



FY23 MODERN SLAVERY STATEMENT



D&E Air Conditioning Pty Ltd





INTRODUCTION

This statement on Modern Slavery has been prepared for D&E Air Conditioning Pty Ltd (D&E), aligning with the reporting obligations outlined in the Modern Slavery Act (Cth) 2018. It provides an overview of how D&E Air Conditioning Pty Ltd has taken steps to minimise the risks of modern slavery within its operations and supply chains from July 1, 2022, to June 30, 2023.



OUR COMMITMENT

At D&E Air Conditioning, we are dedicated to improving our systems and procedures to prevent any involvement in modern slavery or violations of human rights within our operations, supply chain, and services. We acknowledge that modern slavery can manifest in various forms, including forced labour, child labour, domestic servitude, sex trafficking, workplace abuse, and human trafficking. Our commitment to combating modern slavery encompasses all these coercive and unethical labour practices.

D&E firmly opposes any form of human rights abuse, including modern slavery, within our operations and supply chain.

Utilising a risk-based approach, we will continue to actively work to manage modern slavery risks and are determined in our commitment to consistently review and improve our processes.

We prioritise the advocacy and safeguarding of fundamental human rights, with the expectation that our suppliers and partners share and adhere to these principles.

D&E's commitment is reflected in its ongoing efforts to collaborate with internal and external stakeholders, demonstrating transparency and support the continuous improvement of processes related to modern slavery reporting.



OUR STRUCTURE, OPERATIONS, AND SUPPLY CHAIN

D&E has developed long-lasting connections with clients and suppliers across Australia by employing the best systems and practices. This commitment to excellence highlights the company's dedication to ethical business conduct and delivering services responsibly.

Established in 1989, D&E stands as a privately owned Australian company that has emerged as a leader in the HVAC industry. With our headquarters situated at 11 Corporate Ave, Rowville 3178, we strategically operate across New South Wales, Victoria, South Australia, Western Australia, and Queensland.

Since our beginning, we have expanded our reach and expertise, catering to a diverse range of clients and projects. From large-scale installations in hospitals and shopping centers to office ducting modifications, our commitment to excellence remains unwavering. Specialising in serving the pharmaceutical industry, hospitals, and laboratory environments, we have garnered an enviable reputation for professionalism and quality in all our endeavors.

D&E directly employs over 590 staff in various roles, including Construction Managers, Project Managers, Site Managers, Contract Administrators, Estimators, Design Managers, Plumbers, and Service Technicians.

All employees are engaged under workplace enterprise agreements and individual employment contracts, reflecting D&E's commitment to fair and equitable treatment for all employees.

We prioritise sourcing local products and engaging local services. Additionally, we proactively identify and engage with local suppliers across Australia to maximise local content in our service delivery wherever feasible as part of our commitment to local procurement.

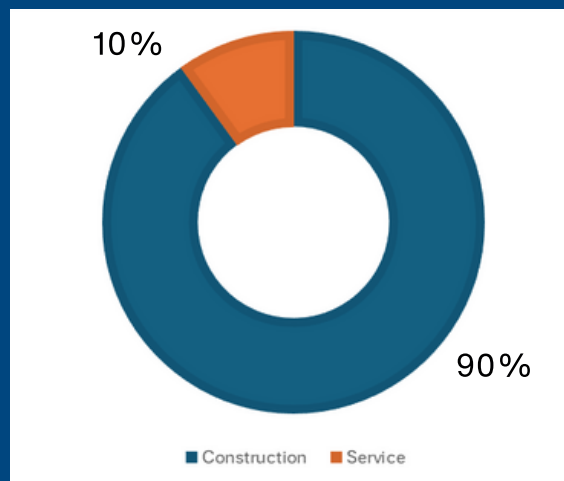
Throughout the reporting period, D&E has sourced goods and services from over 900 direct suppliers and subcontractors.

Most of these suppliers and all subcontractors are Australian based.

D&E Air Conditioning Office Locations



Operations Structure





IDENTIFYING RISKS OF MODERN SLAVERY IN OUR SUPPLY CHAIN

The *risk of modern slavery within our direct operations is low*,
based on three key factors:

- 1** Our personnel are directly employed by D&E, through individual contracts and EBAs.
When engaging contractors, we ensure that employment agents or labor hire companies adhere to labor hire laws and our supplier code of conduct.
- 2** The majority of our workforce consists of skilled professionals who are typically less susceptible to systemic labor rights issues.
- 3** All our employees are based in Australia, where the geographic risk of modern slavery for skilled professionals is low.



RISKS IN OUR SUPPLY CHAIN

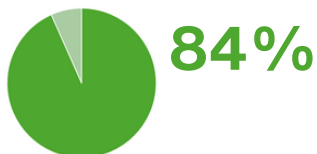
From our FY23 Supplier Questionnaire it was reported that their main overseas supply chains are generally sourced from countries including China, India, Philippines, Russia, Thailand and Indonesia.

The HVAC and construction industry relies on extensive supply chain that often involve multiple tiers of suppliers and subcontractors. This complexity increases the likelihood of modern slavery risks occurring at various stages of the supply chain.

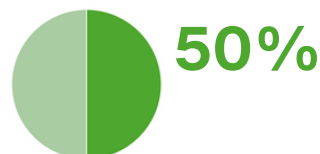
International Sourcing: Some materials and products used in our projects may be sourced internationally by our suppliers, exposing our supply chain to modern slavery risks prevalent in countries such as China, India, Bangladesh, and others.

Subcontracting Practices: Subcontracting is common in our industry and may create challenges in monitoring and enforcing labor standards throughout the supply chain. Lack of visibility into subcontractors' operations increases the risk of modern slavery occurring unnoticed.

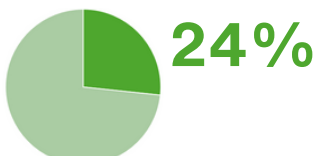
90 Suppliers completed the Modern Slavery Questionnaire for FY23.



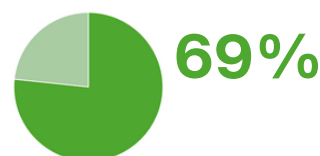
of our suppliers are aware of reporting requirements for entities under Australia's Modern Slavery Act 2018 (Cth).



responded have made a public commitment to reject any form of modern slavery throughout its operations and supply chain.



of our suppliers conduct audits or inspections of their suppliers' operations.



of suppliers require their contractors, and suppliers to abide by policies and procedures that prohibit modern slavery.

D&E is committed to addressing any identified risks and implementing measures to mitigate modern slavery throughout our operations and supply chain. We prioritise transparency, accountability, and collaboration in our efforts to combat modern slavery, and we remain dedicated to upholding human rights across all aspects of our business.



RISK MITIGATION, DUE DILIGENCE AND REMEDIATION PROCESSES

We've conducted a comprehensive risk assessment, and while the identified risks weren't deemed significant, we remain dedicated to continuously evaluating and implementing mitigating measures. Below is an overview of our risk management strategy, which encompasses due diligence and the remediation process for both the present and the future.

Subcontractors and Supply Chains

- Modern slavery requirements are discussed upon awarding subcontract contracts.
- Modern slavery provisions are incorporated into subcontracts.
- Review current Subcontractors agreements to include Statutory Declarations confirming compliance with modern slavery provisions for each progress claim.
- Encouragement of engaging subcontractors from local businesses with known workforces and established subcontractors with proven compliance records. Preference is given to subcontractors with a majority of direct workforce over labour hire workers.

Supply Chain for Products:

- Modern slavery provisions to be included in Purchase Orders.
- Use of Australian suppliers and products wherever feasible.
- Preference to use reputable and established companies with modern slavery compliance systems in place when overseas products are necessary.

If suspicions arise regarding potential Modern Slavery practices within our subcontractor workforce or supply chains at D&E, the following protocol will be initiated:

- Halt the subcontract or supply of materials.
- Investigate to ascertain whether Modern Slavery, as defined by legislation, is indeed taking place.
- Report any identified instances of Modern Slavery practices to the appropriate authorities.
- Cease engagement with the implicated subcontractor or supplier. Alternatively, if permanent cessation is not feasible, suspend engagement until the Modern Slavery issue is resolved and adequate measures are implemented by the company to prevent recurrence.

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

D&E will continue evaluating the impact of our measures aimed at addressing Modern Slavery through the Committee of Management, overseeing our initiatives to ensure their efficacy and potential for improvement.

The committee will oversee and assess the impact of our Modern Slavery Policies, Procedures, and initiatives, making necessary adaptations to reduce risk in our operations and supply chain.

Recognising the importance of continuous improvement in our actions to prevent Modern Slavery, we will continue to assess our risk mitigation and due diligence. This process is ongoing and subject to annual review and updates.



FY 23-24 FOCUS

To identifying and addressing Modern Slavery Risks from our operations and supply chain relies on our ongoing efforts towards improvement. We remain committed to advancing supply chain transparency with particular emphasis on the following key areas in 2023 / 2024:

Review Modern Slavery Committee Responsibilities: Conduct a comprehensive review of the Modern Slavery Committee's roles and responsibilities in assessing modern slavery risks and implementing mitigation measures.

Cross-Functional Collaboration: Facilitate cross-functional collaboration between the Modern Slavery Committee and relevant departments or stakeholders involved in risk assessment and mitigation efforts.

Regular Training and Capacity Building: Offer regular training and capacity-building initiatives to members of the Modern Slavery Committee to enhance their understanding of modern slavery risks, relevant legal and regulatory frameworks, and best practices in risk assessment and mitigation.

Promote Continuous Improvement: Foster a culture of continuous improvement within the Modern Slavery Committee by encouraging ongoing learning, knowledge sharing. Regularly review and update committee processes, guidelines, and procedures based on lessons learned and emerging trends in modern slavery risk management.



APPROVAL

This statement is issued in accordance with section 13 of the Modern Slavery Act 2018 (Cth), pertaining to the operations and supply chains of D&E Air Conditioning Pty Ltd for the period from July 1, 2022, to June 30, 2023. It was approved by D&E Air Conditioning Pty Board of Directors on 3rd May, 2024.

A handwritten signature in blue ink, appearing to read 'Colin Way', written over a solid black horizontal line.

Colin Way
Director



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