



LIPMAN PTY LTD

**MODERN SLAVERY
STATEMENT**



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OUR STATEMENT

Our statement has been prepared on behalf of Lipman Pty Ltd (i.e., the reporting entity, hereafter referred to as Lipman) in accordance with the Australian Modern Slavery Act 2018. This statement sets out the actions taken to address modern slavery risks in our business and supply chains over the financial year ending 30 June 2021.

Consultation and coordination of Lipman's response to modern slavery has been conducted through the Senior Leader Team comprising of executive directors and senior management team members who have responsibility and control across all business functions and operations.

Our statement has been approved by the Board of Directors (hereafter referred to as the Board) and signed by the responsible member, the Chief Executive Officer.

OUR STRUCTURE, OPERATIONS & SUPPLY CHAINS

Lipman operates wholly within Australia, a country with a long history of democratic government, judicial independence and high standards of governance, with legislative regimes relating to human rights including labour standards, privacy, equality and anti-discrimination.

The Lipman is a privately-owned Australian business engaged in commercial building and construction work with the head office based in North Sydney, New South Wales. Building and construction project works are conducted across New South Wales and supported through the head office and regional offices located in Bathurst, Wyong and Port Macquarie.

With a workforce averaging 112 people, Lipman has a long history of providing quality design, building and construction management services to the commercial, residential, industrial, retail, education and health industries for private and government clients in Australia.

Lipman's main operations involve on-site building works in which the majority of the directly employed workforce are based and where the bulk of the procurement, expenditure and management of suppliers is undertaken.

There were 21 building projects active including 8 that were completed in this reporting period.

The four administrative offices provide governance, business development and support services that contribute to the operations at the building sites.

Building and construction work relies on business partnerships with suppliers which make up





our vast and varied supply chains. In this statement the term “suppliers” includes direct and indirect suppliers of labour, goods and services. This includes but not limited to subcontractors, consultants, labour hire, product manufacturers and distributors.

In 2020-21, Lipman has worked with 1,051 suppliers which is a 36% reduction in suppliers engaged from the previous financial year. Most of our supply agreements, orders and payments were made to companies operating in Australia. The supply agreements and orders issued to these Australian based companies may not represent the country of origin of materials or products supplied to, or used by our suppliers or Lipman.

The main types of goods and services procured include various building trade subcontractors, professional consultants, building materials, tools and equipment. These procurement arrangements are predominantly comprised of one-off or short term (project specific) agreements or orders.

Part of our procurement and delivery strategy is to engage with and help support local communities wherever we operate, in part by buying through local suppliers.

Our company website provides further information about our key products and services as well as information on current and past projects.

OUR RISKS

In this second reporting period, we have focused our efforts on further evaluating the potential modern slavery risks in the business operations and supply chain, and monitoring the effectiveness of our mitigation measures based on the risk priorities.

As the scope of our business operations, product provision and supply chain remained consistent with the previous reporting year, no new modern slavery risks were identified in our operations and in the supply chain. However, the challenges and restrictions presented by the COVID-19 pandemic did have an impact on the implementation and monitoring of the risk mitigation measures, as detailed in the ‘Other Relevant Information’ section of this statement.

The following actions were taken to ensure the relevance and accuracy of our modern slavery risks and priorities:

- > Operational and supply chain mapping was reviewed and updated.
- > Analysis of sector, industry and geographical risk factors relevant to Lipman’s business using information sourced from independent, global, and non- government organisations were conducted.
- > Review of annual procurement trends by type, volume and quantity were completed.
- > The Risk Heat Map priorities were reviewed and updated with new supplier capability and control information obtained from supplier evaluations.
- > The enterprise and project risk assessments were reviewed in consultation with the senior leadership team to ensure suitable and appropriate risk controls.

Our current risk priorities comprise of services largely associated with a high proportion of temporary/short term workers, low skilled workforce and use of foreign workers such as traffic control, cleaning, labour hire, demolition, formwork and scaffold erection.

Suppliers of products (particularly those originating from Asia) such as electronic equipment, timber, textiles (clothing, floor coverings, banners) and masonry (bricks) remain as having a higher risk of modern slavery practices.

OUR APPROACH TO GOVERNANCE

Our leadership, commitment, and objectives to protecting, respecting and promoting human rights is documented and communicated through our company policies such as our Modern Slavery Policy, Grievance Statement, Behaviour and Culture Statement and Whistleblower Policy.

Our company policies underpin our strategies and approach to governance.

The effective implementation of our governance strategies is further supported by the shared commitments and values of our employees and suppliers in working cooperatively and always behaving with integrity.

Lipman's governance activities in this reporting period have focused on the following key areas:

- > Continued implementation of procurement policies and processes to evaluate new suppliers and communicate Lipman's requirements and expectations through supply agreements and our Supplier Code of Conduct.
- > Undertaking further assessment and review of high-risk supplier's capabilities and controls established within their own organisation.
- > Conducting internal audits to verify effective implementation of consultation, procurement management and incident response processes.

- > Measuring, reporting and reviewing of performances against established key performance indicators, outcomes of internal audits and improvement action plans.

There have been no modern slavery incidents reported in the 2020-21 period.

Where modern slavery incidents are reported or discovered, Lipman's documented incident management process provides for an independent and confidential review, and an appropriate remedial response which is proportionate to the nature of the issue and the impact to the individuals concerned.

OUR ACTIONS

Our actions in 2020-21 have been focused on the implementation, maintenance, monitoring and improvement of Lipman's management of modern slavery risks and obligations.

In this section we explain the actions taken by Lipman in the reporting period to assess and address risks in our operations and supply chain.

Risk Assessment & Action Planning:

- > Implemented and maintained the action plan for 2020-21 and established action items for implementation in 2021-22.
- > Implemented and maintained the risk mitigation and improvement actions as defined in the action plan.
- > The supplier Risk Heat Map (priorities) reviewed and updated in line with information obtained on supplier's capabilities and controls through questionnaires.
- > Enterprise-wide and project specific risks and controls reviewed and updated.
- > Operations and supply chain map reviewed and revised to reflect current business relationships and supply chains.

Governance:

- > Internal audits were conducted as planned to verify the implementation and effectiveness of the Lipman's policies and procedures, both in head office and on building sites.
- > Monitoring and review of actions were implemented, and outcomes of audits and performances against key performance indicators were communicated through the Senior Leadership Team.
- > Key performance indicators were monitored, measured and reported to the Board and operational teams.

Procurement:

- > Documented procurement processes and tools used in evaluating and engaging new suppliers were implemented and maintained.
- > Lipman's Supplier Code of Conduct was communicated to new and existing suppliers.
- > Further evaluation of the high-risk supplier's capabilities and controls to effectively manage their modern slavery risk were undertaken through supplier questionnaires.
- > Understanding, compliance and effectiveness of procurement processes and tools were assessed through internal audits.
- > Modern slavery awareness and incident reporting methods were communicated to employees and workers through site induction training.

Capacity Building:

- > Modern Slavery and Lipman management systems awareness training was provided to procurement team members.
- > Modern slavery awareness for suppliers were promoted through project inductions and display modern slavery posters.

Grievance & Remediation:

- > Policies and processes dealing with grievance, employee and supplier behaviours and incident response were implemented and compliance reviewed through internal audits.
- > An independent, confidential and anonymous hotline was maintained and made available for any person to report modern slavery incidences associated with Lipman's business operations.

Industry Collaboration:

- > Actively supported and participated in a NSW construction modern slavery focus group.
- > Participated in “Modern Slavery in the Construction Industry – Survey” conducted through Griffith University to assess Lipman’s capabilities and benchmark our progress in managing modern slavery risks against our peers.
- > measures including (evaluation of new suppliers and modern slavery contract clauses).
- > Restrictions in travel affected our ability to perform face-to-face internal audits. These audits were replaced with remote reviews and telephone/video communication.
- > Face-to-face training of procurement teams was replaced remote learning.
- > Timing and targets for various actions previously scheduled were delayed. The delays impacted on the rollout of internal training programs, following up on supplier questionnaire responses and submission of the first annual modern slavery statement.

OTHER RELEVANT INFORMATION

COVID-19 Impacts

Generally, relationships with our existing supply chains were maintained during the reporting period and did not resulting in early termination of services and financial loss, that may have impacted directly on vulnerable persons working for our suppliers.

However, the COVID-19 pandemic has impacted Lipman’s management of modern slavery risks as follows:

- > With an increase in procurement of higher risk suppliers (such as cleaning services), our response in mitigating modern slavery practices included sourced these services from local and existing supply chain partners, providing modern slavery awareness training to workers and providing workers with access to our whistle-blower hotline and grievance process.
- > Understanding the potential adverse impacts of the pandemic to vulnerable persons within our supply chains, we maintained open and regular communications with our suppliers and implemented our procurement control

As the challenges and impacts arising from COVID-19 continue into the next reporting year, we remain committed to maintaining and improving our modern slavery management practices.

NEXT STEPS

The following key focus areas have been targeted to further improve Lipman's effectiveness in managing modern slavery risks in 2021-22.

Risk Assessment

We will:

- > Continue to implement and monitor risk mitigation actions as defined in the action plan, and
- > Monitor and update enterprise-wide and project specific risks and controls in response to incidents, opportunities for improvement and feedback received from the industry and our suppliers.

Governance

We will:

- > Monitor and measure performances against key performance indicators, and
- > Report on performances.

Procurement

We will:

- > Review compliance and effectiveness of new procurement processes and tools through internal audits, and
- > Continue to communicate Supplier Code of Conduct expectations and evaluate new suppliers, and
- > Send out further supplier questionnaires to lower risk suppliers to assess their capacity and controls to manage modern slavery risks.

Industry Collaboration

We will:

- > Review and action outcomes from the report on "Modern Slavery in the Construction Industry - Survey", and
- > Continue to consult and collaborate with our business partners and peers to educate and influence our supply chain, and

- > Actively engage with, support and participate in industry and peer group forums.

Capacity Building

We will:

- > Continue to communicate, engage and create awareness with workers, suppliers and subcontractors, through site inductions, internal audits, inhouse training of procurement teams, commercial agreements, and supplier evaluations.

This statement is made pursuant to section 16(1) of the Modern Slavery Act 2018 for the year ending 30 June 2021.

This statement (prepared 28th September 2021) has been approved by the Board on behalf of Lipman Pty Ltd [ABN: 84 001 548 830] on 26th October 2021.



Rob MacKee
Chief Executive Officer

1st December 2021



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