

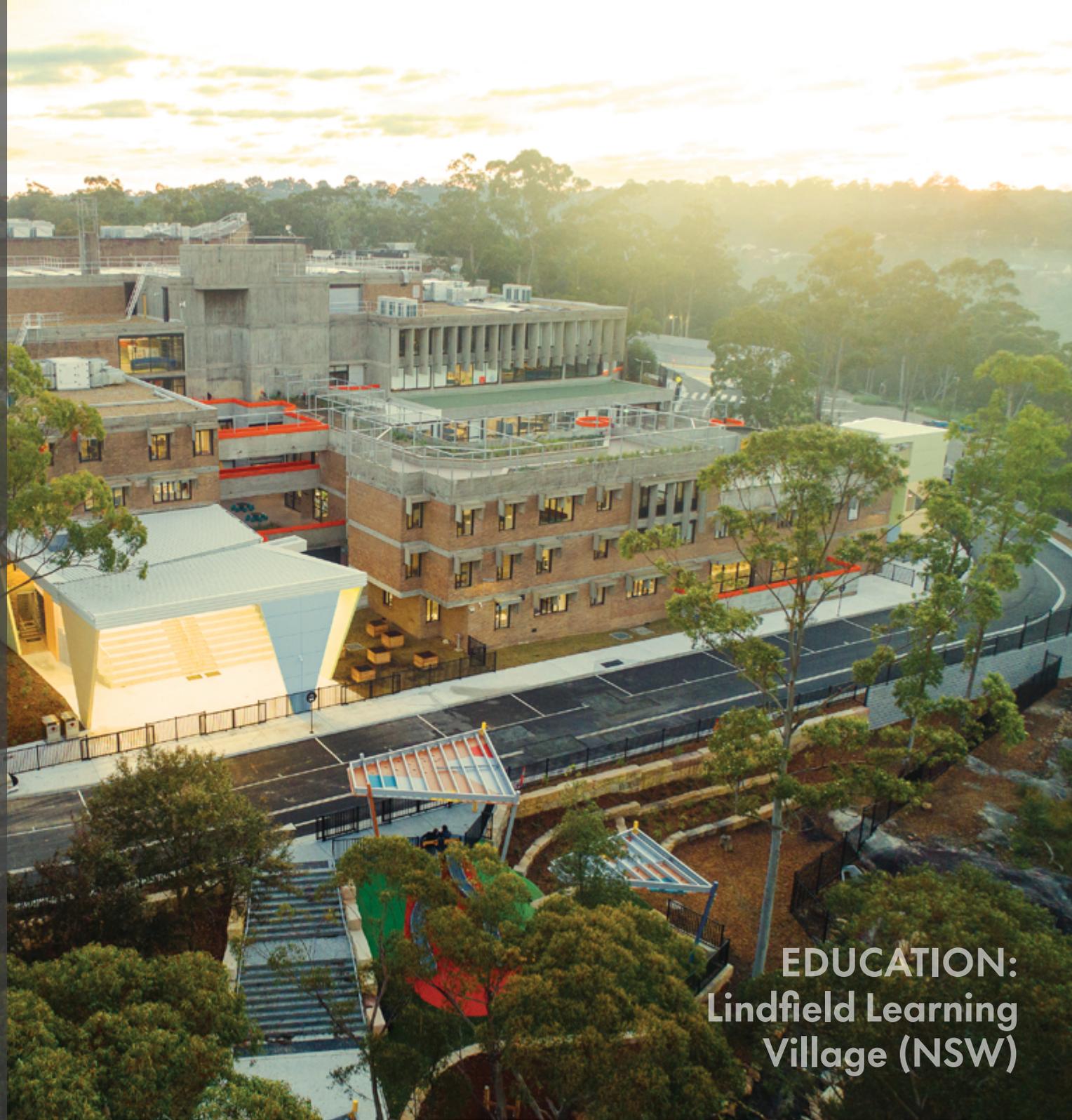


Modern Slavery Statement

1 July 2020 - 30 June 2021

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**EDUCATION:
Lindfield Learning
Village (NSW)**

INTRODUCTION

Founded in 1979, Hindmarsh offers specialised construction solutions, with a focus on complex construction projects.

Hindmarsh has a vision of creating leading communities, sustainable buildings and social infrastructure for the future. Hindmarsh operates for a wide range of clients through Australia, with a commitment to high quality, integrity, innovation and team work.

For a portfolio of Hindmarsh's work, please visit our website: www.hindmarsh.com.au

Hindmarsh takes its role seriously as an industry leader on ecologically sustainable development, investing in initiatives to improve sustainability and waste management on all its building and development projects.

Hindmarsh is a member of the Green Building Council of Australia and has a building portfolio of 5 and 6 Star energy efficient commercial developments. Further, Hindmarsh has an employee wide charity program and actively supports cultural life in Australia.

Hindmarsh Values



Integrity

Maintaining strong ethics, valuing honesty and cementing our reputation for transparency and accountability.



Safety

Creating a healthy and safe working environment for employees, clients and communities.



Innovation

We are progressive and break new ground, finding better ways and being resourceful. We think differently and take calculated risks.



Teamwork

Building friendship and trust, pulling together and helping each other out.



Quality

Going the extra mile and taking pride in our work to deliver the best possible results.

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THIS STATEMENT

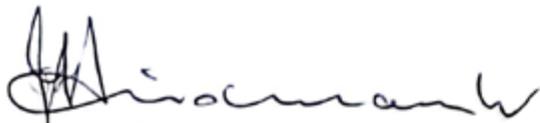
This is Hindmarsh's second modern slavery statement pursuant to the Modern Slavery Act 2018 (Cth) and is for the reporting period of 1 July 2020 to 30 June 2021.

Hindmarsh is inherently aware that the construction industry presents higher risks of modern slavery. Globally an estimated 18% of modern slavery victims are found in the construction industry with at least 22% of forced labour victims being found in forestry, mining and quarrying, who supply to industries such as construction.¹

On this basis, with inherent risk factors in mind, it is essential that Hindmarsh take a meaningful and considered approach to identifying risks of modern slavery.

We are pleased to set out in our second statement, the actions we have taken, the progress made but most importantly, what we intend to implement to address risks of modern slavery practices in our organisation and supply chains.

This statement was approved by the Board of Hindmarsh Construction Australia Pty Ltd and its subsidiary HCA Queensland Pty Ltd.



John Hindmarsh
Director

Date: 17 December 2021



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¹ KPMG Property and Construction Industry Report

CRITERIA 1: REPORTING ENTITY

Reporting Entities: Hindmarsh Construction Australia Pty Ltd ACN 126 578 176 (HCA)
HCA Queensland Pty Ltd ACN 629 849 814 (HCAQ)

Head Office: Level 1, 41/65 Constitution Avenue, Campbell ACT 2612

Website: hindmarsh.com.au



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CRITERIA 2: STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Structure

Reporting entities for the purposes of this statement are HCA and HCAQ.

- HCA – is a private company operating in the Australian Capital Territory, New South Wales and South Australia. HCA is a construction company.
- HCAQ – is a wholly owned subsidiary of HCA and operates in Queensland. HCAQ is a construction company.

Other entities in the Hindmarsh group are not reporting entities for the purposes of this statement or are not of operational relevance.

Operations

Hindmarsh delivers top quality business-to-business and community-focused solutions for its clients. With a commitment to high quality, integrity, innovation and teamwork, Hindmarsh delivers to a wide range of clients throughout Australia.

HCA and HCAQ specialise in project and construction management for local, national and international clients. Hindmarsh's work expands over different sectors, including:

- commercial and residential high-rise;
- infrastructure;
- education;
- industrial;
- sporting;
- health; and
- government.

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Locations

Hindmarsh operates predominantly across the eastern seaboard of Australia, locations as follows:



HCA and HCAQ has over 180 employees, with a common director overseeing the entities. The same director and executive leadership team oversee the entities, with the same policies and procedures applying to both entities.

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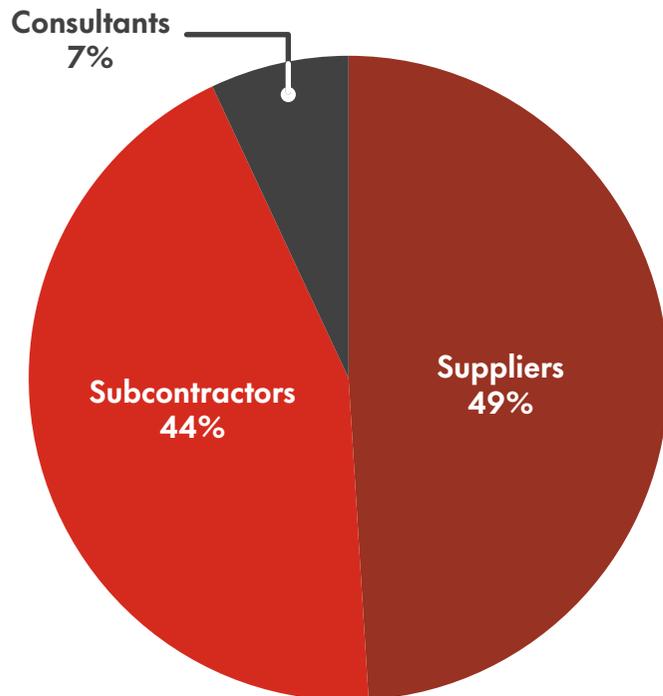
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Supplier Relationships and Supply Chains

In order to deliver the services for our clients, Hindmarsh use a combination of subcontractors, suppliers and consultants. Hindmarsh holds the third parties connected to it to high standards.

Supply Chain Composition by Volume



Operations

Given the project nature of Hindmarsh's operations, subcontractors represent a key component of our project delivery to our clients. Generally, Hindmarsh's suppliers are engaged on a project basis, with Hindmarsh having a preferred panel of suppliers to ensure consistency and continuity. Longer term suppliers are typically for goods and services for administrative purposes.

Hindmarsh's supply chains cover a wide range of third parties, with differing levels of complexity. Contributing factors to complexity include the types of projects, lifecycle of projects and the sectors that Hindmarsh services and operates. A summary of our supply chains (whether via direct suppliers or subcontractors) are as follows:

- Labour Hire and Trades
- Construction Materials
- Waste
- Information Technology
- Complex Services
- Professionals providing design & engineering services.

In the reporting period HCA and HCAQ engaged 1,601 suppliers, consultants and subcontractors, with 49% of these suppliers and 44% comprising subcontractors.

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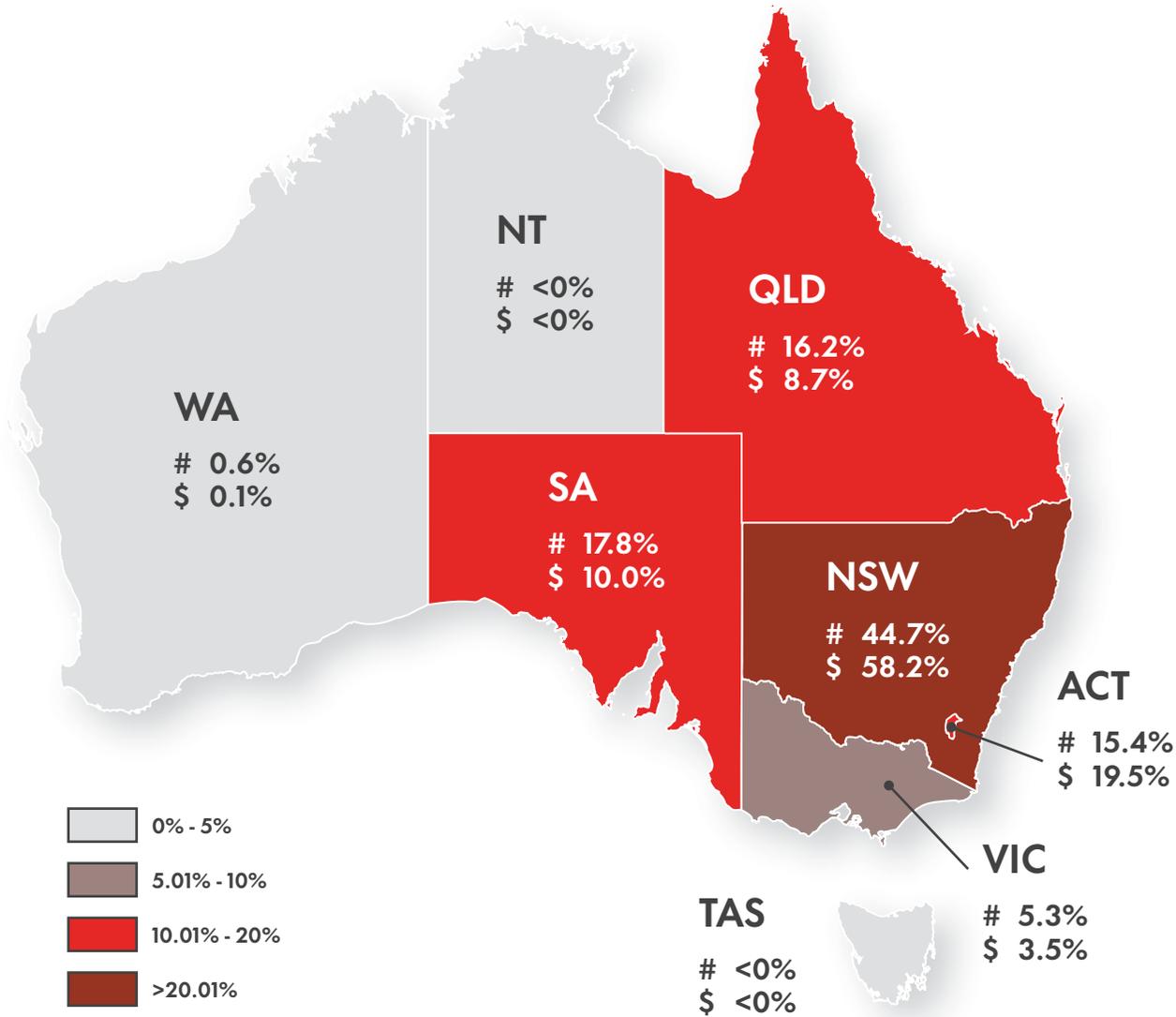
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Locations of our Tier 1 Suppliers - by Volume (#) and Spend (\$)



*Hindmarsh engages two (2) international suppliers based in the United States and Sri Lanka.

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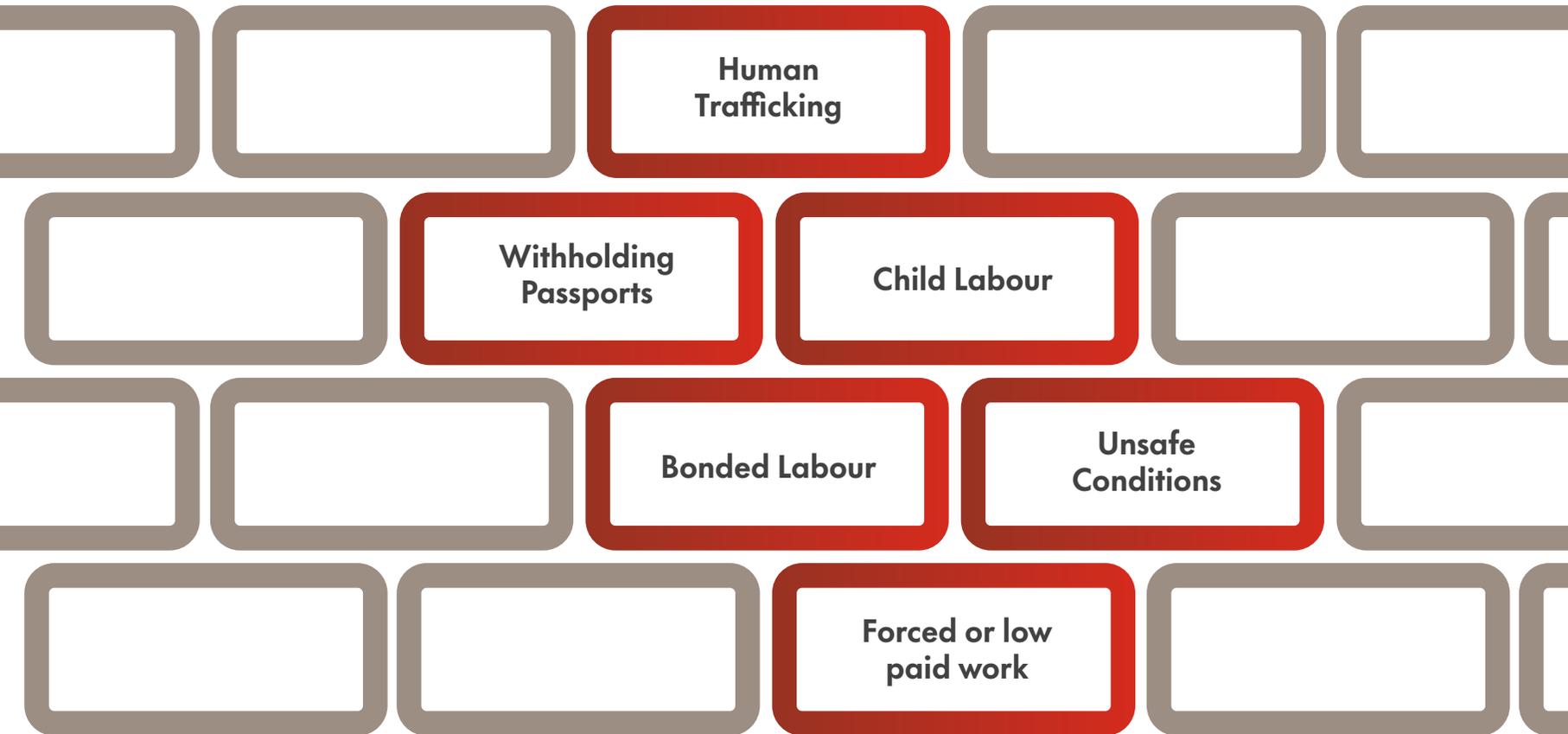
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CRITERIA 3: RISKS OF MODERN SLAVERY

Hindmarsh is inherently aware that the construction industry presents higher risks for modern slavery practices. There are several factors that contribute to the higher presentation of risks including multi-layered, complex supply chains, limited visibility deep into supply chains and heightened risks with raw materials.



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In considering the risks of modern slavery and in accordance with UN Guiding Principles, Hindmarsh considers whether it may cause, contribute to or be directly linked to modern slavery practices. We also consider potential risks in our operations and supply chains.

Cause

Cause means directly causing modern slavery practices as a result of operations.

Contribute to

Contribute to means risk that operations or actions in supply chains may contribute to modern slavery, including acts or omissions that may incentivise modern slavery.

Directly linked to

Directly linked to means risks that operations, products or services are connected to modern slavery via a business relationship. This includes all of the entities in a supply chain and those where there is no direct contractual relationship.

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Operations

All Hindmarsh employees and contractors are based in Australia and paid in accordance with applicable Australian laws and regulations. Further, Hindmarsh has a strong corporate governance framework which includes a Whistleblower Policy. The Hindmarsh Whistleblower Policy provides reporting mechanisms including the ability to report anonymously.

On this basis, the risk of modern slavery practices within the operations of Hindmarsh is low.

Supply Chains

Various factors can contribute to modern slavery risks and practices, including sector and industry risks, product and services risks, geographic risks and entity risks. All these factors must be considered when analysing risks of modern slavery.

For Hindmarsh, risks of modern slavery may be heightened in third parties that are connected to us via our business relationships. Particular risks are more likely to present deeper in our supply chains where we have less visibility. For the purposes of this statement, our process has been to commence analysis with our Tier 1 suppliers, with the view to extend our analysis deeper into our supply chains as our compliance framework progresses.

Hindmarsh has identified the following sectors, industries and products that present the highest risk and are therefore the priority for deeper due diligence.

Raw Materials	Bricks, cement, cotton, rubber, timber, carpet, glass, paint, piping, steel, tiles and ceramic	Sourcing of raw materials from areas of geographic risk areas can compound risks of modern slavery. For example, sourcing of raw materials from Asia, particularly India, Pakistan, Cambodia, Myanmar, Bangladesh and the Philippines have been found to be associated with child and forced labour.
Products	Electronics and heating, ventilation and air conditioning systems (hvac)	Complex supply chains and multiple components of electronics and hvac contribute to higher risks of modern slavery. Debt bondage, deceptive recruitment and human trafficking are prevalent with these products.
Services	Cleaning, security and labour hire	The cleaning, security and labour hire sectors can attract unskilled and migrant workers. Deceptive recruitment and debt bondage is known to exist in these sectors.

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In the reporting period separate analysis commenced as to whether Hindmarsh could contribute to modern slavery practices. Hindmarsh does not knowingly contribute to modern slavery risks therefore any contribution would be inadvertent. Further reviews and analysis of the Hindmarsh procurement framework will continue in the next reporting period in this respect.

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CRITERIA 4:

ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

Modern slavery is a global, complex issue to which several other violations may also be present, requiring a broad approach to identifying, assessing and mitigating risks of modern slavery practices.

Given the complexities as previously described regarding the construction industry, Hindmarsh considers that it is necessary to take a meaningful, considered, risk-based approach to implementing its human rights framework.

On this basis, particular emphasis in the reporting period was to investigate the requirements, options, gaps and next steps to implement robust human rights framework. To that end, a summary of the key initiatives, due diligence undertaken and next steps are outlined below.

Hindmarsh Modern Slavery Working Group

In order to commence the process of a gap analysis and implement actions, Hindmarsh established a Modern Slavery Working Group (Working Group), comprising key roles including the CFO, National Commercial Manager and Legal and Company Secretariat.

The Working Group leads our action against modern slavery and coordinates initiatives and reviews. This includes liaison with each operating unit within Hindmarsh.

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Gap Analysis and Scoping Exercise

In order to meaningfully and fully determine the actions to be implemented, in the reporting period Hindmarsh undertook the exercise of:

- reviewing current systems, processes and solutions in place in order to identify risks of modern slavery;
- reviewing gaps in current systems, processes and solutions;
- considering solutions and systems to mitigate gaps;
- mapping a modern slavery compliance framework and strategy, including Hindmarsh's requirements for due diligence; and
- commenced a scoping exercise involving identify modern slavery risk areas for Hindmarsh, with analysis commencing with tier 1 suppliers, subcontractors and contractors.

By taking the time to consider the above, Hindmarsh was then in a position to put in place a strategy and plan to implement actions based on identified gaps and the scoping exercise.

Third Party Guidance

To assist us with implementing a strong ESG Framework, Hindmarsh engaged third party lawyers to provide advice and guidance. The guidance also ensures Hindmarsh meets key milestones and objectives and provides us with objectivity.

Policies and Codes

To underpin Hindmarsh's modern slavery framework, Hindmarsh is introducing the following policies, procedures and codes:

- Modern Slavery Policy – sets out what modern slavery is, how to report suspected modern slavery and requirements for due diligence on third parties.
- Supplier Code of Conduct – sets out our expectations to suppliers and subcontractors regarding matters including environment, work health and safety, human rights, conflict of interest and bribery and corruption.

The Modern Slavery Policy and Supplier Code of Conduct will underpin existing policies, procedures and codes including Hindmarsh's Procurement Policy, Whistleblower Policy and Code of Conduct.

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Processes and Procedures

A key initiative investigated and resolved to be implemented in the reporting period was Hindmarsh's process and procedure for due diligence on third parties such as suppliers, subcontractors and consultants.

Hindmarsh considered the need to implement a system and process that is robust, with a view to mitigating risks of modern slavery by early detection, but also using a multi-faceted approach to due diligence in order to identify risk. Hindmarsh is implementing the following three step process for due diligence on third parties:

1. **Risk matrix assessment:** High level initial assessment based on factors including industry, product or service, entity risk and geographic location;
2. **Screening:** Using global analytics software to screen all existing and new suppliers for risks against risks of modern slavery; and

3. **Questionnaire:** Depending on the results of risk matrix assessment and screening, issuing a questionnaire to third parties for completion.

Additional steps will be taken as necessary including site audits, deep dive due diligence, specific third party training or additional liaison with third parties.

Other initiatives to be considered and implemented include an annual site auditing program.

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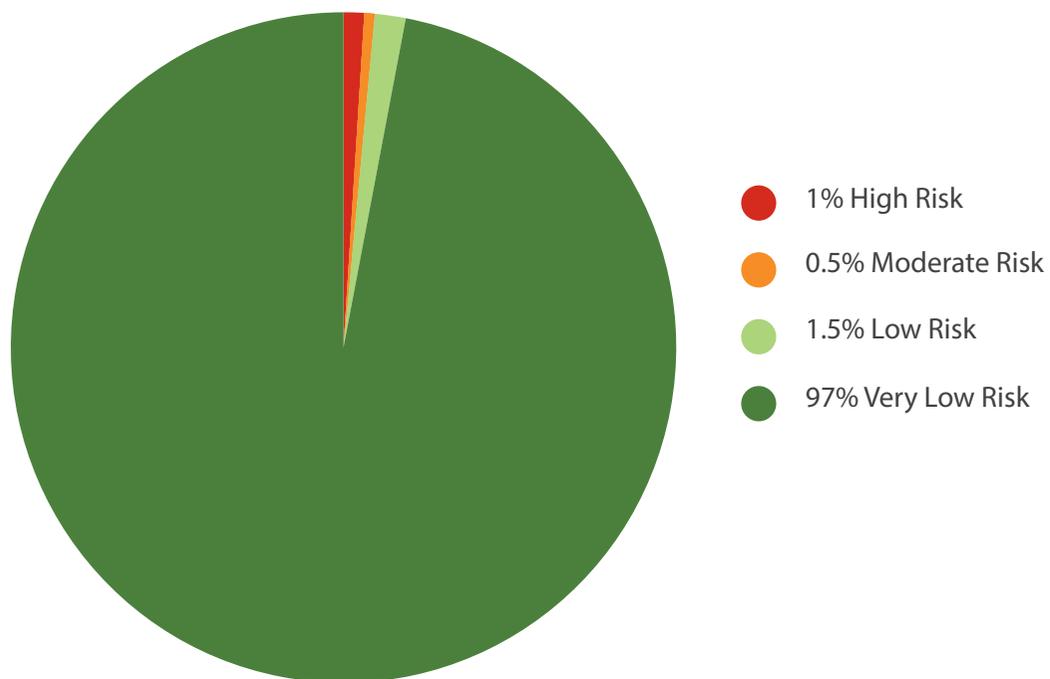
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Our focus is to commence with our Tier 1 suppliers, with a view to commence auditing further down our supply chain in key risk areas set out above.

Given the detailed gap analysis, scoping and implementation of processes and procedures, a priority in the reporting period was to gain an understanding of any immediate risks that present with our tier one suppliers. On this basis, we screened all of our Tier 1 suppliers, with no immediate flags being identified for this group of suppliers. As a result, we are in a position to meaningfully continue our process and introduce our compliance framework in a considered manner.

Results of Tier 1 Screening by Volume (#)



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Contracting

In our first reporting period contracts such as our subcontractor agreement were updated to include a modern slavery contract clause.

In this reporting period following Hindmarsh's gap analysis and a general review of our key contracts and standard contracts, the following contracts will be updated to include a robust modern slavery contract clause:

- our standard terms and conditions; and
- consultancy agreement.

Further, refinement of the modern slavery contract clause in our subcontractor agreement will be undertaken, including the requirement for subcontractors to provide a Modern Slavery Risk Management Report to Hindmarsh on a quarterly basis.

A detailed review of Hindmarsh's tender documents commenced. With an aim to mitigate risks of modern slavery, questions regarding modern slavery will be integrated and evaluated as part of Hindmarsh's request for tender.

Training

In order to support the initiatives set out above, an employee training program has been mapped with a view to roll out. Training is to be tailored depending on the role of our employees. Training will cover the following matters.

- What modern slavery is.
- How to identify modern slavery.
- Risk areas for Hindmarsh.
- Key process changes.
- Requirements for due diligence.
- Hindmarsh's modern slavery strategy.

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CRITERIA 5: EFFECTIVENESS OF ACTIONS

In the reporting period particular emphasis was placed on reviewing previous actions, undertaking a detailed scoping exercise and gap analysis and resolving to implement several process changes including a compliance framework.

Hindmarsh recognises that we are early in our journey of identifying risks of modern slavery practices however took the opportunity in the reporting period to seriously evaluate and then resolve to implement a compliance framework. This action is laying the foundations of a framework going forward, which can then be audited and tested.

A key to a mature and effective compliance framework is measuring its effectiveness by means such as testing and auditing. As part of this compliance framework, an annual audit will be implemented, measuring key factors including:

- compliance with policies and procedures such as the Hindmarsh Modern Slavery Policy;
- reviewing the number of third parties such as suppliers and subcontractors who had due diligence conducted;
- benchmarking Hindmarsh itself and key third parties connected to us;
- auditing a supply chain; and
- reviewing the number of employees to complete modern slavery training.

Auditing of this nature will then in turn influence key performance indicators, together with gaps and areas of our framework that require improvement.

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CRITERIA 6: CONSULTATION

HCA and HCAQ are governed by the same Board and executive leadership, policies and procedures. On this basis, consultation between the entities was extensive, with key stakeholders being engaged and consulted. Further, the Hindmarsh Modern Slavery Working Group was established with executives across HCA and HCAQ who contributed to the actions described in this statement as well as the development of this statement. The same contracts apply to both entities and the same personnel review supplier tender submissions and risk.

The Board provides general oversight and the Modern Slavery Working Group reports to the CEO who is responsible to the Board.



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LOOKING FORWARD

Hindmarsh is pleased to set out the steps and actions taken to mitigate and address risks of modern slavery practices in our operations and supply chains.

We will continue on our journey to roll out initiatives and actions described in this statement and improve our processes and Hindmarsh looks forward to reporting on the result of the actions implemented in the next reporting period.

At the time of drafting this statement, the process changes, initiatives and due diligence requirements had been implemented.



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