Modern Slavery Statement 2022

GLAD GROUP®

Creating welcoming experiences and safe places, every day.

GLAD GROUP

Acknowledgment of Country

Glad Group acknowledges the Traditional Custodians of the lands on which our business and people operate, and recognise their ongoing connection to land, waters and community. We pay our respects to Elders past, present, and emerging.

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About this statement

The statement is submitted as a joint statement on behalf of the Glad Group of Companies (Glad Group), which includes:

Glad Group Pty Ltd, Glad Cleaning Services Pty Ltd trading as Glad Retail Cleaning, Glad Security Pty Ltd trading as Glad Group Services, Glad Maintenance Pty Ltd, Australian Protective Services Pty Ltd, Glad Group NZ Limited, Auxus Pty Ltd, Stratium Global Pty Ltd trading as Unifyd Technology and Glad Indigenous Pty Ltd .

This is Glad Group's third Modern Slavery Statement. This Modern Slavery Statement has been prepared to meet the mandatory reporting criteria set out under the Australian Modern Slavery Act 2018 (Cth) for the financial year ended 30 June 2022. It describes the steps taken by the Glad Group of companies to mitigate modern slavery in our business' operations and supply chains.

Glad Group has taken the lead in preparing this Statement and has consulted with the Advisory Board of Glad Indigenous, in the preparation and release of this Statement.

Glad Group Advisory Board

The Glad Group Advisory Board is responsible for the governance and oversight of all Glad Group of companies, with the exception of Glad Indigenous (see below). These companies have a common set of:

- Governance policies and procedures
- Environment, social and governance (ESG) strategy and goals
- Risk management and compliance framework

The companies also share an Executive Director and Senior Management team who have been consulted and contributed to the development of this statement. Employees of these companies form part of Glad. As such, we have actively engaged and consulted with all companies in the development of this Statement. This includes reviewing details of the reporting requirements under the Modern Slavery Act 2018, requesting input and feedback and sharing information on progress and actions planned to address these requirements.

Glad Indigenous Advisory Board

Glad Indigenous was established in 2021 as a Joint Venture with Glad Group. The business is majority Indigenous owned and aligns with Glad Group's desire to positively impact these communities across Australia. The Glad Indigenous Advisory Board is responsible for the governance and oversight of Glad Indigenous. Glad Indigenous has currently adopted the policies, procedures, ESG approach and risk management and compliance framework of the broader Glad Group of Companies.

This statement was approved on 21 November 2022 by the Glad Group Advisory Board.

Nick Iloski
Executive Chairman
Glad Group Advisory Board

1. Glad Indigenous is a business in the Glad Group of companies, in which Glad Group has a 49% interest. The business began trading in FY22. This business is governed by a separate Advisory Board.

As a supplier, we are a business of people, and the upholding of all human rights is critical across our operations and supply chain.

We believe that everyone has the right to fair pay for work, dignity, respect and freedom of choice, and to work in an environment that is safe. This is underpinned by our human values of Trust, Respect, and Integrity, and is reflected in our purpose – *We create welcoming experiences and safe places, every day*.

This is a complex space, and we are committed to continuously improving by engaging with our stakeholders and adapting our approach to ensure we have the most effective practices in place to prevent and remediate modern slavery.

What is modern slavery?

Modern slavery includes a range of acts which are serious crimes and grave forms of human rights abuses. It includes servitude, slavery, forced labour, deceptive recruiting for labour services, forced marriage, debt bondage, trafficking in persons and child labour.

Situations where modern slavery takes place likely include a range of other violations of the human rights of workers and there are many complex factors that enable it still to persist. Vast international trade networks mean that we are all responsible for focusing on modern slavery beyond our own countries of operation. We must take action to understand the labour conditions in which goods and services have been produced to proactively identify, investigate, address, and ultimately prevent human rights issues across our workforces and supply chains.

2. ILO and Walk Free, 2021

Statement from our

Chief Operating Officer

Key highlights in FY22

- 70% of our category A&B high risk suppliers engaged on Modern Slavery responded by completing a Self-Assessment Questionnaire.
- Labour hire partner spend has decreased from 42% of our total spend to 31%.
- All agreements with labour hire partner redrafted to ensure inclusion of modern slavery and human rights clauses.
- Reviewed and streamlined our approach to engagement on Modern Slavery and other ESG topics with our suppliers because of supplier and other business partner feedback.
- Embedded Modern Slavery due diligence into supplier on-boarding approach and systems system.
- Participated in the certification of two Cleaning Accountability Framework (CAF) building assessments in partnership with our customers.
- Continued to deliver training for our people to increase their understanding of modern slavery and the risks within our business and supply chain.

The 2021 Global Estimates indicate there are 49.6 million people living in situations of modern slavery on any given day, either forced to work against their will or in a marriage that they were forced into[2]. Disappointingly, this is an increase of more than 10 million people since the last estimates five years ago. It is imperative that we rise to this challenge and do everything in our power to end modern slavery.

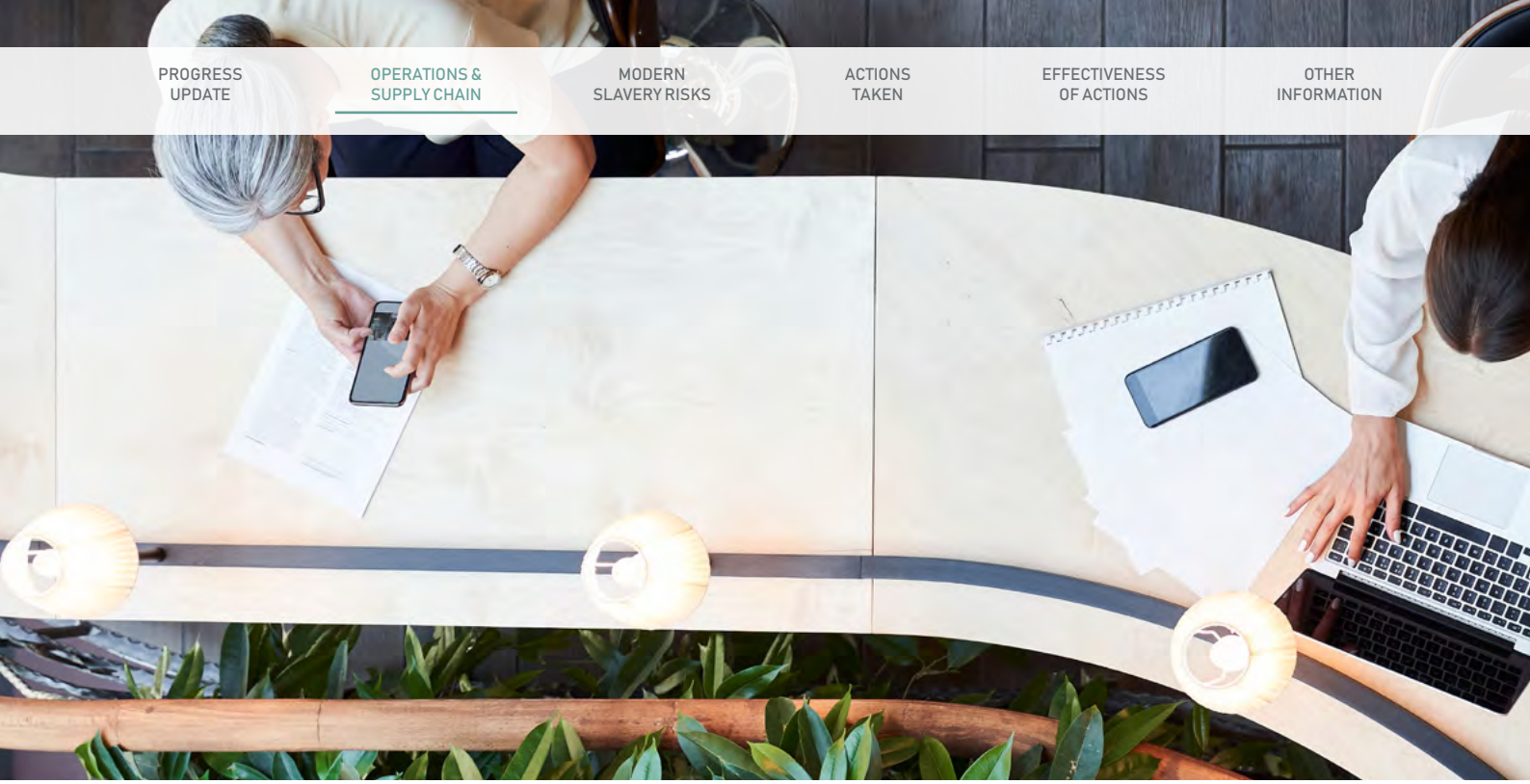
Collaboration is critical to achieving this goal. We recognise the role that we must play in looking at our own operations and engaging our suppliers to take accountability. We cannot expect those further down our supply chain to meet our expectations without providing them with support and guidance. Our goal is not to 'catch out' other businesses but to help them prioritise continuous improvement in their processes so our suppliers (and their suppliers) clearly understand the role that they must play to end modern slavery.

FY22 was a significant year of action for Glad Group, and we hit the ground running with our supplier engagement and due diligence. We learned that each of our suppliers are at different levels of maturity, and it can be daunting for businesses further down the supply chain to be faced with large questionnaires asking about their business practices, when the issues are not always fully understood. Consequently, we will be adapting and simplifying our approach, ensuring that we are bringing our suppliers along on the journey with us. This is about partnership and dialogue to ensure we get to the outcome that we are all striving for – to eradicate modern slavery.

What our work did highlight was the suppliers are prepared to partner with us, and those that are not. Unfortunately, this means that we have parted ways with one of our labour hire partners that did not want to engage in the process.

Ensuring that we are prepared if or when we find our first instance of Modern Slavery remains a high priority. This is not something that we have experience with, but we know as a company that we will have the best interests of the victim(s) at the heart of our response.

Christopher Errington
Chief Operating Officer
Glad Group



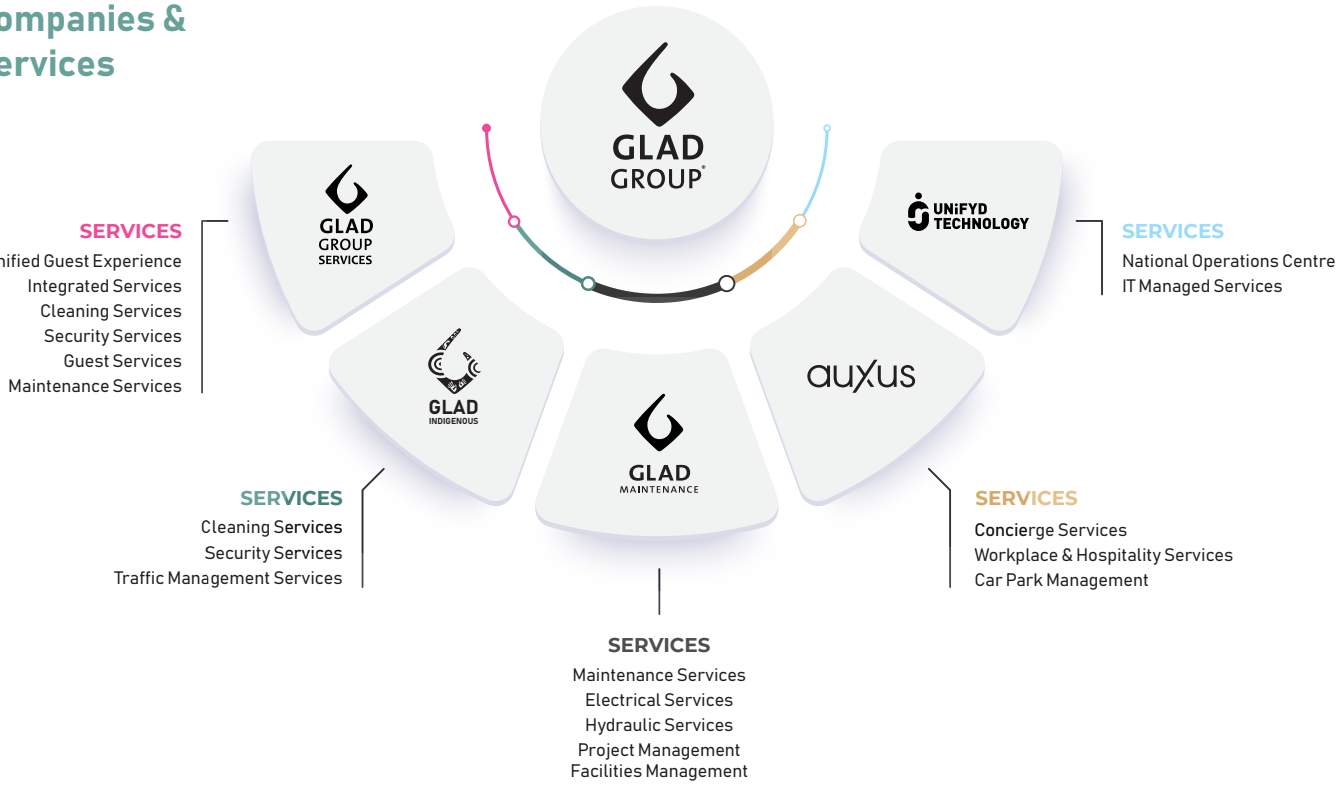
Glad Group structure, operations and supply chain

Proudly Australian-owned, Glad Group provides integrated property services to customers, including cleaning, security, concierge and maintenance services.

Glad Group's headquarters are located in Rockdale, NSW, with a total of four Australian state-based offices. We have more than 2,500 people based at customer assets around Australia and New Zealand. These people are either directly employed as permanent employees, or in some cases as casual support staff to meet variable operational demands. Our clients include ASX listed property companies, government agencies and tertiary institutions.

Our people come from culturally and geographically diverse backgrounds, with more than 60 nationalities across our business. We take great pride in this diversity and celebrate and recognise it.

Companies & Services



Our Supply Chain

Glad Group works with over

400

direct (tier 1) suppliers

Products procured to deliver services include: cleaning materials, cleaning equipment, bathroom and kitchen products, fleet vehicles, tools, materials, information technology supplies such as radios and mobile phones, electrical items such as light globes and electrical wiring, uniforms and personal protective equipment.

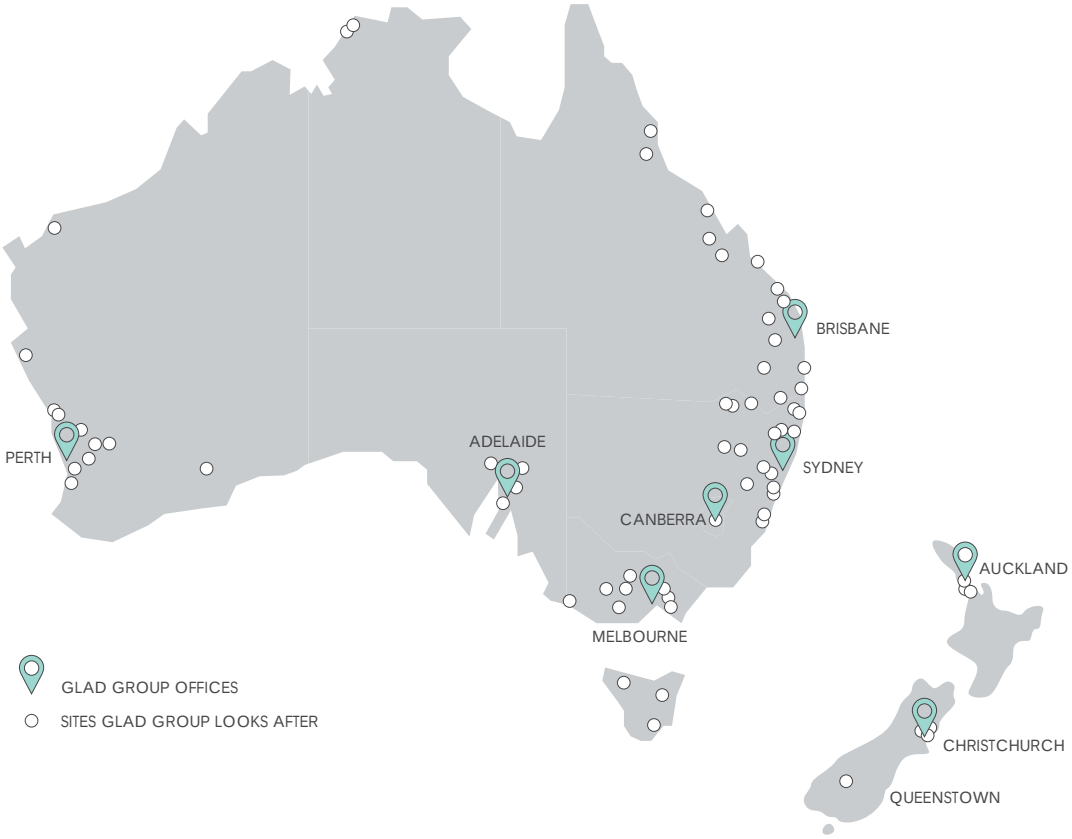
Services procured include: technical or specialist cleaning services (such as high-rise window cleaning), specialist security services (such as mobile patrols) and labour hire for specific projects.

Corporate products & services procured include: office stationery and supplies, furniture, IT equipment and professional services.

While the majority of our tier 1 suppliers are located in Australia, there are many other suppliers that contribute to our supply chain by through the provision of goods and services to our direct suppliers. This multi-layered supply chain spans many different countries, and we recognise the potential risk of labour exploitation across the globe, with risks higher is certain geographies and local contexts.

For details on our supply chain profile see page 12.

Our Locations



2,500

people based at client assets

2

global locations - Australia & New Zealand

400

sites managed by Glad Group

For more information about our business refer to **gladgroup.com.au**

Glad Group's approach to assessing and governing modern slavery risk

Our approach

At Glad Group, modern slavery is considered in the broader context of Human Rights and labour rights. It is informed by the United Nations Guiding Principles on Business and Human Rights and supported by Glad Group's Risk Management Framework and our dedicated People & Culture team.

Our policy framework articulates our human rights expectations to both our own people as well as our suppliers and other stakeholders. Our Code of Conduct, Anti-Bribery Fraud and Corruption Policy, Supplier Code of Conduct and various People & Culture policies including Diversity, Equal Employment and Opportunity and our Whistleblower program are communicated to all employees through mandatory training, with all policies also available on our intranet and website for our external stakeholders.

These policies are publicly available at **gladgroup.com.au**

We bring this policy framework to life within our business by bringing together our experienced and specialist Risk and Compliance, Procurement, Environment Social and Governance (ESG) and People and Culture teams to implement our policies through effective actions that we embed into everyday processes and procedures.

Understanding our risk of involvement in modern slavery

Glad Group actively considers the risk of modern slavery in our operations and supply chain, understanding that our business activities could:

- cause
- contribute to, or
- be directly linked to modern slavery.

This is aligned to the UN Guiding Principles continuum of involvement.

Our governance

We leverage Glad Group's existing corporate governance structures to oversee our human rights and modern slavery approach and deliverables.

We know that no single action will eliminate the risk of modern slavery. These governance structures ensure we remain vigilant that our strategies and actions continue to evolve and grow.

Glad Group Advisory Board

Provides strategic direction and oversees effective management and performance of Glad Group. The Advisory Board, which gives greater flexibility in structure and management, is responsible for overseeing the delivery of Glad Group's business strategy, broader sustainability strategy, policies & procedures and out human rights and modern slavery response. Meets monthly.

Executive Director

Responsible for day-to-day management of Glad Group and implementation of strategic objectives and actions to deliver on Glad Group's ESG strategy and our human rights and modern slavery response.

Governance Committee

Committee chaired by National Risk & Compliance Manager, comprising senior management representation. The Governance Committee provides advice and oversight of governance and integrity issues, including overall responsibility for the compliance management system and considers ongoing financial, operational, compliance and legal risks. Meets quarterly.

ESG Committee

Committee chaired by the National ESG Manager, comprising senior management representation, including the Chief Operating Officer). Oversees the implementation of Glad Group's ESG strategy, including policies and objectives in relation to human rights and modern slavery. Meets bi-monthly with Modern Slavery as a standing agenda item.

Human Rights and Modern Slavery Program

Delivered by a collaborative team including ESG , People & Culture, Risk & Compliance and Procurement who come together to develop and implement policies, practices and reporting on human rights and modern slavery risks within our operations and supply chain.

Identifying and taking action to address the risks of modern slavery practices in our operations and supply chains

In FY2022, we have continued to build on the detailed risk mapping we conducted in the previous year, for our own operations and supply chain. This sees us adopt a risk-based approach which directs us to focus our resources and actions where we have identified the greatest potential for modern slavery risk.

To do this we continue to draw on credible publicly available resources and globally recognised forums including Cleaning Accountability Framework, Walk Free, and United National Global Compact resources, as well as the results of our supplier assessments and due diligence processes, grievances raised, industry commentary and team member feedback.

The key risks that we have identified for both our own operations and supply chain are:

- **To ensure the upholding of all labour rights**
- **To ensure safe working conditions for workers both within our own operations and supply chain.**

Breaches in either of these areas can be an early signal of worsening conditions for people and could be a precursor to incidents of modern slavery.

Deceptive recruitment, immigration related coercion and threats, debt bondage, confiscation of personal and travel documents, withholding wages, excessive overtime and dangerous or substandard working conditions are all practices that have been found in the cleaning and security industry in Australia. In addition, there are the potential risks of child labour, forced labour or a lack of freedom of association in our supply chain.

We have in place robust policies, processes and procedures to support the labour rights of our own people and provide a safe and healthy working environment for them. We are working closely with our suppliers to understand the approach they take and, where possible, are using our purchasing power and influence to drive them to adopt the same level of rigour that we adopt within our own business.

This approach has already seen Glad Group cease to work with one supplier that declined to participate in our supplier due diligence processes.

Continuous learning and collaboration

Glad Group engages with the following global and industry groups to continue to build and deepen our understanding of modern slavery risks and responses and help our business partners build their capability and understanding.

United Nations Global Compact

UN Global Compact Network Australia (UNGCNA) Modern Slavery Community of Practice

SUPPLY CHAIN SUSTAINABILITY SCHOOL

Partner of the Supply Chain Sustainability School

Our operations

We are committed to ensuring our people are safe in the workplace and are treated with respect, and that their contributions are valued and recognised, underpinned by our commitment to fair pay for fair work.

Not only are these basic human rights, but they are also fundamental to our service methodology: valued and respected people are more engaged, and more productive.

Glad Group employee survey results, based on voluntary responses in February 2022.

Glad Group operates in industries that have historically been identified as having higher risks for labour rights violations and the potential for modern slavery risk. The security and cleaning industries have attracted more vulnerable workers such as migrants and those for whom English is not their first language, and we know that migrant workers represent a disproportionate number of the global instances of modern slavery[3].

3. "Migrants and their Vulnerability", IOM, 2019.

The potential to exploit such vulnerable workers has been particularly exacerbated in the cleaning industry where profit margins are low due to high expectations from customers regarding service delivery and meeting compliance requirements.

At Glad Group, the majority of employees within the businesses are employed directly which means that we have direct control of their terms and conditions of employment, and a contract of employment is issued to everyone which documents those terms and conditions. The cleaning, security, concierge and maintenance industries are also governed by Modern Awards which set out the minimum terms and conditions of employment on top of the National Employment Standards for employees in those industries. For those people not covered by a Modern Award, the contracts of employment are governed by the relevant Enterprise Bargaining Agreement and Australian and New Zealand employment laws.

Our operations are supported by a clear policy framework to address human rights issues in our workforce, which articulates our expectations of everyone in the business.

These policies are written in plain English and made available to all our people via our company intranet, with the implementation of our policy commitments driven by our dedicated People and Culture and Risk & Compliance teams. This includes policies that address how our people should expect to be treated in the workplace and how we keep them safe and support their mental wellbeing. This framework also addresses what our people can do if they need to speak up and share a grievance, including detailing how that grievance will be addressed consistently, independently and with respect for all parties involved.

While policy frameworks and contractual obligations are integral to mitigating modern slavery risks, they are only effective when their operationalisation is monitored. As such, we have controls in place to check that we are meeting our legal and policy requirements to our employees. These include:

- Our hiring practices and induction processes support applications for candidates of all backgrounds. However, we are very clear about the information that must be provided by people joining our business before they are hired. Employees must verify that they are 18 years or older, have the right to work in either Australia or New Zealand (as relevant) and that they are appropriately licenced.
- Ensuring that our time and attendance guidelines are understood so that our employees are paid in accordance with the relevant industry instruments.
- We have completed detailed auditing of our own systems and identified a number of incorrect payments to our employees which have been addressed in the financial year. As a result, we have introduced a new time and attendance system as well as finance system, to ensure that these errors do not occur.
- Our Human Rights system has been enhanced; there are clear procedures that must be complete to on-board someone and ensure that are input into our time and attendance system. Only when these steps have been taken can an employee be paid.
- Communicating our policies and grievance mechanism, including our independent Whistleblower hotline, through regular mandatory training, including and importantly when they join the company. Reinforcing key messages with posters on site and communications in team meetings and via our intranet.
- When tendering for new business we ensure that the contract is costed and priced appropriately and is sufficient to meet the full (and true) cost of the service provision.
- Ensuring that all legal and compliance requirements are identified and understood across the business, led by our Risk and Compliance team through our Risk Management and Compliance framework.
- Providing mandatory training on Modern Slavery risks for all our people, and more detailed training sourced from the Supply Chain Sustainability School for all our people managers.
- Monitoring the use and key themes being raise through our independent Whistleblower hotline.
- Participating in pay reviews to assess our compliance with modern awards and entitlements and remediating immediately any shortfall identified.
- Participating in customer-led independent auditing our practices, including CAF and commissioning other specific audits of our business including Workplace Wizards.
- Oversight by the Glad Group Senior Management Team and Advisory Board, including the inclusion of key People and Risk & Compliance metrics within the Glad Group Scorecard.

As at 30 June 2022:

Management training

100% of Glad Group's senior managers have completed the intermediate Modern Slavery Training from the Supply Chain Sustainability School.

Staff training

More than 70% of our people have completed Modern Slavery training that highlights what it is and what they should do it they suspect it.

Whistleblower reports

Of the whistleblower reports received, none identified as indicators of modern slavery.

Consequently, we consider that the risk of modern slavery in our own operations is low. Strong policies with robust processes and procedures to implement and monitor them, as well as our grievance mechanisms, are the key controls that we use to mitigate the risk. This does not though mean that our work is done, and we are committed to remaining vigilant and engaging regularly with all our stakeholders on these issues.

Case Study

The role of Labour Hire Partners in our business

The nature of our work means that from time-to-time Glad Group must engage labour hire partners to support operations. This will only be done with the explicit permission of our customers. We understand that labour rights risks might be higher for these workers as we have less visibility of how these workers are engaged, remunerated and treated.

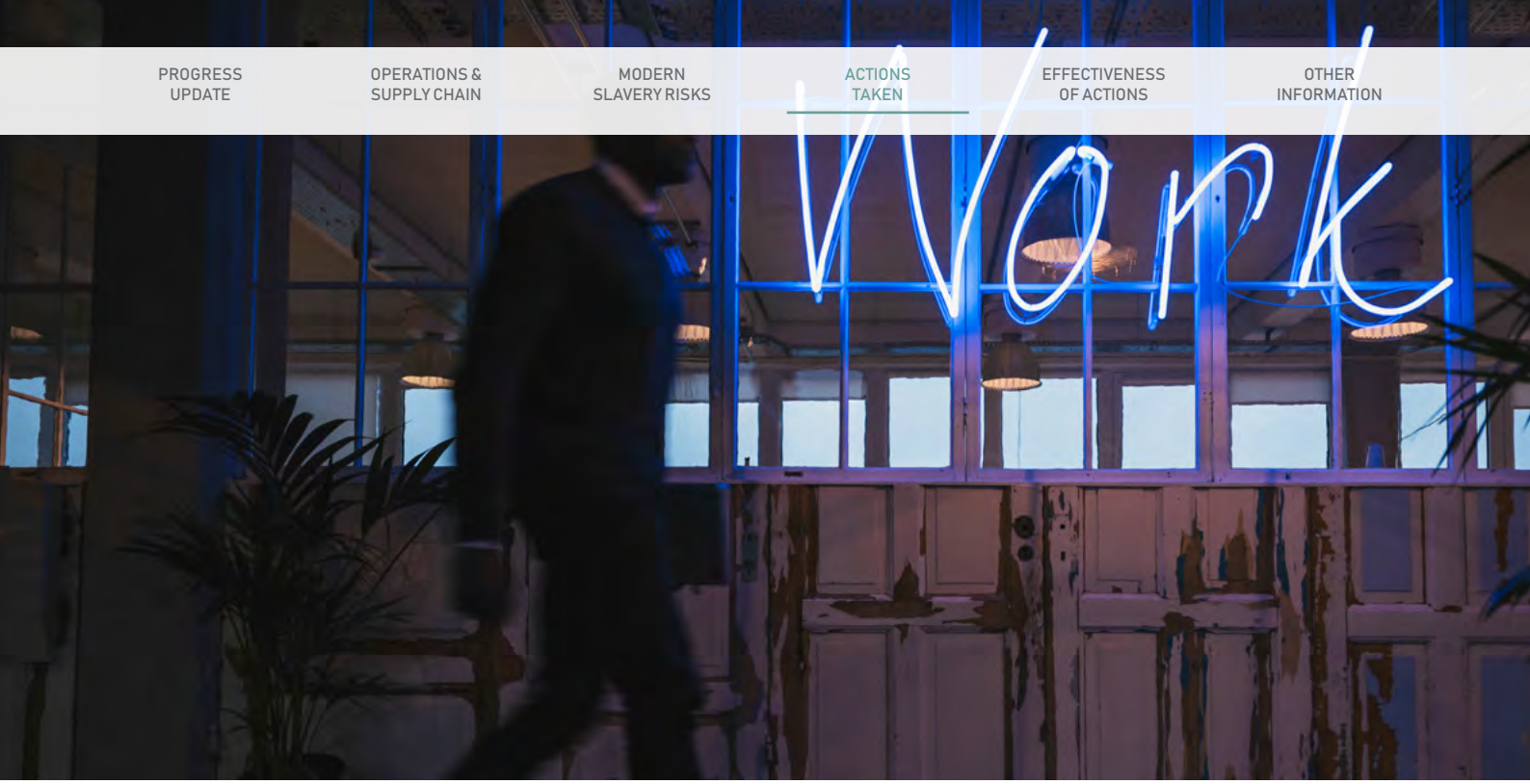
Our engagement of labour hire partners tends to be for specific services including technical and/or specialised cleaning services, technical and/or specialist maintenance services, security, and guest/concierge services at remote or rural customer locations. In FY22, we conducted a review of our contracts for all labour hire partners to understand what contractual controls were in place to mitigate human rights risks.

This means that 100% of our contracts with labour hire partners include relevant human rights and modern slavery clauses.

This group of suppliers was also included in our priority category A suppliers (see below) so were required to complete a self-assessment questionnaire of current business practices, with a focus on the management of modern slavery risk. Using the responses to the questionnaire, we have commenced more detailed engagement to delve deeper and will be introducing a program of assurance in the coming year.

Many of these businesses are small sized businesses and owners play a key role in providing employment opportunities for their local communities. This labour plays an important role in our business model and enables us to be flexible when needed although we are focused on reducing this.

In FY22, labour hire partner spend has decreased from 42% of our total spend to 31%.



Our supply chain

Glad Group has assessed the risk of exposure to modern slavery practices in our supply chain is greater than in our own operations. The multi-layered global nature of our supply chain means that we do not have control or visibility over it.

It is critical that we remain committed to obtaining a greater understanding of our supply chain to continue to undertake targeted supplier risk assessments across our supply chain and engage our suppliers in performing assessments of their suppliers. This is all about engaging our suppliers to get them to hold their suppliers accountable for their actions, raising the bar of performance and risk identification and mitigation through the whole supply chain.

As a large purchaser of goods and services, we have an important role to play in engaging and influencing our suppliers. But we also have a responsibility to act with integrity and consistency. Our actions could inadvertently contribute to or be directly linked to an adverse human rights impact in the supply chain. By demanding a product in an unreasonable timeframe, or at an unsustainable price, we could be putting a supplier under pressure to introduce practices that may increase modern slavery risk. This is particularly relevant in today's supply chain conditions where there is a lack of labour resources and materials due to disruptions overseas and as a hangover from the COVID pandemic.

In FY22, we made clear to both new and existing suppliers that want to, or already, provide goods and services to Glad Group what our expectations are of how they operate.

This includes requiring them to formally acknowledge and comply with our minimum standards which cover a wide range of areas of their business, not just Modern Slavery. These have been articulated in our updated Supplier Code of Conduct and Terms & Conditions of engagement.

As we have more than 400 suppliers in our supply chain, we have adopted a risk-based approach to ensure that we prioritise the implementation of our extended supplier due diligence processes on building more understanding and transparency on those suppliers assessed at a higher priority of the potential risk of modern slavery (as well as other ESG risks). We commenced this approach in FY21 and have completed this assessment again for FY22, analysing our suppliers against the following criteria to identify those at a higher risk of modern slavery:

Glad Group has used the following criteria to identify suppliers at a higher risk of modern slavery:

- Large value procurement – $100,001 and above.
- The Global Slavery Index 2018, top five products at risk of modern slavery
  - Garments used to produce uniforms
  - Electronics manufacturing and materials
- All international suppliers
- Labour hire partners

Any suppliers within these products and services categories have been included in Glad Group's priority category A or B level of supplier and have been subject to our extended due diligence procedures (see page 13).

Supply Chain Assessment Profile

	FY2019-2020		FY2020-2021		FY2021-2022	
Number of direct suppliers (Tier 1)	418		424		421	
Supplier Type	**No. of Suppliers**	**% of Spend**	**No. of Suppliers**	**% of Spend**	**No. of Suppliers**	**% of Spend**
Category A Large Value Procurement - $500,001 and above, The Global Slavery Index 2018 Hot Spot Industries, all International Suppliers & Labour Hire Partners	20	77	21	66	26	68
Category B Large Value Procurement - $100,001 to $500,000	35	13	45	22	46	21
Category C Medium Value Procurement - $20,001 to $100,000	85	7	80	8	69	7
Category D Small Value Procurement - $5,001 to $20,000	90	2	108	3	116	3
Category E Low Value Procurement - $0 to & $5,000	188	1	170	1	164	1
Country of origin						
Australia	418	100	424	100	402	99
International	0	0	0	0	19	1
Category type						
Goods & services	402	36	408	58	408	69
Labour hire partners	16	64	16	42	13	31
Length of relationship [4]						
Less than a year	14	4	0	0	0	0
1-5 years	293	33	324	76	221	29
6-9 years	99	62	92	22	164	66
10+ years	12	1	8	2	36	5
Business type						
Small business [5]	393	94	396	93	392	93
Large business	25	6	28	7	29	7

It should be noted for some of our larger suppliers, such as computer equipment suppliers or government institutions, Glad Group has limited (if any) ability to influence the practices of the business. For these companies, we remain committed to monitoring publicly available information on their human rights and modern slavery practises and making the most informed purchasing choices that we can.

Self-Assessment Questionnaire

Using the analysis undertaken at the end of FY21, and removing those suppliers described above that we cannot influence, we applied our extended supplier due diligence approach all new suppliers engaged as well as the 43 existing suppliers identified as category A and B priority suppliers in FY22. These suppliers were invited to complete a Self-Assessment Questionnaire, to enable Glad Group to collect more information on their approach to the management of modern slavery and other risks. This included asking questions about their: corporate background, corporate governance practices, business conduct and ethics, approach to people, supply chain and modern slavery, compliance and any outstanding issues. The aim of this was to assess their level of performance and understand their level of maturity and identify where the businesses need to drive improvement. The survey would then be resent each year to track progress and performance improvement.

- Category A & B suppliers invited to complete the Self-Assessment survey: 43
- Category A & B suppliers that completed the Self-Assessment survey: 30

4. Data available since 2012.
5. Defined as suppliers with whom Glad Group spends under $250,000 per year.

70% of those category A & B suppliers invited to complete the questionnaire did so; and what we found is that there was a huge range in the level of maturity of their businesses in the ESG space and specifically their actions to identify and remediate modern slavery both within their own businesses and supply chain.

For many, this was the first time they had ever been asked such questions about their business, and while they were willing to answer them, in some cases they felt overwhelmed and unsure of a what a 'good response' looked like. What we learned from this process is that there can be a significant gap in approach to and resourcing of modern slavery actions, as we take that next step down the supply chain. We must ensure that we engage in a constructive and supportive way.

We have used the results of the Self-Assessment Questionnaires to inform how we manage specific suppliers and what topics of conversation we have with them and encourage them to develop in. But we have also used the feedback to adapt how we are approaching the due diligence of all new and category A & B suppliers in FY23. We will be reducing the number of questions we ask them, and over time as they build their capability based on the industries that they work in and the identified risks of those specific industries.

We are also sharing the great training resources of the Supply Chain Sustainability School with them and encouraging them to complete courses on Modern Slavery and other ESG topics, to help them build their capability and confidence. For our category A & B suppliers, we are inviting them to join the Glad Group Supplier Academy which will see us host our suppliers and hear from experts in the field of modern slavery and human rights.

Glad Group Questionnaire

ESG Questionnaire

This is completed by all new suppliers and Category A & B suppliers.

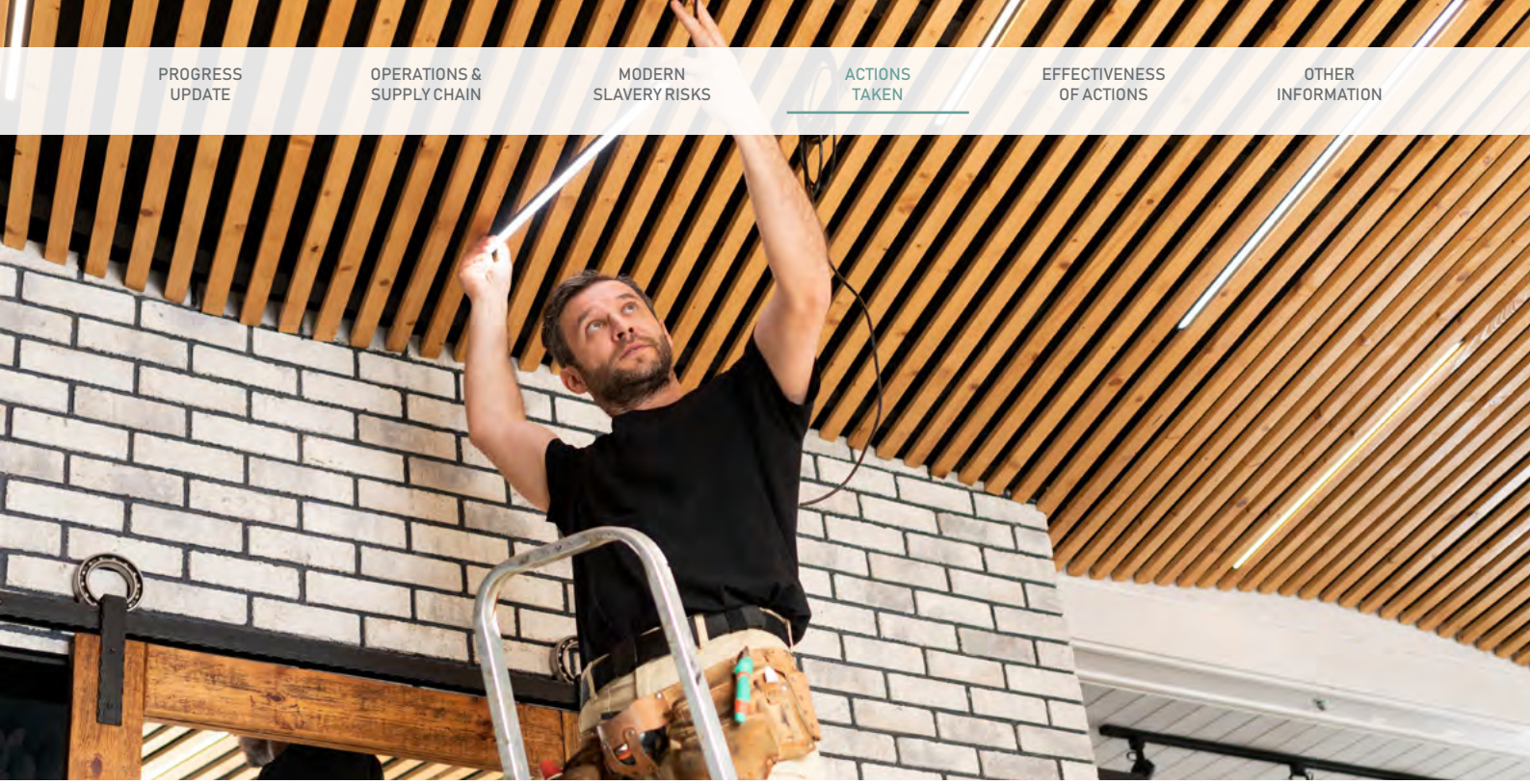
Assessment

Responses drive assessment of supplier performance and opportunities for improvement.

Active management

Driving how we actively manage the supplier, build their knowledge and capability and get to know them better.

- Level of management
- Topics for discussion in regular meetings
- Three areas for improvement
- KPIs to monitor performance
- Additional questions over time based on industry specific risks
- Potential for audit



This has never been about catching our suppliers out; rather it is about driving continuous improvement in their businesses, and we are committed to working with our existing suppliers that want to increase their capability and performance. It is only if a supplier is not willing or able to address risks and drive improvements that as a last resort, we have the option to exercise our right to terminate the agreement.

This approach is being supported by increased engagement with our suppliers and we have stepped up the regularity of meetings that we hold with them. Contractual obligations compliance and performance is discussed at these meetings, and the agreements that we have with our suppliers also include enhanced provisions and requirements regarding modern slavery and subcontracting practices, and a requirement to comply with Fair Work Australia regulations.

This due diligence process is also embedded in the way that we choose new supplier partners; while cost remains an important consideration, the Glad Group tender process has greater weighting towards an organisation's quality of product, approach to ESG risks and opportunities, identification and remediation of modern slavery and worker safety credentials. Every new supplier, irrespective of spend or risk profile, is now required to complete our simplified ESG questionnaire to on-board with us, and this requirement has been built into our new finance system which means that a new supplier cannot be paid if they have not completed the questionnaire. This is about seeking business partners that understand their responsibilities and impacts, and that are aligned with our values and approach. Ultimately Glad Group would like to provide incentives in contracts to reward our suppliers for continuous improvement in modern slavery risk identification and remediation.

We are looking to prioritise our focus and expand of framework for verification of supplier responses in FY23, building on what was achieved in FY22.

Case Study

CR8

Glad Group has been working closely with CR8, our long-standing uniform supplier.

We have learnt from this relationship that you should never assume that just because a business is small, they haven't made great strides in addressing modern slavery in their own business and supply chain. CR8 is actively working to ensure that their products are sourced from ethical supply chains and that their products take into account environmental impacts.

Grievance and remediation mechanisms for Glad Group's operations and supply chain

Definitions

Grievance Mechanisms
Systems used to raise, assess, investigate and respond to concerns, feedback and complaints[6].

Remediate
To restore individuals or groups that have been harmed by a business's activities to the situation they would have been in had the impact not occurred, or, where this is not possible, to provide compensation or other forms of remedy that try and make amends for the harm caused.

Listening to our stakeholders and responding to potential and actual instances of human rights violations both within our own businesses and supply chains is a critical part of a comprehensive approach to addressing modern slavery. Ensuring that there are trusted and robust mechanisms in place are more important than ever.

Not only are these mechanisms critical to facilitate dialogue between individuals and businesses – to voice concerns, issues or feedback –,they present a huge opportunity for us as businesses to learn and truly understand what is happening on the ground and how decisions made at senior levels of the business impact operations.

At Glad Group we have put in place different channels that allow stakeholders to voice their concerns. These start with informal channels (a conversation with a manager), to differing levels of formal (someone raising an issue with our People & Culture team or using our independent Whistleblower hotline), and our People & Culture or Senior Management Teams visiting sites. We have been focused on being clear, both internally and externally, about what our ethical and behaviour standards are, with a view to us being able to hold people (or other businesses) accountable should behaviours occur that are not in line with these standards. This includes being transparent in how our formal grievance mechanisms work in terms of process, confidentiality of comments, and level of support for both the victim(s) and person(s) accused of inappropriate behaviour. Feedback and complaints received through any of these channels are bought to our Senior Management Team in an appropriate (and anonymous) way for discussion and review.

We acknowledge that there are still barriers to reporting potential misconduct that our current efforts are failing to address. We must ensure our people, suppliers, supplier employees, relatives, spouses and dependents, know that our formal channels are accessible and trusted (legitimate), and that our processes are predictable and transparent. Our work force is made up of people from vulnerable groups within the community – women, migrant workers and those for whom English is not their first language. There are therefore additional barriers that can prevent them from accessing an effective remedy. In FY22, all complaints raised through our Whistleblower hotline were from Glad Group employees, and none was related to modern slavery. We need to do more and continue to regularly communicate through different forums and formats, and actively seek feedback on how our stakeholders feel about using these channels to raise issues and start the process of seeking remedy.

Redressing a grievance

Any response must be managed without bias and have the safety and wellbeing of the potential victim(s) front and centre.

Should we detect modern slavery within our own business operations, our actions would be swift to verify and investigate the issue, understand the cause, and resolve that as soon as possible in line with the wishes of the victim(s), ensuring an appropriate remedy to any harm suffered.

We acknowledge a gap in our response process relating to the identification of modern slavery outside our operations and within our supply chain.

We are clear on the principles that Glad Group would adopt. We recognise that every case is unique, no one size fits all, these issues are potentially hugely complex, and protections and remedies vary between countries. Our response process is also clear on the triggers and outputs of remediating modern slavery. When we detect a non-conformance in our supply chain, we will work closely with that supplier to develop a corrective action plan to resolve the identified issues.

A gap in our process lies in the absence of knowledge, experience, skills, capabilities and resources to investigate, coordinate stakeholders and facilitate the engagement between affected parties required to develop a corrective action plan. For an organisation of our size, it is practically impossible to acquire and maintain a resource with the prerequisites required to perform this function and provide the workload necessary to maintain their skills and experience.

Another gap lies in the absence of a collaborative response. The reality is that if there is an instance of modern slavery found in our supply chain, this impacts our fellow industry participants as well as us. It is not foreseeable that a public judiciary will independently provide this business service, nor can they in the case of inter-jurisdictional disputes.

To address these gaps, Glad Group is a leading advocate in the development of a collaborative practical approach to remediation. This approach would see industries come together to resource the practical remediation of modern slavery and other environmental and social issues in our supply chains. We look forward to updating our progress in our next statement.

6. "Listening and responding to Modern Slavery in Property & Construction", A practical guide for effective human rights grievance mechanisms, KPMG & the Property Council of Australia, 2022.

Key steps for inclusion in the remediation process include:

01 Safeguarding the victim

02 Engagement of experts for support and referral to authorities

03 Support and remediation for the victim

04 Corrective actions to prevent the situation from occurring again

Assessing the effectiveness of our actions

In the previous year, we began to develop a framework that identified the key components of an effective response to modern slavery.

This included ensuring that we have:

- Clearly defined roles, responsibilities and accountabilities.
- Our stakeholders (both internal and external) clearly understand our expectations of them with regard to modern slavery.
- We have due diligence processes in place to facilitate early identification of instances of modern slavery, including trusted and accessible grievance mechanisms that our stakeholders use to raise issues.
- Our subsequent interventions achieve the outcomes of non-recurrence and appropriate remediation for the victim(s).

We are keen to leverage our existing processes in driving the most effective actions so have included how we identify and manage the risk of modern slavery within our Risk Management Framework which articulates how we effectively identify, assess and manage risks that could impact our ability to deliver on our strategy and objectives. This involves identifying potential causes as well as controls that we should either be implementing ourselves or testing throughout our supply chain and monitoring that these controls are operating effectively.

We are committed to continuously improving in each of these areas and over the past year we have been assessing ourselves and using the benchmarking activities that we participate in such as Informed365 and EcoVadis to review our performance. We also track metrics such as number of internally reported grievances, number of Whistleblower complaints, how many of our suppliers have formally acknowledged our Supplier Code of Conduct, how many of our people have undertaken modern slavery training and been involved in the employee surveys.

But ultimately the effectiveness of our actions will be measured by how well we can identify modern slavery risks within our own business and supply chain.

To date, we have not identified any in either therefore we need to do much more to improve the effectiveness of our actions.

There are several key questions we are asking ourselves:

- Are our stakeholders really comfortable to use our Whistleblower hotline? Do they have confidence that we will respond in the way they would like us to?
- Are our due diligence processes robust enough to identify issues early so that they can be addressed?
- Do we understand the key controls in place to manage and mitigate the risk of modern slavery both within our own operations and supply chain? How do we know that they are operating effectively and consistently once we have identified them?
- Do our people have the capacity and capability to be undertaking risk assessments and asking the difficult questions, and then knowing what to do with the responses?
- Are we across all the issues we should be? How do we best stay up to date with leading practice?

We have more to do to provide comprehensive responses to the above questions, which will take commitment over time and collaboration with many of our stakeholders.

Our areas for focus in the FY23 year are captured in our roadmap of actions for the next 12 months and beyond.

Roadmap: next 12 months and beyond

Our experience over the last couple of years has taught us that engaging with suppliers to build capability and transparency takes time.

We didn't achieve everything that we set out to but rather wanted to take the time to sit with our suppliers and hear where they are up to and share our experiences. As such, in the coming year we have prioritised the actions that we want to deliver for our own businesses as well as through engagement with our suppliers:

Policy & Engagement	Continue to engage on and deliver training for our people including identifying and sharing training that is useful for our supplier partners, to build capability and knowledge. Formalise our approach to engaging with our people, customers, and suppliers to request and receive feedback on all aspects of our approach.
Identify & assess risks	Working with our suppliers to map the supply chain beyond Tier 1 (Tier 1 being the suppliers we directly engage). Building our knowledge of category specific supplier risks and engage our suppliers on this over time.
Take effective action	Continue our engagement with other businesses, industry peers and non-government organisations to understand leading practice, and explore potential future opportunities for collaboration, integrating learnings into our own actions and processes and sharing with our suppliers. Embed our revised Supplier Management Framework, including due diligence processes and third-party auditing of ESG Questionnaire responses and labour rights practices. Communicating and engaging on our grievance mechanisms.
Track & monitor	Regularly reviewing business practises with respect to modern slavery and identifying lessons learnt. Delve deeper into assessing the effectiveness of our actions. Track our modern slavery performance metrics through the Glad Group scorecard. Continue to monitor the supply chain disruptions due to the ongoing global economic recovery stemming from the COVID-19 pandemic.
Communicate & report	Annually report externally on progress and learnings through our Modern Slavery Statement.
Remediate	Collaborate with peers and NGOs on what an effective remediation framework / approach looks like.

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