

St Hilliers Group

Anti-Modern Slavery Statement

Financial Year 2022 to January 2023



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1 Our Policy

St Hilliers' **Anti-Modern Slavery Policy** is to use our best endeavours, as a socially responsible corporate group, to ensure that we maintain ethical sourcing and are not inadvertently involved through our business in facilitating modern slavery offences in breach of applicable Australian anti-modern slavery legislation. **'Modern slavery'** includes any conduct constituting a modern slavery offence under Commonwealth legislation and any conduct involving the use of any form of slavery, servitude or forced labour to exploit children or adults.

In accordance with our **Anti-Modern Slavery Program** we are committed to ensuring that a high standard of ethical practices is adhered to in our supply chain, and that our contractors and suppliers are not involved in forced labour, debt bondage or any other facet of modern slavery.

We seek to identify, mitigate and manage any risk to those group members to which Australian anti-modern slavery legislation applies that their normal business might involve or facilitate modern slavery practices.

Our Anti-Modern Slavery Program is part of the general Compliance Program of the Group, which includes guidelines, procedures, structures and systems designed to ensure compliance with legal obligations. We are committed to a compliance culture within the St Hilliers Group and to continuous improvement in compliance performance.

The primary purpose of the Program is to **identify, mitigate and manage** (in compliance with such requirements (if any) as are specified in the relevant legislation) any risk that we may reasonably face that the provision of services might (whether inadvertently or otherwise) involve or facilitate modern slavery or that through our supply chains we might be directly linked to modern slavery. We are committed to supporting Australia's international reputation as an active participant in the international movement against modern slavery.

2 St Hilliers' Code of Ethical Practice

[Based on the principles of the Ethical Trade Initiative Base Code and reflecting the international standards set out in the International Labour Organisation (ILO) Convention]

- Suppliers and subcontractors must not use forced, bonded or involuntary labour and workers must not be obliged to surrender identity papers or pay a financial deposit as a condition of work.
- Workers must not be subject to physical or verbal abuse, threats or intimidation.
- Workers must not be required to work excessive hours and all workers should enjoy sufficient rest periods.
- Suppliers and subcontractors must not employ child labour and use workers under the age of 15, or the minimum legal working age in the country in question, if higher than 15. If child labour is identified Suppliers must establish appropriate remediation measures and implement effective systems to prevent the use of child labour in the future.
- Suppliers and subcontractors must provide safe and hygienic working conditions for all workers with sufficient and accessible fire exits from all production, warehouse and dormitory buildings. Workers must also be provided with clean and hygienic washroom and canteen facilities and have regular access to clean drinking water.
- Workers must not be required to operate dangerous machinery and suitable Personal Protective Equipment should be provided at all times.
- The structure and layout of all buildings should be compliant with local regulations and designed to avoid any risk to workers.
- All hazardous chemicals should be stored in appropriate conditions with suitable labels and secondary containers to prevent spillage. If serious or fatal accidents have occurred, then Suppliers will be required to demonstrate that all appropriate steps have been taken to avoid the risk of similar accidents occurring in future.

- Dormitories and living accommodation, if provided, must include sufficient fire alarm systems and fire exits and must not be adjoined in any way to production and storage areas.
- Suppliers and subcontractors must pay living wages that are at least compliant with local minimum wage regulations and sufficient to meet basic needs.



Suppliers and subcontractors must maintain accurate employment records for all employees, including current and resigned temporary and permanent workers, and be transparent and cooperative during the inspection of wages and working hours' records.

- Bribery, corruption and similar unethical business practices are not tolerated by the Group and suppliers and subcontractors must not engage in such activities.





3 About the St Hilliers Group

St Hilliers is one of Australia's leading, private, integrated property and construction groups, based in Sydney and Brisbane. It carries out construction projects all over the Australian mainland.



“St Hilliers have been operating for more than 30 years and we have built this business by ensuring our clients’ expectations and our delivery are consistent.”

Our Operations principally involve:

- 1) Property development (including design, programming, marketing and sales) in the commercial, industrial, retail and residential sectors; and
- 2) Building and construction (including design) in each of those sectors, across mainland Australia.¹

Currently the Group engages some 140 staff.

At St Hilliers we are committed to supporting the many diverse communities in which we live and work across the country. Our partners include: Legacy / The Kids’ Cancer Project / Meals on Wheels / Property Industry Foundation / Mates4Mates / SwichOn Inc / Randwick Rugby Club / Kids West Charity/ Cancer Council.

4 About the Reporting Entities

Our Structure: The Group is broadly divided into Property and Contracting arms. The entities which have reporting obligations under the *Modern Slavery Act 2018* (Cwlth) and are making this statement jointly are in the Contracting part of the Group, being as follows:

- STH Holdings Pty Ltd ABN 71 069 565 331, which is the holding company for the Contracting part of the group and does not trade

¹ Section 16(1)(b): [a modern slavery statement must] describe operations of reporting entities.

- its subsidiary St Hilliers Pty Ltd ABN 78 003 819 681, which does not trade and is the parent of the trading company St Hilliers Contracting Pty Ltd ABN 66 082 729 039.²

St Hilliers is a closely held Group and the same directors and managers are involved and work directly with all the reporting entities and their subsidiaries in relation to these issues. The reporting entities consulted the companies they own or control in the development of this statement through the Corporate Services Committee which represents and reports to all Group members.³

5 Benefits of Combatting Modern Slavery

There are many benefits in combatting Modern Slavery, including:

- helping to protect vulnerable workers
- helping to prevent and remedy severe human rights violations;
- protecting and enhancing the Group's reputation and brand;
- protecting and growing the Group's client base as more clients seek out businesses with higher ethical standards;
- improved investor confidence;
- greater staff retention and loyalty based on values and respect; and
- developing more responsive, stable and innovative supply chains.

6 Our Supply Chains⁴

As with the previous financial year, due to the Covid 19 pandemic, supply chains remain to be primarily sources within the Australian markets.

Our construction operations utilise Australian-based professional services (architects, surveyors) and subcontractors (concreters, tilers, carpenters, bricklayers) local to the Australian project site, where possible. These operations also use products and raw materials from our suppliers, which are continuing to remain locally sourced and Australian-based.

Historically we did source materials or products internationally.

Our offices use products which may be sourced from overseas such as computers and other office equipment.

The MS risk in operations and supply chains of St Hilliers Contracting and any subsidiaries is currently considered to be low.

However, we are aware that this may change as we may be required to obtain materials from international sources due to low stock within the Australian building supply chains.

² Section 16(1)(a) [a modern slavery statement must] identify the reporting entities and 16(1)(b) describe the structure of the reporting entities.

³ Section 16(1)(f) – [a modern slavery statement must] describe the process of consultation with owned or controlled entities.

⁴ Section 16 (1)(b): [a modern slavery statement must] describe supply chains of reporting entities.



7 What We Have Done

We have:
1) adopted an Anti-Modern Slavery Program;
2) had the Program externally reviewed once a year and more often when there were relevant legislative changes;
3) Included in all our Group construction work contracts (such as Professional services agreements and subcontracts) provisions requiring the other party to comply with relevant Australian anti-modern slavery legislation as well as with St Hilliers Code of Ethical Practice and not be involved in modern slavery;
4) appointed an AMS Officer;
5) undertaken a high-level review of our likely modern slavery risks in our supply chains;
6) delivered awareness training to our employees that includes an 'action policy' for staff reporting of any suspicions or concerns relating to modern slavery in our supply chains.

In relation to (2), the Program was externally reviewed in May 2020 and June 2021 by Auron Consulting and no changes were made. The most recent review occurred at the beginning of 2022 as a result of amendments to the relevant NSW legislation and changes have been made to the Program to reflect those amendments.

In relation to (5), see item 10 below.

8 What We Are Working On⁵

To address the risks we have identified (described below in item 10) we are working on the following activities:

- we are working to better map and understand the origin, manufacturing lead times and shipping timeframes for all products we purchase. Working towards improved understanding in this area has proved necessary in the light of Covid affected supply chain disruptions, so that we can efficiently procure materials, sequence trades and meet project schedules. Fortunately, we have found that the work in this area has the added benefit of improving our anti-modern slavery oversight. The ultimate origins of project materials is a regularly reviewed item in Team meetings and Subcontractor Coordination meetings.
- we are considering adopting the following mapping categories, following the Australian Superannuation Council of Investors, *Modern Slavery Risks, Rights and Responsibilities: A Guide for Companies and Investors (2019)*:

Corporate Procurement	Branded clothing, staff travel, staff vehicles and site equipment including staff PPE
Office Operations	Cleaning, security, office equipment and supplies, maintenance
Construction	Labour, manufactured products, raw materials

- we continue to make our contractors and suppliers aware that they must not themselves, either directly or through their supply chains, be involved in any facet of modern slavery, that such involvement may result in termination of their contract, and that we may at any time require further information to satisfy us that they have no such involvement.
- increasing engagement with other members of our industry to assess supplier performance.
- we continue to make our staff, our contractors and suppliers aware of our Anti-Modern Slavery Policy and that breach of that Policy, our Anti-Modern Slavery Program or the related procedures will be taken seriously and may result in disciplinary action or dismissal.
- complying with the law and aiming for best practice.
- we have identified that our record keeping around the above matters needs to be improved and we are instituting regular reporting to our Corporate Services Committee about modern slavery matters and considering the best manner to document these issues on a project basis. This might be in the Opportunity and Risk register for each project.
- Improving internal governance structures and accountability around anti-modern slavery compliance. This overlaps with the previous item.
- we have updated our anti modern slavery program as at the beginning of 2022 to reflect changes to NSW legislation (we note that this is outside the reporting period) and will continue to develop appropriate business unit procedures in order to reflect our current legal obligations from time to time.

That is, we continue to develop and improve our:

- 1) **due diligence** obligations to identify the parts of the Group's business and supply chains where there is a MS risk and identify if any modern slavery offence is occurring;
- 2) employee training and monitoring;
- 3) remediation processes; and
- 4) **record-keeping** obligations to demonstrate the steps taken in relation to the above matters.

⁵ Section 16(1)(d): [a modern slavery statement must] describe actions taken to address the risks



9 Risk-Based Approach

We adopt a risk-based approach in combatting modern slavery, having regard to the nature, size and complexity of the St Hilliers Group business and the modern slavery risk relevant to the provision of the particular service. We are working to assess existing risks and the risks of contracting with new contractors or suppliers, and monitor transactions with them,⁶ using a risk-based approach which includes:

- 1) training employees and agents to be alert to Modern Slavery risks;
- 2) tailoring due diligence processes for contractors or suppliers according to our analysis of the Modern Slavery risk associated with those corporations (or corporate groupings) depending on type of provider, and the services, geographies or supply channels involved;
- 3) taking internal or external advice as to Modern Slavery risks and adapting policies, procedures, and our Program as appropriate.

⁶ Section 16(1)(c) - [a modern slavery statement must] describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls.

10 What are the risks?⁷

10.1 We have assessed the risks relating to our supply chain as involving:

- 1) inadvertent purchase of building products or office equipment produced through modern slavery practices eg with use of forced labour as complex supply chains decrease the visibility of labour risks;
- 2) possible exploitation of low-skilled workers by contractors or subcontractors of the St Hilliers Group, including:
 - a) commercial office cleaners,
 - b) construction workers,

Given the increase across all industries of part time workers, and particularly the risk of exploitation of foreign workers/workers on temporary visas who can't speak English well. Again, there may be little visibility and control over the recruitment and employment practices of suppliers and subcontractors.

10.2 We note that risk factors include:

- 1) vulnerable populations (migrant workers, low skilled workers)
- 2) high risk business models (outsourcing, low profit margins – inherent problems in the building industry)
- 3) high risk categories (materials, services), and
- 4) high risk geographies (Asia generally)

and that the more risk factors that apply, the greater the likelihood of inadvertent involvement with modern slavery practices.

11 How do we assess the effectiveness of our actions?⁸

We assess the effectiveness of our actions by reviewing the outcome of the steps described in Section 8 above at management level through Corporate Services Committee meetings which are generally held quarterly. The results of these meetings are reported to the Sole Director, Tim Casey.

Board Approval

This statement was approved by the Board on 13 February 2023 for lodgement on the Register.⁹

Signed:



Timothy Gavin Casey

Sole Director & Secretary

⁷ Section 16(1)(c) - [a modern slavery statement must] describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls. See generally KPMG (2020) *Property, construction and modern slavery*, pages 9 to 12 at: <https://humanrights.gov.au/our-work/business-and-human-rights/publications/property-construction-and-modern-slavery-2020>

⁸ Section 16(1)(e) - describe how the reporting entity assesses the effectiveness of such actions

⁹ Section 16(2)(b)(i) – [a joint modern slavery statement must include] details of approval by the principal governing body of the reporting entity.