



BMD Group Modern Slavery Statement  
FY20



## Table of contents

Table of contents.....	2
Reporting entity.....	3
Structure, operations and supply chains of the reporting entity.....	3
Modern slavery in operations and supply chains.....	5
Modern slavery risks and remediations.....	5
Effectiveness of risk and remediation.....	5
Consultation with other BMD entities.....	6
Additional relevant information.....	6
Approval.....	7



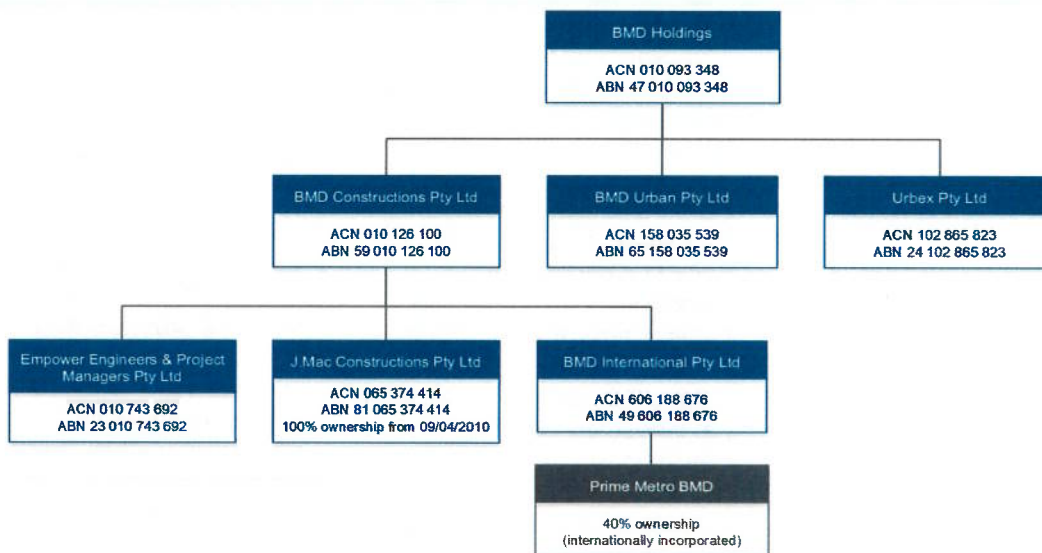
## Reporting entity

The BMD Group (BMD) welcomes the establishment of the Commonwealth *Modern Slavery Act 2018* in order to identify and address modern slavery in supply chains of Australian businesses. BMD acknowledges that it has an obligation to protect human rights, starting from the way it conducts its business now, and into the future. BMD is committed to ensuring that there is transparency in its operations and approach to tackling modern slavery, and wishes to prevent modern slavery from ever taking place in its operations and supply chains.

BMD has grown from a small family owned company to become one of Australia's largest privately-owned engineering design, construction and land development contractors. Working throughout Australia, BMD proudly operates six business units including BMD Constructions, BMD Industrial, BMD Urban, Empower Engineers & Project Managers, JMac Constructions, and Urbex, as well as through joint venture company, Prime BMD in the Philippines.

BMD was established over 40 years ago on a set of values that are still apparent throughout the business today. It is these values that are the essence of 'The BMD Way' of doing business, and continue to be the foundation of the company's success.

The parent company of BMD is BMD Holdings Pty Ltd which is the Reporting Entity for this statement, with the corporate structure as follows:



## Structure, operations and supply chains of the reporting entity

Entity	Structure	Operations	Supply chains
BMD Holdings (Parent)	Company	BMD is a national group of companies engaged in engineering design, construction and land development for clients and partners in the urban development, transport infrastructure, and resources and energy sectors.	The procurement of suppliers and materials is common to all of BMD's businesses.  BMD deals predominantly in engineering and construction, and has a complex supply chain that is built to support the multiple entities in the Group which have differing purposes, although all acting in accordance with the BMD values and vision. The supply
BMD Constructions	Company	BMD's major infrastructure unit offers civil construction services with expertise, experience and	

Entity	Structure	Operations	Supply chains
		resources applied across the industry sectors of transport, defence, rail, port, resources, and oil and gas.	chain is global, complicated, multi-tiered and is made up of around 6,000 contracted suppliers and payments to those suppliers is in excess of AU\$900.00 million.
BMD Industrial	Business unit	A division of BMD Constructions, BMD Industrial is managed by a group of experienced industry executives who assemble professional project teams to deliver structural, mechanical, piping and electrical solutions for a diverse range of clients and industries.	BMD's suppliers include providers of a variety of goods and services including but not limited to the supply of corporate uniforms and personal protective equipment, construction materials including raw resources, machinery and equipment hire, car leasing, design and architecture, communications services, traffic management solutions, security services such as fencing and video surveillance, waste and recycling facilities, information and technology, painting and coating, insurance, and environmental landscaping.
BMD Urban	Company	BMD's urban development business offers subdivisional and allied services, with BMD renowned as the largest urban development contractor in Australia with a national footprint.	BMD seeks to do business with suppliers that have similar values, ethics, and sustainable business practises including in relation to human rights. BMD understands that the risks relating to suppliers will vary depending on their industry, geographic location, and company size.
Empower Engineers & Project Managers	Company	BMD's design arm offers clients a variety of options regarding risk and opportunity management, contracting styles, time and cost controls.	
JMac Constructions	Company	JMac Constructions specialises in landscape construction and building works including residential, commercial, industrial, public infrastructure, environmental rehabilitation and long-term care and maintenance.	
Urbex	Company	Urbex is the BMD Group's property development arm, creating innovative living environments that set new benchmarks in urban design and community creation.	
Prime BMD	Company	Established in the Philippines, Prime BMD is 60% owned by Prime Metroline Infrastructure Holdings, Inc., and 40% owned by BMD.	

## Modern slavery in operations and supply chains

Modern slavery has a broad scope and includes practices involving slavery or slavery like offences, forced labour, deceptive recruiting for labour or services, forced marriage offences, debt bondage, threats of coercion, trafficking in persons and/or children, organ trafficking, and/or harbouring a victim.

The *Modern Slavery Act 2018* (Cth) (MSA) draws on principles adopted in the 2011 United Nations Guiding Principles on Business and Human Rights (UNGPs). The UNGPs set a global standard of expected conduct for all business enterprises.

BMD understands that modern slavery is unlikely to prosper where other human rights are respected and therefore undertakes to comply with the MSA, the UNGPs, and all other applicable modern slavery and human rights laws and frameworks, and expects all BMD employees and suppliers to comply with these commitments as well.

BMD believes that all business enterprises should respect human rights and address any adverse impact their business practice has or may have on human rights, as all people have the right to protection from exploitation, violence, and/or abuse. As such, BMD has a zero-tolerance approach to modern slavery within its operations and supply chain, which is detailed as part of the company's Modern Slavery Policy.

As part of this overarching policy, BMD seeks to do business with suppliers who have similar values, ethics, and sustainable business practices, including in relation to human rights, and also understands that the risks relating to suppliers will vary depending on industry, geographic location, and company size. At BMD, all staff have a responsibility to prevent, identify, and report on concerns they may have in relation to modern slavery within BMD's operations and supply chains.

BMD seeks compliance with modern slavery legislation from suppliers through acceptance of the terms and conditions included within supplier, contractor, and/or consultancy agreements, and via the raising of purchase orders.

## Modern slavery risks and remediations

As the primary work of BMD involves engineering, construction, and use of natural resources, BMD acknowledges the risk of modern slavery within its supply chains. BMD has risk management processes to assist in identifying areas of concern to allow mitigating action to be taken to lessen those risks, including:

- a) inclusion of mandatory modern slavery clauses in all procurement contracts including purchase orders, labour hire contracts, subcontractor agreements, etc.
- b) due diligence processes when taking on new suppliers
- c) a supplier Code of Conduct, which details the expectations on all suppliers in relation to preventing modern slavery
- d) a Serious Misconduct Disclosure Policy, which enables all employees to comfortably and confidentially report any concerns they have relating to modern slavery in BMD's operations or within supply chains
- e) a supplier questionnaire which is sent to high risk suppliers to assist in identifying the need for any auditing
- f) modern slavery training for all staff regarding the risks BMD faces in relation to modern slavery in its supply chains
- g) modern slavery workshops with relevant staff in finance, legal, and procurement roles on due diligence processes to ensure compliance with the MSA.

## Effectiveness of risk and remediation

BMD initiated a compulsory survey for high risks suppliers which included the requirement to provide documentary evidence of policies and/or statements in order to continue to work with BMD. The survey included a questionnaire comprising of 23 questions directly relating to identifying the risk of modern slavery within these organisations. These were as follows:

1. Do you engage unskilled workers?
2. What percentage of your labour base is made up of unskilled workers?

3. Do you engage temporary workers?
4. What percentage of your labour base is made up of temporary workers?
5. Do you engage seasonal workers?
6. What percentage of your labour base is made up of seasonal workers?
7. Do you engage foreign workers?
8. What percentage of your labour base is made up of foreign workers?
9. Do you engage outsourced labour?
10. What percentage of your labour base is made up of outsourced labour?
11. Do your suppliers engage unskilled workers?
12. What percentage of your suppliers engage unskilled workers?
13. Do your suppliers engage temporary workers?
14. What percentage of your suppliers engage temporary workers?
15. Do your suppliers engage seasonal workers?
16. What percentage of your suppliers engage seasonal workers?
17. Do your suppliers engage foreign workers?
18. What percentage of your suppliers engage foreign workers?
19. Do your suppliers engage outsourced labour?
20. What percentage of your suppliers engage/outsourced labour?
21. Do your operations or the operations of your suppliers involve direct engagement with children, the elderly or the disabled?
22. What percentage of your operations or the operations of your suppliers involve direct engagement with children, the elderly, or the disabled?
23. Please confirm your business complies with the legislative requirements of the Modern Slavery Act 2018 (Cth) ('MSA').

In summary, following compilation of the responses and/or documentary evidence of compliance with requirements of modern slavery, no suppliers were identified as not conforming or requiring further investigation.

## Consultation with other BMD entities

BMD have drafted and implemented a Modern Slavery Policy which outlines BMD's commitment to prevent, detect, and report the risk of slavery or human trafficking within its operations and supply chains. This Policy also articulates the fundamental elements of BMD's approach to human rights, and how BMD demonstrates its commitment to respect human rights in line with international frameworks.

This Policy applies to all directors, senior management and employees, full-time, part-time, and casual, at every level of BMD, while engaged with any member of BMD, and is applied in addition to BMD's existing Employee Handbook, which is limited to the conduct of employees in relation to dealings with clients, colleagues and other stakeholders.

## Additional relevant information

BMD will provide training to staff on identifying modern slavery risks in supply chains generally and ensuring compliance with BMD's obligations under the MSA, and commits to ensuring training is held with reasonable frequency in relation to this Policy for all staff. BMD also commits to ensuring further workshopping is held for staff in positions where they are directly involved with procurement processes and managing relationships with suppliers.

All BMD staff have a responsibility to prevent, identify and report any concerns they may have in relation to modern slavery within BMD's operations and supply chains. Such concerns are to be reported to the appropriate manager or otherwise in accordance with the company's Serious Misconduct Disclosure Policy. All reports of concerns relating to modern slavery will be treated with sensitivity, confidentiality and will be taken very seriously.

Any employee who breaches this Policy by engaging in, or conspiring to, engage in any modern slavery conduct may face disciplinary action. BMD may terminate our relationship with individuals and/or organisations working on our behalf if they breach this Policy. Referral action to proper authorities will be taken in cases involving breaches of the criminal law.



## Approval

Approved by the BMD Group Board of Directors, dated 27 October 2020.

Signed in accordance with the requirements of the *Modern Slavery Act 2018* (Cth);

A handwritten signature in black ink, consisting of a large, loopy 'C' followed by a smaller loop and a trailing line that crosses the horizontal line below.

---

Craig Mortensen

Group Executive Director – Chief Financial Officer/Company Secretary

Dated:

