

# Joint Modern Slavery Statement 2023

Hitachi Construction Machinery (Australia) Pty.  
Ltd. (ABN 62 000 080 0179) &

Hitachi Construction Machinery (Oceania)  
Holdings Pty. Ltd. (ABN 94 632 744 275)

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## Disclosure Notation

This Joint Modern Slavery Statement is prepared by Hitachi Construction Machinery (Australia) Pty. Ltd. (HCA) and Hitachi Construction Machinery (Oceania) Holdings Pty. Ltd. (HCMO) for the year end 31 March 2023. As members of the Hitachi Group, both Companies function under the Japanese financial year (1 April 2022 to 31 March 2023) and are reporting entities under the Modern Slavery Act 2018 (Cth) (Modern Slavery Act).

Unless otherwise stated any reference to “the Company”, “we”, or “our” refers to both Hitachi Construction Machinery (Australia) Pty. Ltd. and Hitachi Construction Machinery (Oceania) Holdings Pty. Ltd.

Both HCA and HCMO provide mining, construction and quarry clients with quality machinery, parts and after sales support. Companies which provide us imported goods include; Hitachi, Bell, HTM, Donaldson and Bradken.

## Introduction

Our statement is made pursuant to the Modern Slavery Act 2018 (Cth) (Modern Slavery Act) and sets out the actions HCA and HCMO continue to take during this reporting period to address human rights abuse within our practices, operations and supply chain.

As part of a global business, we recognise that modern slavery may exist as a concealed issue, particularly within our international supply chain. We acknowledge this risk and welcome the opportunity to collaborate with our suppliers, to work towards eliminating modern slavery.

This statement has been prepared by HCA in consultation with members of HCMO’s modern slavery cross-company working group. Both Companies have a close working relationship and HCA shares many policies and processes with HCMO. Approval of this statement has been given by the Board(s) of HCA and HCMO.



Ray Kitic  
Managing Director, Hitachi Construction Machinery (Oceania) Holdings Pty. Ltd.

Date 19 /09/ 2023

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## Company Overview – Entity Structure and Operations

Hitachi Construction Machinery (Australia) Pty. Ltd. (HCA) operates within the construction and mining equipment market in Australia providing a wide range of quality machinery and accessories including service, parts and technical support.

The Company became incorporated on 23 June 1949 as Blackwood Hodge (Australia) Pty. Ltd. In July 1994, the Company name was changed to Marubeni Construction & Mining Equipment Pty Ltd., followed by a further change in September 1999 to Hitachi Construction Machinery (Australia) Pty. Ltd.

Company shares in HCA are held by Hitachi Construction Machinery Oceania Holdings Pty. Ltd., Marubeni Corporation and Marubeni Australia Limited. The ultimate holding company is Hitachi Limited, Japan.

Within Australia, HCA operates across 26 branches, (including 3 remanufacturing centres) in both regional and metropolitan areas. HCA are recognised for contributing to the development of safe equipment to support:

- regional mining
- forestry and construction industries
- local manufacturing
- innovative technology
- mining system solutions

The formation of Hitachi Construction Machinery Oceania Holdings (HCMO) was made during mid-2019. HCMO is the regional company charged with providing support functions to Cable Price Limited (CPL) in New Zealand and HCA.

HCMO is a wholly owned subsidiary of Hitachi Construction Machinery Co., Ltd (HCM). HCM is a leading manufacturer of construction and mining equipment, headquartered in Japan with over 20,000 staff globally. HCM manufactures hydraulic excavators from the smallest mini to the largest 780 tonne class, as well as rigid frame mining dump trucks and a wide range of wheel loaders. The ultimate holding company is Hitachi Limited.

As of 31 March 2023, HCA directly employed 1280 employees. As of 31<sup>st</sup> March 2023, HCMO directly employed 150 employees. These employees are compensated according to the applicable industrial instrument. Employees not covered by an Award or Enterprise Agreement are covered under the terms of the National Employment Standards.

## Supply Chain

During the reporting period, both HCA and HCMO purchased services and products from a number of direct suppliers from a number of different countries however the majority of these transactions were from group companies.

The majority of our global suppliers are based in Japan, Singapore, the USA, Canada and South Africa.

The key procurement categories on a global basis include construction and mining equipment whole goods and their associated repair parts and on a national basis include the provision of 3<sup>rd</sup> party repair, the supply of consumer goods such as power, water, travel, vehicles and day to day consumables that would be used as part of the normal day to day requirements to operate our business.

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Within the category of services our spending includes professional consultants, cleaning and office maintenance, fire services, and other such key services. Generally, almost the entirety of this category for our companies HCA and HCMO would be sourced and purchased within the Australian marketplace.

Our items of capital plant, equipment, maintenance/repair, parts may be sourced from suppliers internationally and prominently from Japan.

The above applies equally to HCA as well as HCMO.

## Risk of Modern Slavery

HCA and HCMO acknowledge that as large global companies we cannot disregard the possibility that modern slavery practices may or could occur within our supply chain. We recognise the importance of our well-qualified business partners and we go to great lengths to ensure that all of our partners are aware of and fully committed to the ethical manner in which we conduct business in all countries and markets.

Both HCA and HCMO reserve the right to request updated or additional information from our suppliers to identify any risk associated with fraud, corruption or human rights abuses.

As mentioned above the majority of our capital plant and parts are supplied from Japan which according to the Global Slavery Index is deemed low risk by a country ranking of 152/160 with "Vulnerability to Modern Slavery" and an overall rating level as "Low Prevalence". We recognize the challenge in identifying the risks of Modern Slavery in our supply chain and acknowledge the inherent risk within the global supply chain of products such as mobile phones, computers and laptops manufactured overseas.

## Governance

The Company recognises corporate governance must be related to the foundational business operation of the entire enterprise and is closely related to the corporate culture. Our approach to governance and compliance stems from the understanding that is not the sole responsibility of one person or division, but every employee must cooperatively contribute to the management of human rights risks and undertake compliance and ethical training.

Our Directors, Executive Officers and other equivalent persons who are responsible for the management of the Company serve as a role models for high ethical standards. The Management endeavours to create and sustain a corporate culture of integrity across the Company.

In addition, the Executive and Management Team has continued to communicate to employees, through training and other initiatives, the Company's Group Codes of conduct and broad range of policies as well as all applicable laws, rules and regulations. Both HCA and HCMO strive to prevent any misconduct and take appropriate actions to correct situations that may impair the ability of employees to act ethically.

During this reporting period, we continued our commitment to raising awareness of the risks that may be associated with modern slavery within our supply chain including the revision of business practices and policies.

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## Policies and Standards

Managing the risks of modern slavery and human rights abuses is underpinned by our policies and standards. The overarching framework which supports our rules and principles is the Hitachi Group Codes of Conduct and Hitachi Global Compliance Program (Framework Policy). These policies apply to all officers and employees of Hitachi Ltd. and its consolidated subsidiaries and set out the framework for Compliance Management Responsibilities, Codes of Conduct, Assessing, Evaluating and Reporting Compliance Risk and Promoting Respect for Human Rights.

HCA and HCMO have also established their own codes of conduct in accordance with Australian legal systems, social customs, business characteristics and respect for human rights.

Policies which address these are set out below:

- Code of Conduct and Business Ethics
- Whistle Blower Policy
- Due Diligence Questionnaire (for suppliers)
- Modern Slavery Policy

## Due Diligence

We highly value our network of business partners and suppliers. To ensure that our suppliers are fully committed to the manner in which we conduct business within domestic and international markets we request all suppliers complete our Due Diligence Questionnaire and comply with our Supplier Risk Assessment process which is then reviewed by Compliance and Audit in line with our internal processes.

Both HCA and HCMO reserve the right to request updated or additional information from our suppliers to identify any risk associated with fraud, corruption or human rights abuses.

For HCA Construction Equipment our suppliers are categorized as:

- National Supplier
- Preferred Supplier
- General Supplier.

In relation to our supply chain for machinery attachments, our Construction Equipment & Forestry and Mining Attachment Suppliers must undertake an audit process to become a supplier.

Our Corporate Support Group (Construction Equipment) is responsible for acceptance of an Attachment Supplier following pre-approval by our Engineering Group. Prior to a supplier being nominated as a National Supplier the Sales team conducts an Attachment Supplier Quality Audit. Our Engineering team may also assist with the audit process. Bi-annual meetings are also conducted to assess current supplier performance and to consider supplier nominations.

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## Grievances and Remediation

We recognize that every employee, contractor, business, or third party provider has the right and responsibility to ask questions, seek guidance and report any suspected breach and/or grievance in relation to modern slavery or human rights abuses. Reporting is protected and highly encouraged. To obtain guidance or to raise any concerns related to compliance our employees and/or contractors may speak to our Senior Management, Internal Audit or Human Resources team.

HCA and HCMO have continued to raise awareness of modern slavery through internal communications and updating policies as appropriate. Our policies follow those of our ultimate parent Hitachi Limited. This information was developed to provide understanding on modern slavery practices and risks, emphasize its prevalence in society and to inform the mechanisms available for reporting concerns.

Our Whistle blower Policy addresses the process for reporting concerns ensuring we have sound procedures to ensure illegal or reportable conduct can be made as a Protected Disclosure. All disclosures under our Whistle blower Policy are reported to our parent company on a quarterly basis through our Internal Audit and Compliance department.

Internal communications are also provided to update staff on revisions to our procurement policies to bring them into line with the Modern Slavery Act (2018), such as Supplier Set up and Supplier Risk procedures.

## Assessing Effectiveness

Our Audit and Compliance team continue to review and analyse awareness of modern slavery while monitoring the current practices of our suppliers. Our Modern Slavery Self-Assessment questionnaire was developed in consultation with our Compliance Team and cross-business working group with reference to *Commonwealth Modern Slavery Act 2018 (Guidance for Reporting Entities)*. We will continue our efforts and ongoing activity initiated during FY2021 to reduce our Modern Slavery risk through screening any new supplier that is setup in our database for compliance with the Modern Slavery Act. New suppliers are required to certify if they are in compliance with the Modern Slavery Act and a copy of Modern Slavery statement is obtained and compliance is verified.

The Company takes its legal and regulatory obligations seriously and pays careful attention in order to conduct business operations based on our integrity and ethics policies. As part of our quarterly compliance, our internal audit team report regularly reports on any breach of laws or internal company regulations. Our employees are encouraged to submit confidential reports regarding potential or actual compliance violations, which are protected under our Whistle blower policy. We are pleased to report that during this period there was zero reporting related to Modern Slavery practices.

Our Training programme has been continued for relevant employees of both HCA and HCMO which aimed to:

- increase awareness of modern slavery practices
- outline compliance responsibilities and reporting requirements for the Modern Slavery Act (2018)
- promote better understanding of the prevalence of modern slavery and;
- describe the actions HCA and HCMO will continue to take with assessing and managing risk associated with modern slavery.

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Training on Modern Slavery was assigned to the following categories of employee in the company in this reporting period:

- Directors
- General Managers
- Sales, Service and Parts Managers,
- Sales Representatives
- Customer Call Centre
- Parts Administration
- Human Resources
- General Administration
- IT and Accounts (Finance team)

Additionally, the Company has documented human resources policies and processes across the business to ensure that its global employees are managed and compensated according to applicable laws. Our policies and processes are held to regional or global standards, to ensure fair and equitable treatment of our employees. While subject to local laws of the host country, our employees are supported by human resources teams both internationally and within Australia.

## Future Actions

HCA and HCMO will continue our commitment to the measures introduced to ensure that risks associated with Modern Slavery practices are identified within our business and supply chain. Our team will facilitate actions based on identified risks and ensure corrective actions to eliminate non-compliance issues by working collaboratively with key internal and external stakeholders.

<end>