

DARACON GROUP MODERN SLAVERY STATEMENT

FINANCIAL YEAR 2025



DARACON
Group

This is Daracon Group's statement pursuant to the Modern Slavery Act (Cth) 2018, for the financial year ending 30 June 2025.

Daracon recognises that modern slavery and human trafficking can occur in many forms, as considered in the Act. Modern slavery incorporates any situation of serious exploitation where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. Modern slavery includes trafficking of persons, slavery, servitude, forced marriage, forced labour, debt bondage, child labour and deceptive recruiting for labour purposes.

Daracon understands that modern slavery is a growing and complex problem. We recognise the importance of protecting human rights and protecting the rights of those we interact with in the course of our business activities including our employees, the communities in which we operate, our customers and those within our supply chains.

THE REPORTING ENTITY

This Joint Statement is made by the Daracon Group of companies.

Daracon Group is a collective of multiple businesses, wholly owned by the Mingay family. The following are reporting entities for the purposes of the Modern Slavery Act 2018:

- Daracon Contractors Pty Ltd
- Daracon Engineering Pty Ltd
- Daromin Engineering Pty Ltd

All companies identified in this Joint Statement have been consulted with and participated in the development of this statement. All entities within the Daracon Group are subject to the same Group policies and procedures, and as such the information provided in this Statement applies to the reporting entities as well as all other entities within the Daracon Group of companies.



OUR STRUCTURE AND OPERATIONS

Daracon Group is a family owned business established in 1983. From these beginnings, Daracon has grown into an organization supporting over 800 team members with our head office in Beresfield and additional offices in Sydney, Mount Thorley and Gunnedah. At the time of preparing this report, Daracon Group employs just over 800 permanent employees, and has approximately 1800 subcontractors and suppliers in its supplier network.

Comprised of a collective of multiple business, Daracon Group provides an effective and integrated civil construction service to a wide cross section of public and private clients. We are one of NSW's leading civil engineering contractors, and as such provide a wide range of resources to meet our client needs

With extensive experience in a full range of civil infrastructure services, Daracon is dedicated to being a single-point solution to projects. We pride ourselves on our ability to deliver quality, concise and successful outcomes. To achieve this, we use our own quality-assured Daracon plant, labour and equipment. This provides us with direct control, assurance we are using the highest standard of plant and equipment on projects and ensures the safety of those using the equipment and the quality of the work they produce is paramount.

In the latest reporting period, a large proportion of Daracon's work was undertaken for state government entities (NSW) and local government entities (local councils). Daracon is also an alliance partner engaged in the delivery of a local infrastructure project.

SUPPLY CHAINS

Across the group, we procure goods and services from a large number of suppliers. These goods and services range from plant and equipment, construction materials and labour to uniforms, stationery and IT supplies.

The majority of our suppliers are located in Australia, with most based in NSW. Overwhelmingly, these supply arrangements are long term, ongoing, repeat relationships which provides Daracon with greater visibility over suppliers' operations and increases our ability to manage risk within our supply chain. In the case of the supply of labour, the majority of this work is performed on sites controlled by Daracon Group, which allows for greater oversight and visibility of employment practices.

International suppliers are only a small proportion of our direct suppliers. International suppliers are used to source items that cannot be sourced locally and are primarily suppliers of plant and equipment, and maintenance and repair supplies. These international suppliers are predominantly based in the US, Japan and Western Europe.

SERVICES WE OFFER



Civil Engineering

We have extensive experience in a full range of civil infrastructure services for both public and private projects.



Subdivision Construction

Substantial experience in the construction of residential and commercial subdivisions.



Plant Hire

Fleet of modern plant, including dump trucks, water trucks, loaders, back hoes, positrack and combinations, compactors, excavators and more.



Bulk and Heavy Haulage

We provide a superior range of transport solutions including heavy haulage, bulk haulage and water carts.



Concrete

Supplying concrete from both fixed and mobile batch plants, manufacturing daily. In addition, we operate a fleet of agitator trucks.



Contract Crushing

Our modern contract crushing fleet includes track-mounted and pugmill units.



Quarries

We supply and deliver quarry materials that are produced meeting rigorous quality control measures and specifications.



Infrastructure Services

Our specialist team delivers one-stop civil construction and asset maintenance solutions to a variety of clients in the mining and heavy industry sectors.



Landscaping

Landscaping solutions for schools, childcare centres, residential and commercial developments, open space and revegetation projects.



Site Remediation

Extensive remediation experience in civil earthworks, containment cells, capping layers, revegetation and management and tracking of contaminated soil.



Polywelding

Emergency call-out and repair, large scale projects, specialty welding and pre-fabrication at our Mt Thorley facility.



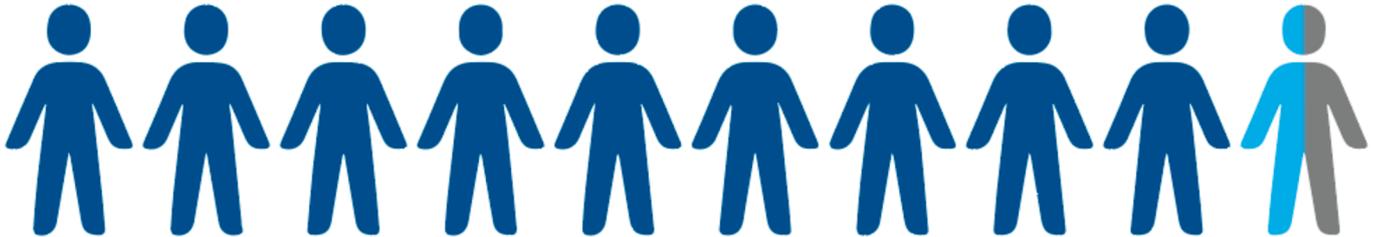
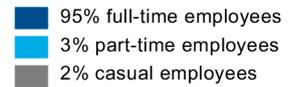
Rail

We offer highly qualified track crews including track certifiers, protection officers and rail plant operators.

MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

Risks in our Operations

The construction industry is often characterised by outsourcing, short-term engagements, low skilled workforce and multiple employers. Daracon's operations can be distinguished by the fact that 95% of our employees are engaged on a permanent, full-time basis with the average period of service being eight years.



We have assessed our internal operations as low or no risk activities. Our direct employees are engaged under industrial instruments and subject to our internal policies and processes.

Wages Employees

Wages employees are employed under one of eight enterprise agreements. These enterprise agreements have been negotiated with employees and their representatives and have been approved by the Fair Work Commission. These enterprise agreements set out the terms and conditions of employment for wages employees.

Salary Employees

All salaried employees are provided with a comprehensive written Letter of Offer which sets out terms and conditions of employment, agreed days and hours of work, remuneration and all other entitlements.

Daracon's industrial instruments are underpinned by a suite of robust policies and procedures, which are communicated via a range of methods including electronic communication system and through training. Additionally, our operations are all located within Australia (which according to the 2018 Global Slavery Index has a low prevalence of modern slavery).

All employees are provided with a written Letter of Offer prior to engagement, outlining their terms and conditions of employment and the industrial instruments and legislation that underpins their employment.

Daracon has formal procedures in place for the reporting and resolution of grievances and issues, including a Grievance Procedure and Whistleblower Policy (which includes an anonymous process for raising issues). Freedom of Association and the right to a representative of choice is communicated to all employees at the time of engagement and reinforced through ongoing training. All sites have information posted outlining the Grievance Process, Freedom of Association Policy and Whistleblower Policy. Additionally, we have a range of formal and informal communication mechanisms to provide opportunities for engagement across the workforce. Key to this process of communication is the Consultative Committees, which meet on a quarterly basis.

We have strong human resources controls in place for the onboarding of new employees, reviewing employees' wages and salary agreements and verifying correct payment in accordance with these arrangements. Our employee onboarding process includes employment checks managed by our People and Culture Department and ensuring all new employees have a right to work in Australia.

MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

Daracon understands that given the breadth and diversity of our supplier network, there is an inherent risk of modern slavery practices existing in our supply chains, particularly at levels further down the supply chain in the procurement of goods, where price is often a key factor in the selection process. This can result in lower rates of pay and conditions. The risk is heightened the further we are removed from the production of goods and our ability to have visibility and transparency over the ways in which goods are produced or those making them are engaged.

Analysis of modern slavery risks across the construction industry suggest that areas where workers are vulnerable to the risks of modern slavery include outsourced services such as cleaning, security and facilities management, the use of labour hire contractors, suppliers of goods manufactured overseas (particularly items such as uniforms sourced from within Asia) and engagement of vulnerable workers such as those with language barriers or unskilled workers.

Across these categories of supply, Daracon has identified the following key areas of risk:

IT Equipment

While sourced from local suppliers, Daracon has limited oversight on the overseas suppliers of these goods or the manufacture of components from raw materials. Daracon is aware of the risk of modern slavery in the manufacture of items such as mobile phones and computers.

Clothing and Uniforms

While sourced from local suppliers, these goods are generally manufactured overseas in countries where there is an increased risk of modern slavery practices occurring. These long supply chains have a heightened risk of modern slavery due to the opaque and removed nature of the supply relationships.

Cleaning and Facilities Management

These activities are low-pay, low-skill and performed out of hours, so have the potential for modern slavery risks. These risks are heightened when the activities are sub-contracted by the supplier, placing greater distance between Daracon and the workers undertaking the work.

Plant and Equipment (including items such as hand tools, light vehicles and PPE)

While Daracon sources these items from local suppliers, the manufacturers of these products are predominantly based overseas and Daracon has limited oversight.

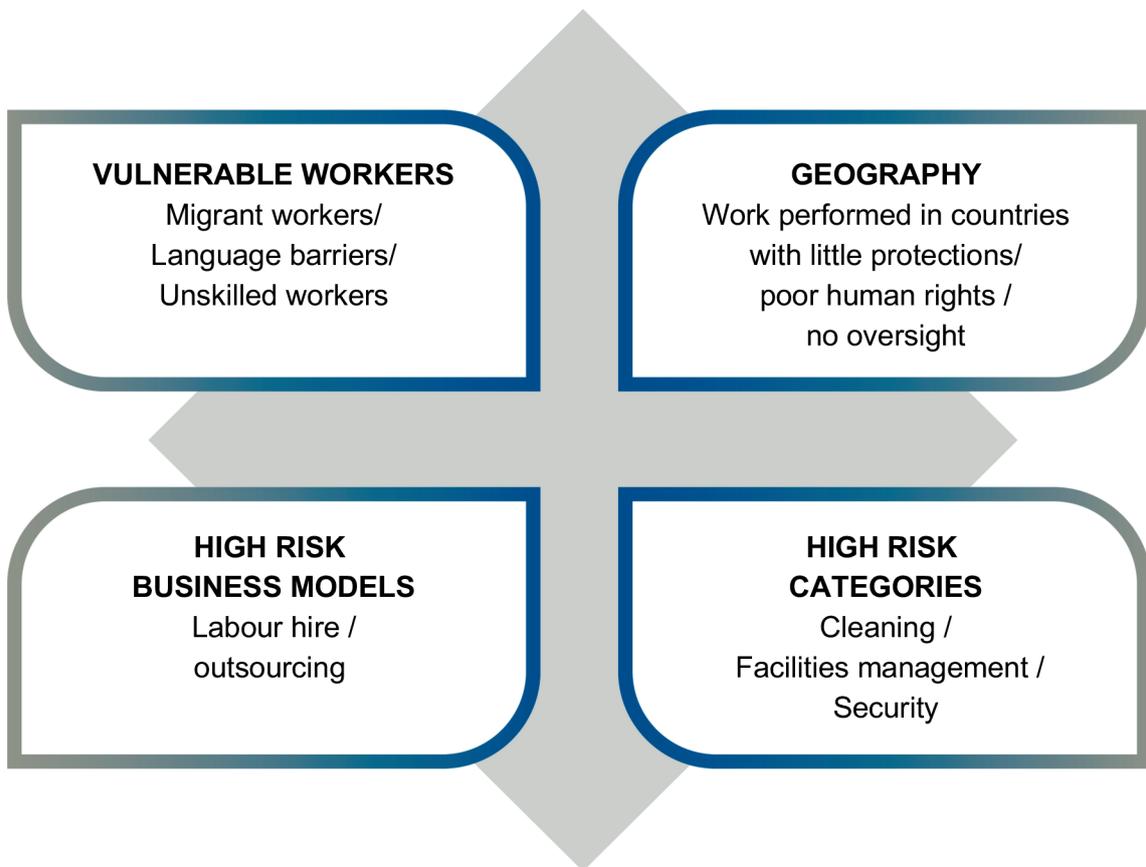


MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

While Daracon Group manages many of its modern slavery risks through long-term supply relationships, the engagement of a direct workforce, the use of local providers, supplier reviews and mature employment practices, we acknowledge that modern slavery is a pervasive and hidden crime and we must remain alert to the risks of modern slavery within our supply chains.

Daracon has undertaken a review of our supply chain to understand the categories, location and risk allocation within our supply chain. Since the last reporting period, we have continued the process of including modern slavery commitments and reporting requirements in our contractual arrangements. We have recognised the need to review and further strengthen our procurement process to understand subcontracting arrangements of suppliers, and the level of due diligence undertaken by these suppliers to address modern slavery risks in their down-chain operations.

Daracon have also identified modern slavery risks, potential outcomes and mitigation strategies within our corporate risk register.



ACTIONS TAKEN TO ADDRESS MODERN SLAVERY RISKS

Daracon continues to strengthen and implement targeted measures to address modern slavery risks as our understanding of modern slavery and the potential risks matures.

Mitigation and Supplier Assessment

Over the reporting period we have continued to address modern slavery risks in our procurement process. We have updated our supplier engagement questionnaire to better understand our suppliers' understanding of modern slavery and applicable employment law. Suppliers are asked to consider the risk of modern slavery in their business and/or supply chains, to declare any known instances of modern slavery and to commit to addressing any known instances of modern slavery. Suppliers are also required to provide details of their employment practices and conditions. We have remapped our supply chain and undertaken a renewed risk assessment to highlight areas and industries of greatest risk and considered risk mitigation factors.

Policies and Procedures

Daracon has a number of policies and procedures in place to address modern slavery risks, including the following:

- Daracon Group Ethical Sourcing and Modern Slavery Policy
- Daracon Group Whistleblower Policy
- Daracon Group People and Culture Procedure
- Daracon Group Code of Conduct

These policies and procedures clearly outline Daracon's commitments to addressing modern slavery risks and the procedures for reporting, investigating and responding to an allegation of modern slavery.

Communicating these policies, both internally and externally, is also important for ensuring our expectations regarding modern slavery are clear and we establish a workplace culture in which we seek to eliminate the risk of modern slavery.

Training

Daracon provides training to enable our workforce to recognise the signs of modern slavery and how to report any concerns. This information is also provided to our subcontractors and suppliers through our Site Induction. Detailed training is provided to the Executive and Procurement teams, providing a deeper understanding of modern slavery risks and how to respond.

Audits

We are regularly audited by clients and external organisations and will act promptly on areas of improvement that may be identified. These audits include a review of our procurement processes, and the inclusion of modern slavery provisions in our contractual arrangements and communications. We also audit suppliers where potential risks of modern slavery have been identified or we have concerns arising from our risk assessment process.

Collaboration

We continue to work collaboratively with clients and industry partners to identify modern slavery risks. We will continue to co-operate with client due diligence requirements and will monitor client requests for information regarding modern slavery to inform our understanding of areas of risk. We will also work with external stakeholders to share information and learnings across industry sectors to identify shared modern slavery risks.



ASSESSING THE EFFECTIVENESS OF ACTIONS TAKEN

Currently we assess the effectiveness of our actions through monitoring the following activities:

Data Tracking

We utilise the data we collect from suppliers to inform our internal risk assessment process. This data assists in identifying the key areas of risk in our supply chain as well as potential predictors of risk.

Co-operation with Client Due Diligence

We will continue to co-operate with client due diligence requirements and will monitor client requests for information regarding modern slavery to inform our internal understanding of potential areas of risk.

Acting on Concerns and Allegations

We will respond to concerns or allegations made through the Whistleblower process, the Grievance Procedure or other avenues and will record and report on these events to the Executive Team.

Review of Policies and Procedures

We will continue to review our policies, procedures and documentation to ensure our response to modern slavery is appropriate.

Collaboration

We will continue to work with suppliers to provide information on modern slavery risks. Where an issue is identified, we will work with suppliers to respond and build capacity and only terminate contracts as a last resort.

PROCESS OF CONSULTATION WITH ANY ENTITIES THE REPORTING ENTITY OWNS OR CONTROLS

Daracon has communicated with all relevant entities within our operations, including the entities we own and control, to explain our commitments and expectations in relation to modern slavery. All entities within the Group are subject to the same suite of policies and procedures and an integrated approach will be taken to respond to modern slavery risks.

This is a Joint Statement made by Daracon Group on behalf of the reporting entities Daracon Contractors Pty Ltd, Daracon Engineering Pty Ltd, and Daromin Engineering Pty Ltd. This statement has been communicated and shared with all relevant entities within our operations, including the entities we own and control, to explain our commitments and expectations in relation to modern slavery.

The Daracon Executive Team understands the importance of the Modern Slavery Act, the requirement to actively address this across the business and supply chains and the ongoing need for continuous improvement and action. All entities within the Group are subject to the same suite of policies and procedures and an integrated approach will be taken to identifying and responding to modern slavery risks and continuing the actions outlined in this report, supported by Daracon's Executive Team.



This Statement is made pursuant to section 14 of the Modern Slavery Act 2018 (Cth) and constitutes the Daracon Group Modern Slavery Statement.

This Statement has been approved by the Board of Directors on behalf of Daracon Contractors Pty Ltd, Daracon Engineering Pty Ltd and Daromin Engineering Pty Ltd.

Signed:



Jonathon Mingay
Managing Director
DARACON GROUP

