



JOSCO

SUSTAINABILITY REPORT

FY25



About JOSCO

Established in 1977 as a specialist brush distributor, Josco has become a trusted Australian brand and partner of choice delivering innovative, sustainable solutions to industry.

Josco has a strong range of global brands, delivering cutting-edge innovative products across four key products segments (Surface Finishing, Cutting, Hand Tools and Cleaning) to trade professionals and project enthusiasts Australia wide. Josco products are available exclusively through its distributor partners in the industrial engineering, automotive, hardware, and specialist supply channels.

With a steadfast commitment to sustainability, continuous improvement, and innovation, combined with a dedication to quality, reliability and service Josco continues to grow as an integral supplier to Australian Market.

MISSION

To be *trusted by industry* to deliver dependable, innovative solutions that promote *sustainable growth*.

VISION

To be the *partner of choice* for delivering top-tier industrial quality solutions that *drive momentum and foster growth* across our brands and categories.

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CORE VALUES

BUSINESS AGILITY

Foster a *culture of innovation and proactive problem-solving*, encouraging creativity, initiative, and accountability to *drive growth and improvement* through calculated risks and embracing change.

CREATIVE SOLUTIONS

Leverage creativity and technology to develop innovative products, emphasising the importance of thinking outside the box, embracing new ideas, and improving processes and capabilities.

INTEGRITY AND ACCOUNTABILITY

Upholding the highest ethical standards by *promoting honesty, transparency, and accountability* to build trust through quality products and a culture of respect and reliability.

CUSTOMER-FOCUSED PERFORMANCE

Prioritising customer needs by designing products and processes that *enhance satisfaction and streamline service*, aiming to build lasting relationships and deliver exceptional value through customer-centric operations.

SUSTAINABILITY

At Josco we are focused on reducing the environmental impact of our products and packaging, whilst not compromising product quality and safety. We aim to achieve this by building a strong culture of environmental awareness and optimising our resource efficiency. To assist this, we are signatories to the Australian Packaging Covenant Organisation (APCO) and are committed to the key covenant principles of product stewardship.

At the beginning of FY25 we kickstarted our formal sustainability journey to establish a strong organisational foundation for our sustainability commitments. A sustainability project team, led by our Executive Director, was formed to manage our ongoing sustainability strategy with the help of third-party ESG specialists. Our approach was focused on identifying material sustainability issues through a structured materiality assessment while also initiating sustainability communications to update stakeholders on progress.

This report covers our sustainability performance and management approach for FY25. It has been prepared in reference to the Global Reporting Initiative’s (GRI) reporting standards. This report represents the first stage of our long-term, credible approach to sustainability at Josco. By establishing clear priorities and a strategic direction, we aim to firmly position ourselves for future sustainability reporting and industry best practices.

Australian Packaging Covenant Organisation

APCO is a co-regulatory not-for-profit organisation leading the development of a *circular economy for packaging* in Australia. APCO’s vision is a packaging value chain that collaborates to keep packaging materials out of landfill and retains the maximum value of the materials, energy and labour within the local economy.

Each year, we submit an *APCO Annual Report* and an *APCO Action Plan* for our organisation. The Annual Report provides our overall performance level as well as any commitments we have made to work towards our packaging sustainability journey. Our commitments capture areas such as design & procurement, recycled content, recoverability, disposal labelling, on-site waste and problematic materials.

We are proud to have achieved APCO’s highest performance level, *Beyond Best Practice*, in our most recent review. This recognition highlights the significant progress we have made and reflects our strong commitment to packaging sustainability.



Material Assessment

With the help of external sustainability professionals, we conducted a materiality assessment to deepen our understanding of our Environmental, Social and Governance (ESG) risks, opportunities and impacts. This assessment involved a review of sustainability trends, regulatory and reporting frameworks, and previous risk assessments, to identify topics that are important to our operations and stakeholders.

A collaborative workshop with key internal stakeholders, including senior leaders and subject matter experts, was conducted to equip Josco with insights to integrate sustainability into strategy and decision-making. Participants were asked to map key stakeholders that are impacted by our business and operations to ensure our material topics align, not only with corporate objectives, but also stakeholder expectations.

Upon discussion, approximately 30 potential sustainability topics were initially identified and discussed. These topics were then narrowed down to nine, capturing the most relevant economic, environmental and social topics to Josco. Participants then validated and prioritised these nine topics based on the significance of their impacts on people, planet and economy, and their importance to our operations. A materiality boundary was then set to ensure an appropriate management scope. A total of four material topics has been established and form the focus of this report. We will continue to review and update our material topics as we move forward in our sustainability journey.

MATERIAL TOPICS

PROCUREMENT PRACTICES & RESPONSIBLE SOURCING

Ensuring ethical procurement practices by collaborating with suppliers who *prioritise transparency, uphold environmental values and adhere to social standards* involving human rights and modern slavery.

ECONOMIC PERFORMANCE

Driving financial success through *innovation, proactive problem-solving, continuous improvement* and *accountability*.

OCCUPATIONAL HEALTH & SAFETY

Safeguarding the health and safety of employees, contractors, and visitors by implementing *rigorous safety protocols* and striving for *continued improvement*.

CUSTOMER HEALTH & SAFETY

Prioritising the safety and satisfaction of customers by *designing and testing safe products*, and providing *clear usage instructions* for all products.

BUSINESS GOALS

The following business goals have been set for financial year 2025 (FY25) to drive growth and performance, reflecting our commitment to ensure long-term success and sustainability.

FY25 GOALS

No significant workplace health & safety (WHS) issues

Update WHS policies and procedures

Establishment of mental health team

Continue to implement technology solutions to streamline processes, reduce cost, & improve the customer experience

Continue to drive productivity growth to reduce cost of ORG

Publish Environmental & Social Policies

GOVERNANCE

Josco adheres to the highest ethical standards to ensure we are honest, transparent, and accountable in all our actions. We build trust through dependable, high-quality products that is backed by a culture upholding integrity, respect and credibility, ensuring that our stakeholders can always rely on us.

Our governance practices are upheld by our comprehensive Company Manual that outlines all policies and procedures that apply to permanent, temporary, and casual workplace participants and contractors of Josco. This includes a clear Code of Conduct to ensure services are performed in a professional and effective manner while maintaining the highest ethical standards.

ZERO Incidents
of unethical business behaviour & misconduct

To ensure that processes and standards are effectively managed and implemented, we engage an external accounting firm, human resources (HR) provider, and information technology (IT) provider.

During FY25, we engaged with an external HR provider to strengthen the governance of our human resources practices and support a positive, resilient workplace culture. This included Workplace Psychological Safety training for all staff, Psychological First Aid certification for three team members and Leadership Resilience training for all managers. We are also in the process of implementing Happy HR, a digital HR platform that will provide real-time training, up-to-date policy access, and employee resources to all staff.

The Company’s commitment to best practices is also reflected in our memberships with the Victorian Chamber of Commerce, the Australian Institute of Company Directors, and the American Brush Manufacturers Association. Furthermore, company directors have completed and passed the Company Directors course, emphasising our dedication to high level governance. We aim to further build our governance processes by offering consumer law training to our sales team in FY26.

ECONOMIC PERFORMANCE

Josco is dedicated to driving economic performance through innovation, creativity and proactive problem-solving. By taking calculated risks, embracing change and continuously seeking opportunities for improvement, we aim to enhance our economic success.

Our entrepreneurial mindset encourages individuals to take initiative, and propel the organisation forward with a sense of ownership and accountability.

Monthly financial Board reporting is complemented by timely dissemination of financial results to shareholders each month. Our financial integrity is bolstered by certified managers and qualified staff

who are supported by an external accounting service. Multiple review and accountability processes are integrated within a cloud-based Enterprise Resource Planning (ERP) system, ensuring accuracy.

MAINTAIN & GROW

*gross profit from
FY24 levels*

Regular engagement with an external strategy consultant and an external accounting team ensures ongoing improvement in financial processes. During the year, we initiated projects to refine sales and margin reporting, as well as the financial reporting of goods in transit and landed costs. Annual financial submissions to banks and credit providers further reinforce our commitment to transparency and financial excellence. By the close of FY25, our gross profit has increased against the previous financial year.

PROCUREMENT PRACTICES & RESPONSIBLE SOURCING

We ensure ethical procurement practices by collaborating with suppliers who prioritise transparency, uphold environmental values and adhere to social standards involving human rights and modern slavery.

Currently, our marketing team is responsible for managing procurement and responsible sourcing. A Josco representative visits every factory we work with to ensure alignment with our supplier expectations. During these visits, we check that suppliers are working to ISO standards and that factories are clean, orderly, and provide healthy working conditions. Procurement practices are also a standing agenda item in our monthly Board meetings.

We are currently working with a consultant to develop formal policies and procedures, including a Supplier Code of Conduct and pre-engagement questionnaires, to ensure we are leading the way in responsible sourcing and procurement practices. These tools will allow us to clearly define our expectations and create a framework for ongoing monitoring and verification. Once in place, we will integrate environmental and social criteria into our procurement contracts, ensuring all factories commit to these supplier standards.

During the year we worked closely with our major Chinese supply partner to update their SEDEX (Supplier Ethical Data Exchange) audit requirements for ethical sourcing. SEDEX, is a global membership organisation that provide businesses with tools, data, and a service platform to share ethical data and enhance supply chain risk management.

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Information and training are provided for managers and employees to fulfill their Occupational Health and Safety (OH&S) roles effectively, holding all levels accountable. OH&S procedures and practices are applied in accordance with regulatory requirements and recognised standards, with related policies detailed in our OH&S Manual.

We are proactive in reporting, recording, and investigating accidents and incidents to prevent them from reoccurring. A documented process for hazard identification, selection, implementation, and review helps reduce risks. During the year we recorded one injury involving a sales team member lifting items from a vehicle. We have engaged with the Victorian Chamber of Commerce to review our existing OH&S reporting and planning practices as we strive for continuous improvement.

The Company is also prioritising mental health and wellbeing by aligning our training with ISO45003 (Psychological Health and Safety at Work) compliance. In FY25, all staff received six hours of mental health training, with an additional three mental health and safety officers completing a full 2-day mental health first aid training course. Staff have also received free flu vaccinations to promote their health and wellbeing.

The Company is dedicated to continuous improvement through the monitoring and review of measurable targets and objectives, enhancing its health and safety management systems. In the coming year we aim to review and update our OH&S policies and introduce sexual harassment training for all staff.

All staff received
6 HOURS
of mental health training

CUSTOMER HEALTH & SAFETY

At Josco, we prioritise the health, safety and satisfaction of our customers by designing, safety testing, and providing clear operating guidelines for all products.

ZERO
Incidents
of non-compliance relating to customer health and safety

Customer health and safety is prioritised at all levels of the business. Our product design team ensures quality compliance and are always focused on creating products that are safer and more ergonomic. The end user engagement team demonstrates safe usage to customers, while the marketing team develops instructional content detailing safe use practices. Monthly Board meetings are held to review any related issues should they arise. During FY25, we recorded zero incidents of non-compliance with regulations and/or voluntary codes relating to customer health and safety.

Internally and externally, we emphasise the importance of safety and ensures products are rigorously tested to meet operational expectations. All Josco products comply with industry standards from ABMA, OSA, ANSI¹, and other Australian and New Zealand specific standards for abrasives. Our

manufacturing partners adhere to ISO9001 (Quality Management Systems) and ISO14001 (Environmental Management Systems), reinforcing our commitment to product quality and environmental safety. In FY25, we developed and formalised our Customer Health and Safety Policy.

Safety information is prominently displayed on packaging to guide customers in using products safely and wearing appropriate protective clothing. During the year, we developed instructional videos to give customers easily accessible examples for safe use of our products. We will continue to develop these videos and update our catalogues and websites to ensure customer safety guidelines are up to date. We are also exploring engagement opportunities with trade schools and end user events to continue the promotion of our customer health and safety commitments.

