



**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. 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 2020.

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 with 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 and anti-discrimination.

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

With a workforce averaging 133 people, Lipman has a long history of providing quality design, construction and construction management services to the commercial, residential, industrial, retail, education and health industries for private and government clients in Australia.

The Lipman's main operations involve building site 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 have been 15 building projects active in this reporting period.

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

Building and construction work relies on numerous 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, including but not limited to subcontractors, consultants, labour hire, product manufacturers and distributors to Lipman.

In 2019-2020, Lipman has worked with some 1640 suppliers. The majority 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 subcontractors, consultants, building materials, tools and equipment. These procurement arrangements are predominantly comprised of one-off or short term (project specific) agreements or instructions. 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 provide further information about our key products and services as well as information on current and past projects.

OUR RISKS

In the first reporting year Lipman has focused on identifying how and what modern slavery risks may be present in the business and assessing these risks to prioritise mitigation measures.

To identify the risk factors and priorities, the following measures were taken:

- > Operational and supply chain mapping to identify if and how Lipman may cause, contribute to, or be directly linked to modern slavery.
- > Gap analysis of policies and processes in managing human resources and supply chains.
- > Background analysis of sector, industry and geographical risk factors relevant to Lipman’s business using information sources from independent, global, and non-government organisations,
- > Analysis of annual procurement trends by type, volume and quantity.
- > Consultation with the senior leadership team and action planning workshop with representatives from business process, procurement and commercial, health and safety, operational and people and culture to reflect on and refine the risk scope and priorities.

We recognise the risks of modern slavery practices in operations and/or supply chains may be present through the acts and practices of our suppliers, their direct or indirect suppliers and acts or omissions by our procurement teams that may inadvertently facilitate or incentivise modern slavery.



We have identified risk priorities within the supply chain relating to higher risk industry sectors, products, services and countries of origin as identified in publications produced by various non-government organisations. Our risk priorities include services involving cleaning, labour hire and other on-site labour associated with formwork, scaffolding and demolition which typically comprises of workers predominantly associated with low skill, temporary/short term contract duration or use of foreign workers. Products, particularly those originating from Asia such as uniforms, electronic goods equipment, timber, masonry products (bricks, stone, pavers) and textiles (carpet, signage) are also considered to be at higher risk of modern slavery practices.

OUR APPROACH TO GOVERNANCE

We recognise that effective and consistent management of modern slavery risks lies in the strength of our commitment and resolve in acting ethically, with integrity, compassion and respect, which is underpinned by a robust and functional management system framework.

Our commitment to respecting and promoting human rights is documented in our Modern Slavery Policy which is supported by our Grievance Statement, Behaviour and Culture Statement and Whistleblower Policy. The objectives, commitment and principles defined in our policy statement form the foundations of our management practices and procedures and in doing so Lipman seeks to abide by the UN Guiding Principles on Business and Human Rights.

The success of our approach relies heavily on shared commitments and values of our suppliers who we influence and work in collaboration with to maintain our standing as an ethical business

partner. Our standards and commitments defined in our policies and our Supplier Code of Conduct are shared with our suppliers and incorporated into our commercial agreements through the tender and procurement process. New suppliers are evaluated against our questionnaire which aims to establish their performance, capacity and commitment to effectively managing modern slavery, health and safety risks.

The effectiveness of Lipman's management systems and practices in achieving its goals is assessed, monitored and reported through internal audits, management reviews, incident investigations and reports on objectives and targets in the form of key performance indicators.

Lipman's internal audit program is a platform which promotes improved governance, risk management and predictable outcomes by providing transparency, insight and improvement opportunities for our people and processes. Audits of our operations against our policies and procedures will not only provide assurance of the effectiveness of our controls, it will promote and reinforce our modern slavery objectives to our workers and suppliers through face to face training and awareness.

Response to modern slavery incidents is governed by our documented incident management process. Our approach to investigations and remedial actions is people-centric, that is to truly make the people affected by modern slavery the priority. Our incident management process facilitates an independent, confidential and sensitive review which is proportionate to the nature of the issue and the impact to the individuals concerned. Remediation of any adverse impacts caused or contributed to by our supply chains will be dealt directly with the responsible party through a mechanism of directives, assistance and cooperation in line with their supply agreement. There have been no incidents reported to date.

OUR ACTIONS

Our actions in 2020 have been focused on enhancing the Lipman's framework in identifying and managing the risks and obligations of modern slavery and in doing so creating a strong foundation for continued improvement. In this section we explain the actions taken by Lipman in the reporting period to assess and address risks our operations and supply chain.

Risk Assessment & Action Planning:

- > Operations and supply chain mapping was undertaken to understand the scope of procurement and influence,
- > Risk and action planning workshops were conducted. The risks were assessed and prioritised having due regard to annual expenditure data, supply category, country/region exposure, industry sector, likelihood, human impact and current mitigations measures in place including Lipman controls, supplier controls and supplier relationships and/or level of influence.
- > Modern Slavery risks and controls were incorporated into enterprise and project risk assessment templates, communicated across the business and implemented.
- > Action planning workshop was conducted, and an improvement plan developed to address all aspects of Lipman's management of modern slavery in its operations. This plan was endorsed and supported by the Senior Leadership Team.
- > A modern slavery focus group comprising of Senior Leadership Team members was established to lead the implementation and monitor progress of our strategies and actions.

Governance:

- > Third party reviews and gap analysis of our policies and procedures were conducted against the modern slavery guidance document for reporting entities and best practice processes.

- > Modern Slavery Policy statement was developed, approved and communicated.
- > A suite of modern slavery key performance indicators were developed. Our key performance indicators focus on awareness, response to incidents, supplier management and audits.

Procurement:

- > A Supplier Code of Conduct document was developed.
- > Supplier agreement templates were updated with modern slavery clauses, terms and conditions.
- > Procurement procedures and evaluation and assessment tools were reviewed and updated.

Capacity Building:

- > Action Planning workshop was conducted to initiate Lipman's strategy to address modern slavery and activate the knowledge of the entire organisation.
- > Modern Slavery has been discussed at Board level and induction training delivered to the Senior Leadership Team.
- > Training materials have been developed to provide targeted awareness training for suppliers and employees undertaking procurement.

Grievance & Remediation:

- > Our policies and processes dealing with grievance, employee and supplier behaviours and incident response were reviewed, updated and in some cases further developed to clearly define our standards and expectations, mitigate the impacts to affected persons and respond to remedy the harm and prevent further human rights incidents occurring.
- > An independent, confidential and anonymous hotline has been established for any person to report human rights violations associated



with Lipman's business activities. This service is available 24 hours a day 365 days a year.

OTHER RELEVANT INFORMATION

COVID-19 Impacts

The effects of the COVID-19 pandemic on our business operations were realised in the last five months of the 2019-2020 reporting year. In this period, the following impacts to modern slavery risks were recognised and mitigation measures taken.

- > An increased risk of miscommunication and reduced interaction between our suppliers and our procurement team members (working remotely). This risk was mitigated with the provision of effective electronic communication tools and equipment for our procurement personnel. Specifically, our ability to communicate with, assess and influence our supply chain's modern slavery obligations through the procurement process was maintained.
- > An increased risk in the procurement of new products (e.g. personal protective equipment, sanitising products and cleaning chemicals) and additional cleaning services (increased on-site labour) was identified. In response, these additional products and services were sourced from local and existing supply chain partners. Additionally, we provided modern slavery awareness information and access to our whistleblower hotline and grievance process.

Although we expect some disruption in implementing our action plan objectives for 2020-2021 due to further challenges and impacts arising from COVID-19, we are committed to achieve our goals.

NEXT STEPS

In acknowledging the findings and challenges uncovered during the current reporting period, the following key focus areas have been targeted to further enhance Lipman's effectiveness in managing modern slavery risks in 2021.

Risk Assessment

- > Continue to implement and monitor risk mitigation actions as defined in the action plan.
- > Monitor and update enterprise-wide and project specific risks and controls.

Governance

- > Monitoring and measuring against key performance indicators annually.

Procurement

- > Review compliance and effectiveness of new procurement processes and tools. We envisage this will provide opportunities for continued improvement.
- > Further communicate Supplier Code of Conduct expectations with new and existing suppliers.

Industry Collaboration

- > Engaging with industry groups, partners, and peers.
- > Continue to communicate, engage and create awareness with workers, suppliers and subcontractors.

Capacity Building

- > Continue to raise awareness for employees and suppliers through training, consultation and communication.



This statement is made pursuant to section 16(1) of the Modern Slavery Act 2018 for the year ended 30 June 2020.

This statement has been approved by the Board on behalf of Lipman Pty Ltd [ABN: 84 001 548 830] on 23rd February 2021.

A handwritten signature in blue ink, appearing to read 'R MacKee', is positioned above the printed name.

Rob MacKee
Chief Executive Officer
23 February 2021



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