

## **MODERN SLAVERY STATEMENT FINANCIAL YEAR 2021**

### **INCAT HOLDINGS LIMITED GROUP**

#### **REPORTING ENTITY**

Incat Holdings Limited ACN 128 645 885 (Incat) is a Reporting Entity for the purposes of the Modern Slavery Act 2018. As part of this Statement, Incat reports on our action to assess and address modern slavery risks associated with our operations, including our employment practices and subcontractor management, and our plans to prevent slavery and human trafficking from taking place in our business and supply chains.

For Incat, the elimination of modern slavery risks in our business operations and supply chain is a natural extension of our people-centric values and stated organisational purpose of enabling people to achieve to their highest potential. All Incat employees must comply with our required standards of workplace behaviour as contained in our employee handbook and associated policy and procedure, which clearly state Incat's opposition to all forms of unfair discrimination or victimisation.

We aim for high standards of governance throughout our business and good corporate citizenry is enshrined in the Guiding Principles that form the foundation of all company activities and decision-making processes. It is contrary to Incat's organisational values that our business activities could contribute to modern slavery, abuses of human rights or people exploitation of any kind.

We promote high standards of honesty and integrity within our business and workforce and have an internally publicised Whistleblower Policy with mechanisms for employees to raise any suspected concerns regarding unethical behaviour or decisions. Incat is committed to fully investigating any disclosures made under this Policy and ensuring that no detrimental conduct is taken or threatened against any person so such disclosing.

#### **STRUCTURE**

Incat is an unlisted public company.

Incat owns 100% of seven subsidiary entities.

- Incat Tasmania Pty Ltd ACN 054 616 410 (builder)
- Incat Marketing Pty Ltd ACN 084 060 408 (marketing)
- ICT Pty Ltd ACN 009 515 815 (non trading)
- Incat Australia Pty Ltd ACN 051 556 855 (plant and equipment)
- Incat Chartering Pty Ltd ACN 059 233 046 (vessel chartering)
- Incat Offshore Pty Ltd ACN 071 054 058 (non trading)
- Incat Finance Pty Ltd ACN 056 869 946 (non trading)

All are Hobart, Tasmania domiciled companies, offering various specialised services in relation to manufacturing vessels.

Incat's three directors and Company Secretary/CFO are variously directors of the subsidiaries. Incat Tasmania Pty Ltd directly employs approximately 450 employees.

## **OPERATIONS**

Incat's main operation is the construction of large passenger high speed catamaran passenger vessels, the employees are directly employed in these activities along with the supply of labour and services to our projects by subcontractors.

Incat's operations also include chartering and servicing these vessels.

## **SUPPLY CHAIN MANAGEMENT**

Incat's supply chain is complex, with multiple levels of suppliers between the source of raw materials and their use in our construction, manufacturing or contracting activities. In this context Incat's supply chains may include raw materials that are sourced, manufactured, or otherwise processed overseas, their importation to Australia and subsequent sale and distribution to Incat.

We operate in Hobart and support local businesses by buying locally. Our largest spend categories, include major machinery, marine grade aluminium and engaging subcontractors to carry out activities such as specialist safety fire protection and plumbing.

Our supply chain includes the following services and products:

- Building and construction – steel and aluminium materials, paint, concreting products, subcontract services, labour hire, equipment and scaffolding hire
- machinery – engines, jets, gear boxes, generators, auxiliary equipment
- Fabrication – aluminium products, insulation, tools, parts and equipment, labour hire, freight services, subcontract services, equipment hire, welding gases
- Contracting – tools, heating and cooling units and parts, pumps and parts, electrical supplies, subcontract services, equipment hire, freight, adhesives and solvents
- Business Support – travel and accommodation, administration and finance, uniforms, protective clothing and equipment, training providers, security, telecoms, insurance services, vehicles and fuel, health and first aid services, IT services and supplies, cleaning services, waste management, office and kitchen equipment and supplies

We have more than one thousand registered suppliers across products and sectors. Whenever possible Incat attempts to support local suppliers and producers, which in many cases are small businesses that lack the corporate resources to readily interrogate their supply chains. We are working with these businesses to assist their transparency efforts. Our businesses are on a joint educational journey about the impact of our activities on the lives of global workers.

Incat will actively engage in supplier information requests and enforcement of our terms and conditions. Incat may exclude future dealings with suppliers who do not meet our expectations. We expect our business partners and suppliers to have zero tolerance to any form of exploitation in their business operations or through any part of the supply chain.

## **COMPREHENSIVE RISK ASSESSMENT**

For the identification of modern slavery risks in our supply chains we have initially relied on publicly available information including NGO reports, regulatory investigations and industry advisory bulletins. In the future, as our processes become better established, we will build upon and rely on information obtained from our grievance mechanisms and supplier engagement.

The identification of modern slavery risk comprised an assessment of risks associated with the source country, supplier spend and sector/product risk. For example, we are currently using Amfori BSCI 2020 Countries Risk Classification to assist us in this process. We acknowledge our reporting obligations require us to ensure that the scope of risk includes aspects of our supply chains that some Australian and non-Australian sourced products may contain components that have modern slavery risk potential.

For this statement we have continued to focus on identifying any high-risk areas that may require immediate attention and mitigation, as well as broadening the scope. While Incat considers the risk of modern slavery on our direct business operations to be low, the following have been identified as potential risk areas:

- some protective clothing and equipment
- some electronic and computer equipment
- some metals-based operations and products including fasteners, parts, tools, fabrication materials
- some aluminium products.

Temporary agency work is an area that poses a risk for modern slavery, our workforce however is mostly employed on a direct and permanent basis. Where labour hire or casual employment is used, we engage reputable Australian providers and pay in accordance with our usual enterprise agreement provisions. In this area we are assisted by the legislation that regulates the activities of labour hire providers.

Our direct workforce predominantly consists of professionally qualified and skilled or semiskilled employees and we consider the risk of modern slavery occurring amongst our employees to be very low. We pay and provide at least, and usually higher than, Australian minimum entitlements as detailed in our registered enterprise agreements.

## **RISK CONTROL**

We undertake robust due diligence on all significant suppliers and subcontractors as a standard pre-contractual step and establish on-going measures to monitor, review and manage these relationships.

Incat engages constructively in policing and supporting compliance (among other matters), correct and fair wages and entitlements and worker freedom of association. The Australian unions also play a role in this area and Incat traditionally has a constructive relationship with these organisations which is based on our respect for employee rights.

## **ACTIONS TAKEN, EFFECTIVENESS, NEXT STEPS AND REMEDIATION**

As Incat is still at an early stage of investigating potential risk sources in our supply chains, our processes for remediation and assessing the effectiveness of our actions remain under development. We have updated this analysis for the 2020-21 financial year.

The following are key areas of action and identified action points:

1. Inclusion of ethical and human rights clauses in current procurement guidelines and contractual documentation standards to communicate and reinforce our expectations to suppliers.

2. Adapt current well-developed internal audit processes to capture and report on ethical non-conformances. Normalise this as part of the NCR process.
3. Modern slavery education of key company positions involved in procurement decisions. Over time this may expand to a general organisational educational programme.
4. Internal reaffirmation of existing company grievance mechanisms and support systems designed to assist workers including our whistleblowing procedures to encourage their use in the event of any suspected abuses.
5. Partner with industry bodies for a joint approach to common suppliers and modern slavery issues.
6. Research ways in which Incat may best directly assist identified victims of modern slavery. To a large extent actual remediation measures will be based on the individual circumstances, however research will prepare Incat for when/if such circumstances arise.
7. Determine meaningful measures to track progress on modern slavery initiatives over time.
8. Training and induction programs to include Modern Slavery Risks as part of our policies and procedures rollout. We are currently developing an online process.
9. Ongoing due diligence of our existing and future suppliers. We have representatives in Tasmania and overseas where we commonly visit sites and review conditions.
10. Developments will be addressed and communicated internally and with other suppliers as appropriate. With a view to further develop relationships which support open communication.
11. Undertook a number of responsible sourcing due diligence processes that aimed to identify, assess and mitigate potential breaches or abuses of fundamental human rights within the supply chain.

#### **CONSULTATION WITH RELATED ENTITIES**

Effective consultation on modern slavery legislation and organisational requirements was achieved with Incat's owned/controlled entities through:

- common Directors and Company Secretary
- the presence of Incat's Chief Executive Officer and an Executive Officer on the governing bodies
- reporting from a shared business support team to the governing bodies
- input solicited from all senior management positions
- a common governance framework.

This consultation will continue as Incat further develops our response to modern slavery risks.

#### **COVID-19**

Incat has been impacted by COVID-19, which has impacted economies worldwide, office environments, travel, product availability and lead times. It has affected our ability to provide detailed responses to some criteria in these statements. Additionally, we have experienced that many of our suppliers are experiencing similar issues. Incat acknowledges that it must remain vigilant in assessing the impacts and potential impacts of the pandemic and take action where required.

This Statement was prepared by Incat Holdings Limited with the intention that it applies to all entities within Australia that it owns and controls. It was approved by the Board of Directors on 30<sup>th</sup> November 2021. The entities that are owned and controlled by Incat Holdings Limited have endorsed this statement and are following it.

A handwritten signature in dark ink, consisting of several fluid, overlapping strokes that form a cursive name.

ROBERT FREDERICK CLIFFORD

30/11/21

Director

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