of the Northern Territory. The company does not operate outside of Australia thereby providing greater control and oversight of the company's exposure and risk of modern slavery. Bay Building Group's main business stream is within the insurance sector, providing building and restoration services in response to an insurance event.

Underpinning who we are and the work we do are our guiding principles. These values or sets of behaviours assists us to embed our social and environmental standards throughout our national business.

The Bay Way – Guiding Principles

- Acting with Integrity
- Connecting with Customers
- Being Your Best
- Looking Ahead

The purpose of this document, the BBG Modern Slavery Statement, is to recognise and report the actions we have undertaken to assess and address the modern slavery risks in our operations and in our supply chains, in compliance with the Modern Slavery Act 2018.

This document should be read in conjunction with our company's Code of Conduct, ESG Statement and Social Procurement Statement.



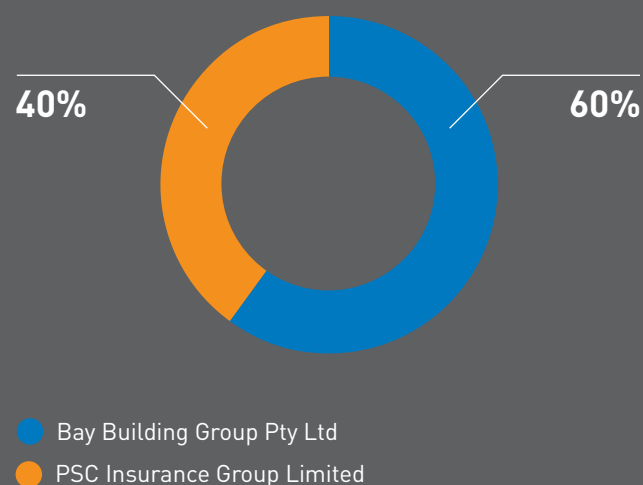
STRUCTURE & GOVERNANCE

Bay Building Group is privately owned, and led by our CEO, Board of Directors, and Executive Management Team.

Bay Building Group PTY LTD has two controlled entities, Bay Building Services Pty Ltd and Linx Restoration Services Pty Ltd that are incorporated in Australia and only operate in Australia. In January 2023, PSC Insurance Group Limited (ASX:PSI) acquired a stake in Bay Building Group Pty Ltd. PSC Insurance Group Limited (ASX:PSI) completed the transaction with Bay Building Group Pty Ltd on February 22, 2023.

Bay Building Group Pty Ltd retains majority control over all entities within the Bay Building Group Pty Ltd.

BAY BUILDING GROUP PTY LTD OWNERSHIP



During the reporting period as covered by this statement we actively engaged and consulted with all companies we own or control in the development of this statement. The entities operate under the same management and operational structure therefore all supporting materials, information and updates are shared.

Our Executive Team of ten support and lead the business around the country, with Bay Building Group currently employing 240 FTE across its 7 offices.

Bay Building Group is committed to robust policies and practices that are critical to the continued success and prosperity of the organisation.

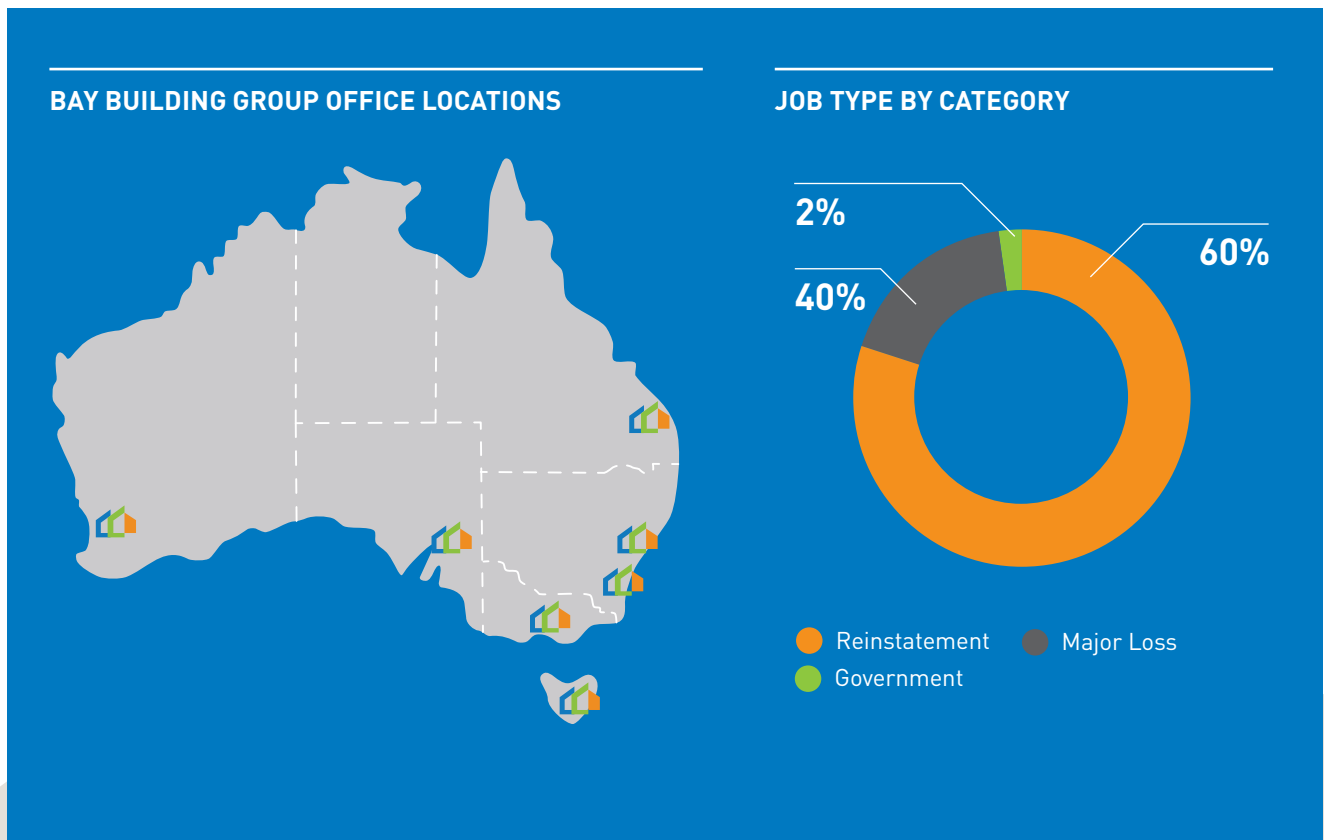
Our Modern Slavery risk mitigation is led by our dedicated Modern Slavery Working Group (MSWG) comprising of:

- **Company Director & Executive General Manager | Corporate Services**
- **Company Secretary & Executive Manager | Legal & Compliance**
- **Manager | Procurement**

Progress against our Modern Slavery risk mitigation strategy is periodically reported to the MSWG and tabled at Board level.

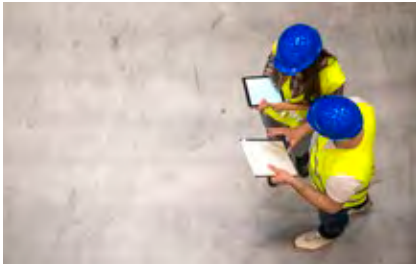
OPERATIONS

As a nominated insurance builder, BBG's main operations consist of assessing, quoting and coordinating the repair and/or restoration of insured premises, primarily residential, through our sub-contractor network of trades and partner suppliers. Bay Building Group has operations in 7 States and Territories throughout Australia.



In conjunction to this, BBG also operates in the Major Loss & Specialty category, including responding to 'catastrophe events', Government tenders and engaging in large commercial / specialist works.

FOCUS AREAS



Health & Safety

At Bay Building Group we remain committed to high standards of health and safety for our people, customers and partners.



Financial

Our finance team's processes, third party research, and job systems ensure that we are keeping our supply chain paid on time and paid at fair market rates for the work they are undertaking.



Our Clients

We are collaborating with our clients to ensure that progress is shared, and that we are learning from their experiences and sharing the lessons we've learned with them.



Our People

Our people are our greatest assets, with diverse backgrounds from multiple industries and a keen focus on upskilling and development, we are confident that we are set up to face a changing world head-on.



Sustainability

Mother Nature has a key role in the work that comes through our doors. We recognize the impacts that the environment has on our clients and our customers, and also the effects that we have on our environment. Our sight is set on our environmental responsibility and the changes we can make for a better world.



Our Trades

We are proud of the businesses that partner with us and what we are able to accomplish together. We seek to learn from them also, as well as helping them improve on our innovations and insights.

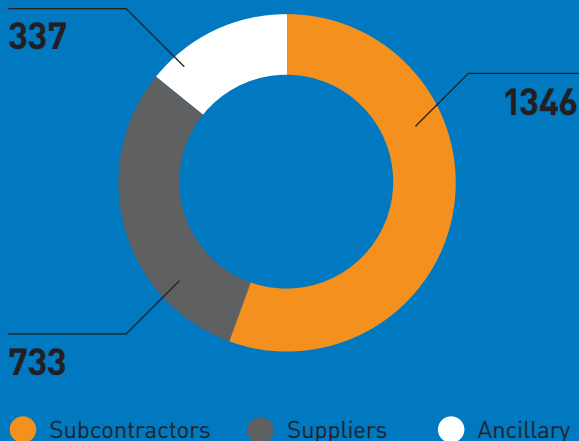
SUPPLY CHAIN

Bay Building Group has approximately 2500 direct contractors and suppliers across the following categories.

- 01** Subcontractor – construction & restoration
- 02** Suppliers – materials, manufacture, import, transport sectors
- 03** Ancillary Products - items required for cost of sales, operations, office supplies

While the majority of the supply chain is in our Subcontractor category, BBG also has direct off-shore contracts in the Supplier category and via third parties in the Ancillary Products category.

CONTRACTORS AND SUPPLIERS BREAKDOWN



Our current focus on consolidating our supply chain has aligned us with the following companies, and we are working with them to ensure their structure and downline follow our joint goals in improved ESG sourcing.

We have audited the Modern Slavery statements of the following companies

Harvey Norman – Modern Slavery statement 21/22 reviewed

Kennards Hire – Modern Slavery statement 21/22 reviewed

Bunnings Warehouse – Modern Slavery statement 21/22 reviewed

Metroll Roofing - Modern Slavery statement 22 reviewed

Wattyl (Valspar statement reviewed, Hempel statement not available yet)

OPERATIONAL RISK

Forced Labour

Subcontractors in Construction and/or Restoration/Labour Hire

Consideration – Under minimum wage/Debt bondage

Imported Products

Ancillary Products
e.g. Laptops, computers, phones, uniforms

Consideration – Country of Origin

Offshore Services

Overseas companies providing IT or Administrative services

Consideration – employment conditions and remuneration complying with international standards

Vulnerability

Subcontractors in Construction and/or Restoration/Labour Hire

Migrant Workers/Language Barriers/Under Payment Superannuation

Further work has been done to highlight operational risks within the business as well as working to identify new risks. In a changing world with rising demands for materials, and uncertainty in supply chains, particularly from overseas imports, it is a key focus for us to ensure that we're purchasing through suppliers that exercise diligence around modern slavery risks.

ACTIONS & CONSULTATION

During the reporting period, our efforts were focussed on reviewing and auditing our supply chain, as well as continuing to develop risk mitigation processes and ensuring their implementation.

Mitigation

Front and centre to our risk mitigation has been awareness and structured process. New suppliers and subcontractors pass multiple rationalization stages through multiple divisions of the business, including operations management, safety, and procurement.

Reporting

Reporting and reviews are now conducted on a monthly basis as to our supply chain and their acknowledgment of modern slavery requirements and practices.

Auditing

Over the reporting period we conducted internal audits on processes and compliance. Our next part of this will be conducting audits on randomly selected partners from our supply chain.

Systems

During the reporting period we have incorporated ESG policy and awareness into our system and process development.

Engagement

Our engagement strategy is reviewed regularly to ensure that it complies with our policies on ESG including Modern Slavery.

Collaboration

We work with our key suppliers and clients to ensure that we are all working towards the same common goals in the area of ESG.

EFFECTIVE ACTION

Our commitment to eliminating Modern Slavery Risks from our operations and supply chain hinges on continuous improvement. We will continue to progress supply chain transparency focusing on the following key areas:

2023/2024



CONCEPT

Brainstorm improvement ideas



CREATE

Best ideas come from collaboration



SHARE

Develop and roll out new initiatives

- Implement targeted Supply Chain audits to facilitate collaborative 2-way engagement between our major suppliers
- Further expand our consultative mechanisms with leading industry bodies, key Clients and subject matter experts from varying industries
- Deep Dive study and analysis of primary work types and building projects,
- Expanding Whistleblowing reporting avenues to allow customers, trades and the general public further ease of access
- Ongoing and continuous improvement of BBG Progress Scorecard
- Continuous improvement on data capture, reporting and analysis
- Engaging an open dialogue from a range of internal stakeholders, including expanding communication, sharing and discussions and increasing general awareness
- Further embed implementation of our education and training platform EdApp to better educate all BBG members on signs and risks of modern slavery

DIRECTORS APPROVAL



At BBG, we maintain a zero-tolerance approach to modern slavery and are committed to:

- Staying informed about relevant legislation
- Assessing and mitigating business risks associated with modern slavery, especially within the building and construction industry
- Learning from key stakeholders and promoting awareness
- Maintaining open and safe communication channels throughout our business and supply chain

We understand the importance of Modern Slavery Statements and continually work to improve our systems and controls. Ethical and integrity-driven business practices are at the core of The Bay Way and underpinned by our guiding principles.

BBG is dedicated to playing a positive role in combating modern slavery within the building and construction industry and contributing to a more just and equitable society.

This Statement for financial year 2023 is made pursuant to section 14 of the Modern Slavery Act (Cth) and constitutes Bay Building Group Modern Slavery Statement.

The Statement has been approved by the Directors of Bay Building Group.

A handwritten signature in black ink, appearing to read 'Kane Malherbe'.

Kane Malherbe
Chief Executive Officer

27 October 2023

