



MODERN SLAVERY STATEMENT

For the Year Ended June 30, 2023

REPORTING ENTITY:

A W Nicholson Pty Ltd
ACN: 118 404 381
Trading as Nicholson Construction
Commercial in Confidence

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Cover image: Warrnambool Learning and Library Hub

EXECUTIVE SUMMARY

Nicholson Construction (Nicholson) triggered the obligation to comply with the requirements of The Modern Slavery Act (2018) (*the Act*) in 2020 and submit information to the Australian Border Force detailing the steps we have taken to comply with the Act. We developed and implemented policies and procedures to address our obligations including a process of identifying the risks associated with modern slavery, and strategies to address them.



Image: Bendigo Airport Helipad

Over the years as our processes have matured, we continue to educate our suppliers and subcontractors on *the Act* itself and our mutual obligations and requirements under *the Act*.

Upon review of our Modern Slavery Risk Assessment and our Modern Slavery Charter in 2023, we have found that:

- Modern Slavery was adequately addressed in Company Policies (Modern Slavery Procedure (500-P002) and Modern Slavery Charter (500-F022))
- Our risk assessment adequately determined the risks and exposure our operations have to Modern Slavery (500-R006)

- A Modern Slavery Charter and supplier questionnaire has been issued to all suppliers identified as high-risk during our assessment.
- Our procedure ensures that all subcontractors and suppliers identified as high-risk and above have completed the Modern Slavery Charter supplier questionnaire to enable a more accurate assessment of their risk and exposure to modern slavery issues.

We researched modern slavery through various sources including the Global Slavery Index and in 2023 we conducted a Risk Assessment (500-R006) of our entire supplier database and identified the following outcomes:

- No suppliers were deemed high risk in 2022/23;
- 7 suppliers were deemed medium-risk in 2022/23.

Per our procedure (refer to section *Actions taken to assess and address these risks* below) all suppliers with a high-risk are required to complete and fulfil the Nicholson Construction Modern Slavery Charter (500-F022) questionnaire.

After analysing and assessing the validity of our review, we are satisfied the risk of engaging in modern slavery to procure labour and/or supply our manufactured goods is low.

We will continue to implement procurement procedures to ensure our obligations under *the Act* are fulfilled.



Richard Nicholson

Director

COMPANY STRUCTURE, OPERATIONS, AND SUPPLY CHAINS

A W Nicholson Pty Ltd, trading as Nicholson Construction, is a long-established family business which commenced operation in the late 1800's and has grown to become a leading commercial construction company in regional Victoria. We specialise in buildings up to \$50 million serviced from our offices in Ballarat, Bendigo, Geelong, and Warrnambool.

We specialise in commercial construction of healthcare, education, and government public facilities, as well as private projects such as retail outlets and shops, and industrial projects and factories.

We have a professional team of personnel and utilise numerous subcontractors and suppliers most of whom are based in regional Victoria. Our business operations are limited to Victoria only.

Our suppliers include small, medium, and large enterprises (SMEs) depending on the materials and/ or services being procured. Typically, our construction projects achieve local content targets in excess of 90% (where local content is defined by the Industry Capability Network (ICN) as Australian and New Zealand origin). Given the high local content regularly verified by ICN, our exposure to modern slavery is low, but this doesn't warrant complacency with regard to the risks.

As a company we are proud of the contribution we make to the communities in which we operate. We have a commitment to excellence and a charter that documents our approach to ethical and professional standards of behaviour and performance.

Our management systems are accredited to ISO9001:2015, ISO45001:2018, ISO14001:2015 and Federal Safety Commission standards.

RISKS OF MODERN SLAVERY PRACTICES

Since 2021, Nicholson Construction have conducted an annual review of our Modern Slavery Risk Assessment for our entire supply chain inclusive of over 1,000 subcontractors and suppliers.

To assess the risk of modern slavery within our supply chains, consideration is given to:

- the source of their products (whether they were manufactured locally or imported)
- the level of expertise/skill of the workforce required to manufacture and install the product
- their potential supply chains, and the total spend Nicholson Construction had with the supplier and/or subcontractor.

A particular focus was made on those products (and therefore the supplier) that could be imported from countries identified as high risk by the Global Slavery Index (<https://www.globallslaveryindex.org>)

Further, the risk assessment considered suppliers who may fail to pay wage rates in accordance with state and federal Awards and employment conditions including the Victorian Federal Awards (Uniform Systems) Act 2003 and the Australian Industrial Relations Act 1988.

In summary, our risk assessment focused on the following attributes for every supplier:

- Quantity of our spend (\$ value)
- Category of our spend – Identified if the supplier provides goods or services, or both
- Understand our risk – Identified the goods being supplied and determined the risk of being sourced from countries that have a high risk of modern slavery practices
- Digging deeper with high-risk suppliers – the suppliers who were identified as high risk were subject to further exploration and review as to the source/manufacture of their products.

At the conclusion of this assessment, the majority of our suppliers and subcontractors were assessed as low-risk of modern slavery practices. 7 were deemed medium-risk in 2022/2023, and no suppliers were deemed high-risk.



Image: Sod Turning at the Camperdown Residential Aged Care project.

ACTIONS TAKEN TO ASSESS AND ADDRESS THESE RISKS

Our Modern Slavery Procedure requires all subcontractors and/or suppliers with a profile deemed high-risk to complete and fulfil the Nicholson Construction Modern Slavery Charter (500-F022) questionnaire.

This questionnaire seeks to clarify the source of the supplier's products and the procedures they have in place to address risks of modern slavery, acknowledging that although the supply country of origin may be high-risk, the supplier's procurement chain is not engaged in modern slavery.

Upon receiving the completed questionnaire, we analyse the response and validity of the results, and assess the risk of modern slavery using the additional information. The supplier remains rated as high-risk and required to complete the questionnaire annually or until such time as they are deemed a lower risk rating.

We will continue to work with each supplier until such time as their risk assessment rating is reduced to low or otherwise, on an ongoing basis, obtain sufficient knowledge and information about their supply practices to satisfy ourselves of our compliance with *the Act*.

All suppliers with a high-risk profile are identified as such within the Company's procurement software system (JobPac) and are required to complete the Modern Slavery Charter (500-F022) as part of the suite of documentation required before they commence work onsite. Our procedures require the Charter to be returned amongst a suite of documents as pre-requisite for payment.

We have also further developed our processes to address Sham Contracting as defined by the Fair Work Act. These processes have been incorporated into our procurement process for all subcontractors and are undertaken prior to the subcontractor commencing works onsite to ensure workers are paid in accordance with minimum Award requirements and specific employment conditions.



Image: Nicholson staff onsite at Budj Bim, winner MBAV 2023 Best Sustainable Project.

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

The *Nicholson Construction Modern Slavery Charter* is the main tool to prevent, mitigate or remedy modern slavery issues. As such, the Charter and its contents are reviewed as part of our Modern Slavery Risk Assessment. Our Charter was reviewed giving consideration to the responses on the completed charters by the subcontractors who were profiled as high and medium risk in previous years.

The review determined that the current Charter was adequate and that no additional controls are required within the Modern Slavery Charter or Procedure.

We are confident that the risk of non-compliance with *the Act* is low. We will continue to implement our Modern Slavery procedures and review our Modern Slavery Risk Assessment (500-R006) again in 2023.

CONSULTATION WITH ANY ENTITIES THE REPORTING ENTITY OWNS OR CONTROLS

Consultation of this manner is not applicable to Nicholson Construction.

OTHER RELEVANT INFORMATION

Nicholson Construction remains proactive in promoting the obligations imposed on our company and commits to ongoing assessment of our supply chain in relation to Modern Slavery and supporting our suppliers and subcontractors in our endeavour to avoid all forms of modern slavery.

STATEMENT

The Nicholson Construction Modern Slavery Statement was approved by the company board of directors on 6 December 2023.

A handwritten signature in black ink, appearing to read "Richard Nicholson".

Richard Nicholson

Director