



FDC MODERN SLAVERY STATEMENT 2021

Modern Slavery Statement 2021

FDC Group

Introduction

This is the second modern slavery statement produced and submitted by FDC. This statement draws upon the learnings of our previous experiences, how we have implemented certain actions during this period and identifies plans for future improvements, related to modern slavery and other social and ethical procurement practices.

FDC qualifies as a reporting entity, as defined by the Modern Slavery Act 2018 (MSA) and as such, this statement is prepared and submitted as a means of satisfying the mandatory and voluntary reporting obligations of the MSA.

This is also a joint statement, prepared and submitted on behalf of the various MSA reporting entities that FDC owns and controls. It serves as a voluntary statement, presented on behalf of other non MSA reporting entities that FDC owns and controls.

FDC continually review and improve our practices in all areas concerning the safe and fair treatment of those involved in the creation of our built product. FDC will continue to collaborate with our clients, key suppliers and our own workforce, to improve our awareness and practices regarding ethical, sustainable and socially responsible procurement, of which modern slavery is a part.

FDC regard our social, labour and ethical business responsibilities with the same priority and importance as those of the safety of our people and the protection of the environment in which we build. FDC are committed to continually emphasise and improve upon these practices.

This statement was endorsed and approved by our principal governing body, the Board of Directors of FDC Group Holdings Pty Ltd, on Friday, 17th December 2021.



Bentley Cottle
Managing Director



Peter McCabe
Finance Director

Structure, Operations and Supply Chains

Structure

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, who are all actively involved in the day to day management and operations of the business. FDC, has no external shareholders.

The FDC Group Structure and a list of reporting and non-reporting entities (for MSA purposes) are included in Appendix A of this statement.

Operations

FDC's primary business is as head contractor in the design, management and construction of new and refurbished built product in the domestic, non-residential, building and construction industry. FDC are engaged by our clients to perform this role on their behalf and as such, are considered by many to be a significant supplier to their businesses.

FDC are a 100% Australian owned and domiciled business, operating across six Australian States and Territories. All FDC divisions and entities, operate under the FDC Integrated Management System that 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 have processes in place to ensure that we comply with all applicable safety and labour legislation, 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, all FDC's operating divisions have certain autonomy and flexibility to manage their businesses in the best interests of our clients, our communities, our suppliers, our workers, our people and our business. Each division reports to and is accountable to the FDC Board of Directors.

Supply Chains

As head contractor, FDC evaluates, engages and monitors the many sub-contractors, suppliers and service providers that we rely on to assist in the performance of our duties. In this role, FDC undertake and oversee a significant amount of direct and indirect procurement on behalf of ourselves and our clients, in order to satisfy our corporate needs and the requirements of each project that we manage.

Depending on the product, service and project circumstances, FDC may have full autonomy over some of these procurement decisions, or may act as agent or arranger for other, client specified products.

FDC currently have in excess of 8,000 active vendors across our businesses, ranging from multinational corporations to small, family owned and operated businesses. Each new supplier to our business is made aware of and is required to acknowledge receipt and understanding of the expectations and requirements included in the FDC Modern Slavery Charter for Suppliers and Service Providers (Charter).

This Charter has been embedded in our new vendor application process, along with the mandatory requirements relating to payment and insurance details.

In 2020, FDC conducted a detailed analysis and risk assessment of our corporate and project supply chains. These findings were included in our Modern Slavery Statement 2020. Given the size, nature and diversity of our supply chains, FDC have committed to analysing and risk assessing, our supply chains on a biennial basis. The next risk assessment is planned for 2022.

The FDC 2020 risk assessment determined that 27% of our corporate spend and 70% of our project spend, was evaluated as being potentially “high risk” with regards to the potential existence of modern slavery.

Actions

An area previously identified where FDC has the ability to exercise some influence to improve modern slavery outcomes, was in the area of labour practices. Unskilled and migrant labour have previously been identified as a primary source of human rights and modern slavery risk on all construction sites, including our own.

FDC sites have made a concerted effort throughout 2021 to ensure our sub-contractors are complying with the eligibility to work status, applicable to their workers. Our sites have improved the identification and verification processes of all workers entering and visiting our sites. The increased use of a variety of technological tools have been implemented across our business and sites to assist us.

FDC have drawn on our own resources and those provided by other industry participants, to increase awareness at our sites of the issues of modern slavery as well as some of the alternative remedial avenues available. Site signage tailored for the construction industry have been developed and selectively implemented across certain FDC sites, as part of our efforts to improve worker and employee awareness of modern slavery. Site inductions and toolbox talks have also been used as a means of communicating these issues with the workforce.

Our businesses have engaged in excess of 2,000 new contractors and suppliers over the past 18 months, each of whom have acknowledged receipt and understanding of the expectations and requirements of our Charter, including their acceptance to work with us on this issue, if required. FDC see this as an integral part of our ongoing responsibility to raise awareness, amongst our supply chain.

FDC have continued to participate in industry collaborations throughout 2021. These include industry forums, supplier, human rights and self-assessments (including the Property Council of Australia Modern Slavery Supplier Assessment), industry memberships, and the increasing scrutiny and vigilance of our clients.

FDC are members of the Supply Chain Sustainability School Australia, the Global Supplier Ethical Data Exchange (SEDEX), Green Building Council of Australia, Supply Nation other industry bodies. FDC are certified and rated by the international ESG platform EcoVadis, and this year achieved a significantly improved rating, largely due to an improvement in the processes relating to our management of modern slavery, human rights and other ethical considerations in our supplier selection.

FDC acknowledge that we still have room for improvement in this area and are currently in the process of developing a more detailed ESG supplier assessment and selection process for our business.

Future Actions

The biennial review and risk assessment of FDC’s supply chain is due to be undertaken in 2022. This review will be based on the learnings of this and previous years experiences and will include a more detailed assessment of some of the higher risk categories previously identified, such as labour hire, partitioning, rendering, plastering, security, cleaning, painting, mechanical services and technology.

A supply chain mapping study is anticipated to be undertaken on one of our higher-risk procurement categories during 2022/2023. This study is intended to go beyond the first and second tiers of the manufacturing process, where possible.

As part of our commitment to improving our environmental and social governance (ESG) practices, FDC will be engaging the services of professionals to conduct an evaluation of our existing ESG practices against AS/ISO 20400:2018 Sustainable procurement – Guidance. Once these findings and recommendations have been assessed and agreed, FDC will move to implement these improved practices across our business as soon as practicable.

Future initiatives will also include multi-lingual anti-slavery signage in some of the higher risk language categories that may present at certain selected FDC sites. These resources will include additional information regarding avenues of reporting and remedial actions available for any suspected incidence of modern slavery, that may be encountered. These methods will complement the existing means of remedy included in the FDC Whistle-blower Policy.

COVID-19 Impacts

A positive and unforeseen consequence of COVID-19 has been the increased requirements placed on contractors to ensure that all workers and visitors to our sites are legally, eligible to do so.

This increased scrutiny and transparency of the workforce has had the effect of reducing some of the risks associated with certain categories of unskilled labour on our sites and in our industry. This has had an improved effect on the transparency and labour management processes of many of the smaller subcontractors that we engage across our sites.

This is particularly relevant regarding the participation of migrant workers and working visa holders at our sites, in ensuring that all required labour standards are communicated and met. These increased requirements on subcontractors to validate the personal identification, residency and visa status of their workers has increased protections for this more vulnerable sector of the labour force.

An unintended consequence of this increased transparency is the possibility of driving some of these less scrupulous operators and practices underground and into less visible areas of the labour market. FDC implement the same site sign in and verification processes across all our sites and across all sub-contractors, regardless of size or reputation.

The well documented disruptions to domestic and international supply chains, have again resulted in FDC continuing to diversify our product sourcing and have resulted in an increased use of domestically manufactured products, wherever practicable to do so. Although still containing an element of risk, domestically and directly sourced product is regarded as being at lower risk of modern slavery in its manufacture, than certain internationally sourced and third party procured goods.

COVID-19 disruptions to our own operations and those of our suppliers and supply chains, resulted in the inability to undertake a planned and more detailed supply chain mapping exercise on one of our higher-risk trade categories, mechanical services. As previously mentioned, this project is intended to be revised and re-addressed in 2022/2023.

COVID-19 and Remediation

The forced adoption by our workforce of technologies that identify and validate eligibility to work at our sites, ultimately make the use of QR codes, smart phone apps and other technologies a more effective and confidential means of reporting and remediating suspected incidence of modern slavery in our industry, if and when required.

FDC currently use the processes contained in our Whistle-blower Policy as the primary means of reporting and remediating any suspected incidence of modern slavery. We acknowledge the benefits that may be provided by these technologies and are currently seeking to better tailor our on-site remediation practices to include the complimentary use of these technologies.

Effectiveness

Throughout the course of 2021 it has become increasingly apparent to us that the awareness amongst our clients, employees and key suppliers, has grown significantly on the issue of human rights and sustainable and ethical procurement. The mandatory and annual reporting requirements for large corporations resulting from the MSA, has been a significant contributing factor, as has the increased media attention given to these issues.

FDC will continue to collaborate and engage with all key stakeholders to improve the knowledge base relating to modernslavery and ethical procurement amongst our suppliers. It is our long-term intention to continually add to the knowledge base of our suppliers and industry, resulting in better informed decisions and more impactful humanitarian outcomes.

As noted previously, the many and varied unforeseen impacts of COVID-19 on our business and those of our partners, have hindered our progress throughout 2021 of undertaking some of the intended and planned actions.

As business and society get used to living with COVID-19, we see greater opportunities throughout 2022 and subsequent years to implement more of these planned actions and hopefully begin to be able to better identify the effectiveness of our past and future endeavours.

Internal Consultation

FDC regard the issues of human rights, ethics and sustainability as being similarly aligned and of similar importance to those of our existing WHS, environmental and quality practices. The co-ordination and communication of these issues are overseen by the FDC National HSEQ Manager, reporting directly to our Chief Operating Officer and Board of Directors.

The National HSEQ team meet quarterly (or otherwise as required) and in addition to matters relating to safety, environment and quality, include ESG issues as an agenda item for discussion. Relevant issues are then communicated via our Divisional HSEQ Managers to their respective General Managers and divisions. Any specific areas of required consultation are conducted via the establishment of specific project working groups, with the learnings communicated at divisional and team meetings.

Agreed system changes and improvements, resulting from these consultations are communicated business wide. Implementation of all changes are instructed and overseen by the National HSEQ Manager and Divisional managers, as appropriate.

FDC divisions are given certain autonomy to manage their businesses. This must always be done within the established management and policy frameworks of the FDC Group.

Each FDC reporting entity included in this statement has been consulted with and involved in the creation of this statement. All voluntary reporting entities within the FDC group have been similarly involved in the consultation process and participate in our group efforts.

Other relevant information

In its 30 plus years of operation, FDC have always acknowledged and acted upon our responsibility to provide a safe and healthy workforce for our employees, contractors and visitors to our sites and places of work. Paramount of these actions is ensuring the fair and respectful treatment of all parties involved in our business dealings. These core values are reflected, not only in our corporate policies, but most importantly in our actions and reputation. The following selected FDC Group Policies reflect the expectations of ourselves, our employees and our service providers, particularly with regards to matters of conduct, ethics, safety, diversity and sustainability. These and other policies and practices are constantly reviewed to ensure that FDC maintain and exceed the high standards that we and others expect of us, both as a builder and corporate citizen.

Modern Slavery Policy	Environmental Sustainability Policy
Human Rights Policy	Work Health and Safety Policy
Code of Conduct and Ethics	Whistle-blower Policy
Supplier Code of Conduct	Industrial Relations Policy

Appendix A

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% owned Joint Venture)

FDC Group Structure

GROUP STRUCTURE

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

