

Modern Slavery Statement 2022

FDC Group

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FDC are pleased to submit our third annual Modern Slavery Statement. FDC remains a reporting entity, as defined by the Commonwealth Modern Slavery Act 2018 (MSA).

This joint statement is prepared and submitted on behalf of all MSA reporting entities, that FDC owns and controls. It also serves as a voluntary statement, presented on behalf of other FDC entities that do not currently qualify as reporting entities under the MSA. We do this as a means of best practice and a demonstration of the seriousness with which we take our commitments to this issue.

FDC continue to review and improve upon the social, ethical, and sustainable practices that we have been implementing over the past several years, with a view to improving the direct and indirect human impacts associated with our activities.

This review includes the recent development and implementation of an ESG Strategic Framework. This framework provides clarity and structure to the objectives, actions, and desired outcomes of our environmental, social, ethical, and sustainable practices. Our modern slavery actions, procedures and intentions form a key pillar of this framework.

This statement was endorsed and approved by our principal governing body, the Board of Directors of FDC Group Holdings Pty Ltd, and the senior management of FDC on Monday 12th December 2022.



Bentley Cottle
Managing Director



Peter McCabe
Finance Director

Structure, Operations and Supply Chains

Structure

This statement is submitted by FDC Group Holdings Pty Ltd, on behalf of the FDC Group of operating entities listed in Appendix 1 (Group Structure) of this statement.

FDC Group Holdings Pty Ltd (FDC) is the parent company of all operating companies and divisions within the FDC Group. FDC is 100% owned by its Directors and employees, all of whom are actively involved in the day to day management and operations of the business. FDC has no external shareholders.

Operations

FDC's primary business is as head contractor in the design, construction, and management, of new and refurbished built product in the domestic, non-residential, building and construction industry. FDC Mechanical also provides mechanical and associated services to our clients and the FDC Group. Given the high capital spend nature of our business sector, FDC are considered by many of our clients to be a significant supplier to their businesses and hence subject to the greater scrutiny that may bring.

FDC are a 100% Australian owned and operated business. We have established operations in each Australian State and Territory, except Tasmania and the Northern Territory. All FDC operating divisions and entities, operate within the requirements of our fully certified Integrated Management System. The FDC management system is certified to International and Australian Safety (ISO 45001:2018), Quality (ISO 9001:2015) and Environmental Standards (ISO 14001:2015). FDC is also accredited by the Office of the Federal Safety Commission (OFSC).

FDC management systems and processes ensure that we comply with all applicable safety and labour legislation, rules and regulations, standards, codes of practice, client and community expectations including, but not limited to the Fair Work Act 2009, Work Health and Safety Act 2011, Migration Act 1958 and the Modern Slavery Act 2018.

Within this management framework, FDC's operating divisions have certain autonomy and flexibility to manage their businesses in the best interests of our clients, communities, suppliers, workers, our people, and our business. Each FDC division report to, and are accountable to, the FDC executive leadership team and FDC Board of Directors.

Supply Chains

As head contractor, FDC evaluates, engages, and monitors the sub-contractors, suppliers, and service providers that we rely on to assist in the creation of our built product. A significant majority of FDC's procurement, involves the direct engagement of sub-contractors to provide goods and services to perform those works. At times, FDC may engage directly with suppliers for the purchase of specified goods or materials. This is usually undertaken on the instruction, and specification of our clients.

During FY 21/22, FDC engaged the services of over 4,000 suppliers. FDC currently have more than 8,000 active vendors registered across our businesses. These businesses range from multinational and listed corporations to SME's of all varieties. Regardless of the size or provision of service, each new vendor to our business is required to acknowledge receipt and understanding of the FDC Modern Slavery Charter for Suppliers and Service Providers (Charter). This provision is reviewed annually and has been in place since 2018.

With FY 2022 procurement spend of more than \$1.1b, across more than 4,000 suppliers, the FDC supply chain has a long and diverse tail. Our top 100 vendors account for approximately 50% of our total annual spend and given its nature, is more heavily skewed towards higher risk/likelihood of modern slavery packages, than the lower 50% of our supply chain.

Actions

During 2022, and as referenced in the “Future Actions” section of our 2021 Modern Slavery Statement, our 2022 modern slavery actions include:

- Reviewed and risk assessed the top 50% of our supply chains
- Improved and further developed our supplier assessment processes
- Developed an ESG Strategic Framework, including Modern Slavery and Forced Labour as a key pillar
- Received Director and Senior Management endorsement of our ESG Strategic Framework
- Increased awareness of modern slavery issues amongst FDC procurement staff and suppliers.

To assist FDC in continuing to manage and improve our effectiveness of modern slavery issues, FDC have drawn upon our previous experiences, risk assessments, case studies, and the research and resources provided by the many NFP’s, industry experts and specialists servicing this sector.

FDC would like to acknowledge and thank these organisations, for their contributions. They include, but are not limited to the following:

- Australian Catholic Anti-Slavery Network (ACAN)
- Property Council of Australia/KPMG – Human Rights Grievance Mechanisms in Property and Construction
- Property Council of Australia/Informed365 – Modern Slavery Supplier Assessment Platform
- Anti-Slavery Australia/UTS
- Bureau of International Labour Affairs (ILAB) – Better Trade Tool, Sweat and Toil app.
- Benevolent Society – Community Partner Modern Slavery Toolkit
- Supply Chain Sustainability School
- Global Supplier Ethical Data Exchange (SEDEX)
- EcoVadis
- Social Traders

Risk and Supplier Assessments

Through a combination of our own enquiries and the use of third-party platforms and experts, and the co-operation of our suppliers, FDC have continued to deepen the assessment of our corporate and project related, supply chains.

The past 12 months has seen FDC undertake a review and assessment of our top 100 suppliers, equating to approximately 50% of our supply chain, by dollar spend. Based on a combination of previous learnings, risk analysis and new information, FDC have determined that 76% of our top suppliers could be categorised as having high likelihood of some form of modern slavery risk within their supply chains, 23% as being of medium risk and 1%, as low risk.

FDC have continued to focus our attentions on the higher risk/high likelihood categories of suppliers, particularly where we may be able to have some level of influence over outcomes. Of these high likelihood categories, FDC have received completed assessments from 20% of those suppliers, equating to 27% of our high risk spend. As we progress on our risk assessment journey, FDC will seek, and expect an increased response and participation rate during FY 2023 and beyond.

Top 100 Suppliers by Value		
Risk of Modern Slavery	Completed Third Party Assessment	Services/Suppliers by Category
High Likelihood	27%	Electrical Services, HVAC, Joinery, Refrigeration, Fire Services, Structural Steel, Roofing Systems, Flooring and Carpeting, Office Furniture/Portable Office Equipment, Waste Equipment, Architectural Services, Plumbing, Tiling, Metal Fabrication, Partitioning/Plastering, Hydraulic Services, Labour Hire, Solar Systems, PPE/Uniform Supply.
Medium Likelihood	Not Yet Assessed	Concreting Services, Power Generation, Swimming Pools, Facades, Civil/Earthworks, Demolition, Lifts/Elevators, Mezzanine Systems.
Low Likelihood	Not Yet Assessed	Insurance Services.

FDC acknowledge that the highest modern slavery risks are largely manifest in the multiple lower tiers of our suppliers’ supply chains. We do not accept however, that these highest tiers are free of any modern slavery or forced labour risks, hence our commitment to continue an ongoing biannual risk assessment program.

FDC have identified and acknowledge the increased risks of forced labour appearing in the supply chains of a growing number of electrical and associated services, relating to the production and installation of solar panels and storage devices in Australia and globally ie: polysilicon, and certain rare earth minerals.

We continue to increase awareness amongst our procurement staff and relevant suppliers, of these emerging forced labour risks. FDC are taking a more a more rigorous approach to our supplier assessment evaluations, to improve the screening and selection of these related suppliers and products. We acknowledge that these growing risks are largely an unintended by-product of the rapid global shift towards electrification, decarbonisation, and the ongoing evolution towards renewable energy sources.

Given the permanent nature of this evolution, FDC continue to encourage our clients and suppliers to work with us to undertake additional due diligence, to ensure that the most appropriate and ethically sourced products are used in the provision of these works and services.

FDC acknowledge the increased importance and demand for responsibly sourced and produced goods and services. These goods and services form a key component of the FDC ESG procurement guidance, currently being developed.

Awareness

FDC have conducted several training sessions with our senior management, procurement, and project staff to continue to raise awareness of modern slavery and forced labour risks, and the tools available to us to assess our suppliers.

Amongst other initiatives, FDC have utilised the resources made available to us by various organisations, including induction and awareness videos, learning modules and site signage. These resources are available for use by all FDC staff and project teams and are used at discretion across selected sites.

FDC continue to participate in industry forums, webinars, and other forms of collaboration to remain well informed on modern slavery and other ESG issues. We thank all who contribute their time, energy, and resources to these collaborations.

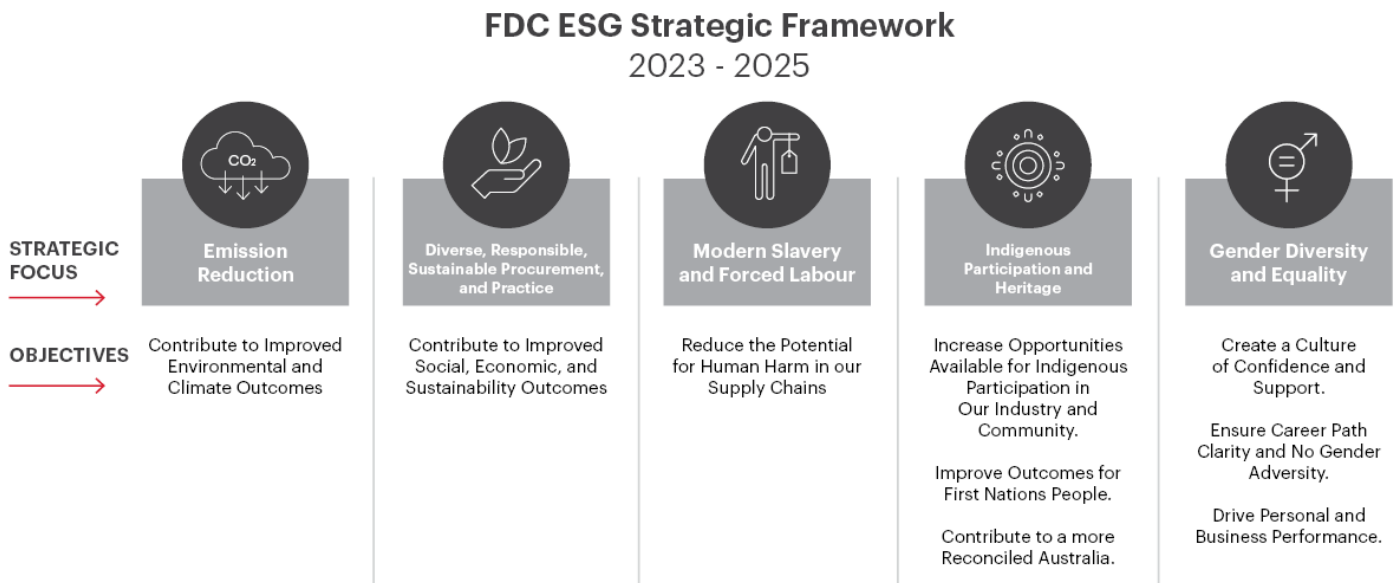
FDC remain members of the Supply Chain Sustainability School Australia, the Global Supplier Ethical Data Exchange (SEDEX), Green Building Council of Australia, Supply Nation, Property Council of Australia, Mates in Construction, Master Builders Australia, NSCA, Women in Design and Construction (WIDAC), National Association of Women in Construction (NAWIC), and many other industry bodies relating to social issues. We see this as an extremely important component of our client, staff and stakeholder offering.

Third Party Review

The Corporate, Social, Responsibility and ESG practices and processes of FDC are assessed annually by EcoVadis. The 2022 EcoVadis assessment, rated FDC at 64/100 placing us in the top 12% of building and construction companies that they assess. Our 2022 EcoVadis rating reflects several improvements that FDC have implemented over the past 12 months, particularly regarding our modern slavery and ethical practices. This resulted in an improved rating of 70/100 for the Labor and Human Rights category of this assessment.

ESG Strategic Framework

During 2022, FDC have developed and begun implementing an ESG Strategic Framework (below) that will guide our Environmental and Social Governance issues over coming years.



The table below highlights the key issues in our industry, that FDC have identified as being of greatest ESG concern.

FDC and ESG

It's Not Just What We Deliver, But How We Deliver That Matters



ENVIRONMENTAL

How we consider our Environmental Impact.

- Biodiversity Management and Loss Reduction
- Climate Change Mitigation
- Emissions Reduction
- Renewable Energy Use
- Sustainable Building Practices and Procurement
- Waste and Hazardous Materials Management
- Landfill Reduction
- Re-Use, Recycling, Circularity
- Design to Deconstruct and Disassemble
- Air Pollution (non GHG) and Waste Water Management



SOCIAL

How we consider our staff, clients, community, and all stakeholders.

- Modern Slavery and Forced Labour
- Ethical Labour Practices and Human Rights
- Indigenous Participation and Heritage
- Diverse and Responsible Procurement
- Gender Diversity and Equality
- Equal Opportunity, Anti-Discrimination and Mutual Respect
- Health and Safety Management
- Community Engagement



GOVERNANCE

How we manage our legal and moral obligations.

- Board and Senior Management Engagement
- Policies and External Disclosures
- Governance Structure
- Strategic Oversight and Accountability
- Legal, Moral and Stakeholder Obligations
- Supply Chain Management
- Anti-Bribery and Corruption
- Code of Conduct and Grievance Management
- Data Privacy and Cyber Security

The following FDC Senior Management Statement – Environmental, Social, Governance (ESG) has been endorsed by the Directors and Senior Management of FDC during 2022.

Environmental, Social, Governance (ESG)
Senior Mangement Statement

Since our Founding in 1990, it is the safety and responsible management of our people and our environment, that will always remain our top priority.

“It’s not just what we deliver, but how we deliver that matters to us”.

The FDC ESG Strategic Framework determines the key areas of strategic focus and the objectives, actions, desired outcomes and governance of our environmental, social, ethical and sustainability practices. These practices are embedded in FDC management systems and form an integral part of how we conduct our business.

Our management processes and systems are constantly reviewed and improved, to ensure that FDC remain best practice in everything we do and remain the partner of choice in the Australian building and construction industry. FDC are aware of our responsibilities as a business, and the opportunities we have, to use our sphere of influence to make a meaningful difference to the things that are important to us, our clients, and our communities.

FDC are committed to:

- Procure goods and services that are responsibly and sustainably, sourced and produced,
- Assess and reduce the Scope 1 and Scope 2 carbon emissions, and waste created as a result of our business operations,
- Implement the most sustainable design and construction methods available to us, in the delivery of our built product,
- Reduce the potential for human harm in the supply chains of the labour, goods, and services provided to FDC,
- Increase engagement with diverse and under-represented suppliers, to improve social outcomes and impact,
- Provide fair and equal opportunities for employment and career progression at FDC, free of any gender, social, cultural bias, or judgement,
- Create a supplier and employee base that best aligns with FDC values, and the expectations detailed in our own Code of Conduct and Ethics.

Our ESG Strategic Framework is fully endorsed by FDC Directors and Senior Management.

FDC | Made personal™

Future Actions

Modern Slavery and Forced Labour form one of the five key pillars identified as areas of strategic focus in the FDC ESG Strategic Framework 2023-2025. This Framework determines and clarifies the objectives, actions, and desired outcomes of the environmental, ethical, social and sustainability practices that FDC will continue to implement across our business over the coming years.

Key areas of improvement identified for our 2023-2025 Modern Slavery and Forced Labour initiatives, include:

- Review and improvement of FDC procurement procedures,
- Increased focus on procurement staff training, regarding social and ethical issues and risks
- Increased assessment of FDC suppliers via the FDC Tender Interview process
- Increased use of third-party assessment tools for identified higher risk category suppliers
- Continued development of an FDC responsible procurement guidance tool, to include modern slavery risks and remediation tools.

As part of FDC’s commitment to continually improve our ESG practices, we have appointed various champions and working groups to develop, communicate and assist the implementation of this framework, including our modern

slavery initiatives. These groups are led by our recently appointed ESG Manager and has representation across all FDC divisions and staffing levels, including senior management and Director level.

The stated objective driving our modern slavery and forced labour initiatives, is to reduce the potential for human harm in our supply chain. This continues to be a driving ambition of FDC.

FDC have continued and furthered our involvement with the Property Council of Australia/Informed365 – Modern Slavery Supplier Assessment Platform. As a significant supplier to several PCA members, FDC recognise the value and importance of maintaining an up to date record of our modern slavery initiatives with these organisations.

As a continuation of this relationship, FDC have also joined this same PCA/MSA consortium platform, as a means of further assessing and identifying our own suppliers. This will be an evolving and ongoing process for FDC.

FDC continue to develop a guide to the most responsible and sustainable goods and services available for our procurement teams. This guide will also include links, references, and updates to the ILAB-Better Trade Tool, Sweat and Toil app, and other resources detailing the highest risk countries and goods for labour exploitation.

COVID-19, Macro Supply Chain Impacts and Remediation

The past few years including 2022, have posed many challenges never faced by any of us, including the current generation of business, community, or political leaders. These challenges include the Russian-Ukraine invasion, extended Chinese covid-19 lockdown measures, global inflation, global interest rate increases, rising energy costs, wage pressures, labour and personnel shortages, transport disruption, trade sanctions, reduced global movement, the great resignation and more.

The confluence of these events has put more pressure on supply chains than ever before. As a result, FDC have noticed a significant increase in demand for locally sourced and produced goods. Local and domestic sourcing is becoming an increasing requirement for a growing number of our clients. This is not always possible of course and, in some instances, can unfortunately produce a race to the bottom as far as price and quality goes. FDC are cognisant of these issues and will continue to work with our clients and suppliers to provide the best solutions possible.

FDC continue to use the FDC Whistle-blower Policy and the tools and mechanisms contained within it, as the primary tool for reporting any suspected incidence of modern slavery in our business. We are aware of some of the many other means of reporting and remediating modern slavery concerns and acknowledge the great work done by many organisations in recent years in this regard. FDC will continue to evaluate our needs and processes and the applicability of some of these other remediation options available to us.

Effectiveness

FDC have pursued a strategy of being more targeted in the clients and projects with which we do business. We increasingly seek early stage involvement in our projects, and attempt to have increased involvement in the design and procurement planning phases of the projects with which we are involved.

This has been a deliberate risk minimisation strategy, designed to improve outcomes on a multitude of levels, for FDC, our clients and suppliers. This process has given us greater influence and control over procurement decisions and given us greater ability to guide our clients in their procurement decisions, particularly regarding responsible and sustainable procurement.

We have noticed a significant improvement in the dialogue and influence that this strategy has delivered for our clients and our delivered built product. FDC will continue this strategy of partnering with organisations that align with our corporate values, ESG objectives and desired outcomes, including modern slavery and sustainability.

This is consistent with our corporate mantra, “It’s not just what we deliver, but how we deliver that matters to us”.

Internal Consultation

The growing emergence and importance of environmental and social governance issues has resulted in FDC appointing a dedicated ESG Manager, responsible for the development, communication, co-ordination, and implementation of our new and existing ESG practices. Modern Slavery and Forced Labour are one of the five silos of strategic focus, included in the FDC ESG Strategic Framework.

A key component of the remit for this position is the internal communication and execution of our ESG strategies. Our working groups and ESG Champions represent a broad cross section of the FDC business. We find that the best means of communicating our messages are via a variety of different forums and audiences across our business such as HSEQ, Project Teams, Bid and Tender Managers, Business Development and Senior Management meetings.

These meetings occur on a regular basis from weekly, fortnightly, monthly, quarterly, and semi-annually and cover a variety of issues including ESG and modern slavery initiatives, as relevant. FDC continue to evolve the most effective means of communicating our messages across our various divisions.

FDC senior management have been presented with, and endorsed the FDC ESG Strategic Framework 2023-2025, at our recent semi-annual senior management conference. Senior and divisional FDC managers have given a commitment to support and assist in the implementation of these initiatives.

Other relevant information

Since our Founding in 1990, it is the safety and responsible management of our people and our environment, that will always remain our top priority.

FDC continually review our policies and processes to ensure that we maintain and exceed the high standards that we set for ourselves and are expected of us by our many stakeholders. We intend to remain the partner of choice for the delivery services that we provide.

The FDC Code of Conduct and Ethics (Code) remains the principal governing document that guides the expectations we have for ourselves, our employees, and our service providers, particularly with regards to matters of conduct, ethics, safety, diversity, and sustainability.

This Code, and our various modern slavery initiatives and expectations are supported by other FDC documents, including those listed below.

Modern Slavery Policy	Environmental Sustainability Policy
Human Rights Policy	Work Health and Safety Policy
Code of Conduct and Ethics	Whistle-blower Policy
Modern Slavery Charter for Suppliers and Service Providers	FDC ESG Strategic Framework 2023-2025

Appendix 1

Entities Owned and Controlled by FDC and Covered by this Statement

MSA Reporting Entities	MSA Voluntary Reporting Entities
FDC Group Holdings Pty Ltd FDC Construction (NSW) Pty Ltd FDC Fitout & Refurbishment (NSW) Pty Ltd FDC Construction & Fitout (VIC) Pty Ltd	FDC Construction & Fitout (ACT) Pty Ltd FDC Construction & Fitout (QLD) Pty Ltd FDC Construction & Fitout (SA) Pty Ltd FDC Construction & Fitout (WA) Pty Ltd FDC Mechanical Services Pty Ltd FDC Technologies Pty Ltd FDC Business Services Pty Ltd FDC Construction and Fitout Pty Ltd FDC Contracting Pty Ltd FDC Development Pty Ltd FDC Investments Pty Ltd FDC Nyamba Pty Ltd (49%)

FDC Group Structure

GROUP STRUCTURE

FDC Group Holdings Pty Ltd (2020) | ABN 68 615 183 358

