

# MODERN SLAVERY STATEMENT

FOR REPORTING PERIOD 1 JULY 2020 TO 30 JUNE 2021



PEOPLE WHO BUILD



ADCO

# FOREWORD

This Modern Slavery Statement is the second joint statement issued by ADCO and covers the reporting period 1 July 2020 to 30 June 2021. This statement has been prepared by ADCO's Modern Slavery Working Group in accordance with the requirements of the Modern Slavery Act 2018 (Cth) and explains the actions taken by ADCO to assess and address modern slavery risks in our operations and supply chain. This statement was approved by the Board on 30 November 2021.

All enquiries or feedback on this statement should be directed to Neil Harding, Managing Director.

## MESSAGE FROM THE MANAGING DIRECTOR

At ADCO, we recognise and oppose modern slavery in all its forms. We understand that being part of the construction industry, there may be a higher risk and prevalence of modern slavery in our supply chain, both locally and globally. This is an issue we take seriously and we know that combatting modern slavery cannot be achieved by one organisation alone. We are committed to operating at the highest ethical standards, and in doing so, encourage our supply partners to do the same.

While our efforts to further embed modern slavery assessment processes into our business and supply chain has been impacted by the Covid-19 pandemic, we are proud of our achievements in this reporting period. This builds on the foundation work we undertook in the first reporting period which included the development of our own Modern Slavery Policy, updating our contracts and tender procedures to incorporate modern slavery requirements and establishing a Modern Slavery Working Group within ADCO to review the effectiveness of our approach. We recognise that we can always do more and we have outlined our goals for the next reporting period in this statement.

I thank our employees and our supply partners for their ongoing support and co-operation in joining with us to reduce the risks of modern slavery in our industry and beyond.



**Neil Harding**

Managing Director

ADCO Constructions Pty Ltd



# OUR BUSINESS

ADCO is an Australian, family-owned group of construction companies with a national business comprising five offices throughout Australia. ADCO employs over 500 people nationally.

Our construction activities extend across retail, education, commercial, government, defence, rail infrastructure, health and aged care, leisure, aquatic and community markets. Our projects are delivered via early contractor involvement, design and construct, managing contractor, and traditional construction methods of procurement. Our national presence ensures we can deliver projects from \$1 million to \$200+ million, anywhere in Australia.

Since our beginnings in 1972, ADCO has been steered by family values, trust, honesty and integrity. We are firmly committed to the high-quality delivery of our projects, to fulfilling our clients' aspirations and goals and to the development of our people. These foundations have built our legacy – we have delivered over 3,500 projects valued in excess of \$14 billion and our annual revenue is approaching \$1 billion. We are proud to be one of Australia's top 100 private companies and to be recognised by Deloitte as one of Australia's Best Managed Companies 2021.

We aspire to be the 'Builder of Choice' for our clients, to be good industry partners to our consultants, contractors and suppliers, and to exercise high standards of corporate social responsibility in the wider community. We also support a culture of safety and respect for workers through robust human resources systems, including employee onboarding and induction, regular reviews of employment agreements, salary arrangements and workplace policies.

During the reporting period, we implemented an on-line human resources platform to better facilitate a structured and consistent approach to onboarding of all staff across our business, with new starters having the opportunity to familiarise themselves with ADCO's internal processes and management systems before commencement.

New staff are also assigned an ADCO Peer to support them during their first six (6) months of employment. The system also tracks training performed by each employee, which connects with our National Training Program that now includes modern slavery training as a mandatory element.

We are also committed to providing an inclusive and diverse workplace where our employees feel supported and are treated equitably, fairly and with respect, regardless of their background or gender. During the reporting period we have seen an increase in the number of:

- / part-time employees who require additional flexibility in their working arrangements;
- / women employed by ADCO, with almost 20% of our workforce now represented by women;
- / employees who have a disability, allowing them to have a role in the construction industry which suits their capabilities; and
- / employees who associate with being Aboriginal or Torres Strait Islander.

ADCO is a proud to be a member of the Diversity Council of Australia which allows our staff to access resources to help create a supportive workplace for all.



# GOVERNANCE AND STRUCTURE

ADCO comprises the following primary entities, with each entity registered in Australia and governed by a board of directors:

- / RJH Holdings Pty Limited ACN 001 203 256, the sole shareholder of ADCO Constructions Pty Ltd;
- / ADCO Constructions Pty Ltd ACN 001 044 391, our building and construction business which undertakes projects in Queensland, New South Wales and Western Australia;
- / ADCO Group Pty Limited ACN 094 531 272, our building and construction business which undertakes projects in Victoria and New South Wales, and which is a subsidiary of ADCO Constructions Pty Ltd; and
- / ADCO Developments Pty Ltd ABN 81 001 203 292, a private development business and subsidiary of RJH Holdings Pty Ltd.

This joint statement is issued by ADCO Constructions Pty Ltd and covers RJH Holdings Pty Limited, ADCO Constructions Pty Ltd and ADCO Group Pty Limited. References in this statement

to ADCO are references to the three reporting entities and the entities they own and control. The reporting entities have a board of directors chaired by Judith Brinsmead, with strategic support provided by additional external advisory board members.

The national construction business is delivered through ADCO Constructions Pty Ltd and ADCO Group Pty Limited and is led by our Managing Director, Neil Harding, supported by an executive leadership team and State-based business unit leaders. RJH Holdings Pty Ltd provides corporate support, however, the majority of day-to-day operations are carried out by ADCO Constructions Pty Ltd and its subsidiary ADCO Group Pty Ltd. Importantly, the majority of ADCO's supply chain is managed by these two entities.



# OUR SUPPLY CHAIN

ADCO has a large direct employee base, with those employees fulfilling varied roles such as estimators, construction managers, project managers, contract administrators, design managers, site managers, site foremen, safety managers and construction workers. ADCO also engages a large number of subcontractors, suppliers and service providers to design and deliver the physical works for our projects. ADCO procures (directly and indirectly) a variety of goods and services from these subcontractors, suppliers and service providers.

Our supply chain for project delivery (which accounts for the vast majority of our supply) is typically procured in two streams, being “Subcontract Works” and “Goods and Services Supply”.

**Subcontract works** represents the largest part of our supply chain, typically accounting for approximately 85% of supply partner procurement on our construction projects. Works undertaken by subcontractors are delivered on a “supply and installation” basis, meaning that the works undertaken involve both the supply of materials or goods and installation on-site

with site-based labour. Both the material supply and the labour are provided by the subcontractor. Subcontract works may also include elements of off-site pre-fabrication utilizing off-site labour (e.g. factory pre-fabrication of joinery or structural steel). Whilst the labour and material components vary according to individual trades, a 60% : 40% split (labour : material) is typical.

**Goods and services supply** refers to goods and services procured by ADCO on a “supply only” basis. This includes, for example, goods or materials purchased directly by ADCO for incorporation into the works (e.g. concrete supply, reinforcement supply, FF&E, specialist equipment). It also includes the hire of certain plant and equipment and the provision of consultancy services, such as design and engineering services. Goods and services supply accounts for approximately 15% of our supply partner procurement on our construction projects.

The nature and scope of the subcontract works, and goods and services most frequently procured by ADCO within the two streams of our supply chain are set out in the tables on the next page.



## SUBCONTRACT WORKS – SUPPLY AND INSTALLATION

Description of Subcontract Works	Scope of Supply
Civil works, including excavation and roadworks, and associated raw materials	Material supply, equipment, and labour
Piling works, shoring and foundation systems, including concrete and reinforcement	Material supply, equipment, and labour
Structural concrete works, including formwork, steel reinforcement, insitu concrete and precast concrete	Material supply, equipment, and labour
Brickwork and masonry	Material supply, equipment, and labour
Structural steel and architectural metalwork	Material supply, equipment, and labour
Roofing, including steel roof sheeting and insulation	Material supply, equipment, and labour
Façade cladding systems, including light steel framing, aluminium panelling, fibre cement panelling, aluminium louvres	Material supply, equipment, and labour
Façade glazing systems, including aluminium framing and glazing and curtain walling systems	Material supply, equipment, and labour
Internal partitions, ceilings and linings, including light steel framing, timber framing, plasterboard linings, lightweight ceiling grids, pre-finished ceiling tiles, acoustic linings and pinboards	Material supply, equipment, and labour
Timber doors and metal door frames	Material supply, equipment, and labour
Carpentry and joinery, including cabinetry and office workstations	Material supply, equipment, and labour
Building Services including electrical, mechanical, hydraulic, fire, security, audio visual, lifts, escalators and travelators, including all wiring, components, pipework, fixtures and fittings, and specialist equipment and technology	Material supply, equipment, and labour
Floor and wall finishes, including carpet and vinyl, tiling, paving, and painting works	Material supply, equipment, and labour
Landscaping works, including external furniture	Material supply, equipment, and labour
Prefabricated modular buildings	Material supply, equipment, and labour
Scaffolding	Supply, erection, hire and dismantling
Tower cranes	Supply, erection, hire, operation and dismantling

## GOODS AND SERVICES – SUPPLY ONLY

Description of Supply or Service	Scope of Supply or Service
Reinforcement steel and concrete supply	Goods and/or material supply and delivery
Furniture, fixtures, and equipment (FF&E)	Goods and/or material supply and delivery
Door and specialist hardware supply	Goods and/or material supply and delivery
Plant and equipment hire, including site fencing, site accommodation, small plant and equipment, and mobile crane hire	Dry or wet hire, including delivery and removal
Environmental Services, including removal and recycling of building construction waste	Delivery and removal of construction waste bins
Consultant Services	Design, engineering, and other construction consultant services
Authority Services	Services provided by and fees payable to authorities, including local authorities.

In addition to the above, ADCO also procures additional goods and services to facilitate the overall operation of our business. The goods and services procured by ADCO for general operations include the following:

- / **Information and communications technology (ICT):** This includes computer hardware and software, cloud services, virtual data room services, virtual document exchange services, printers, audio/visual equipment and services; desk phones and mobile phones;
- / **Corporate services:** The services that we use to maintain our offices, including leasing, office maintenance services, utilities, cleaning and security;
- / **Hospitality and catering:** We procure hospitality and catering services for onsite and offsite events;
- / **Professional services:** In addition to project specific design and engineering, our professional services include taxation, external legal services, insurance, banking and financial services, consulting, professional and personal development, and welfare training programs;
- / **Site and office consumables:** General site and office consumables for staff use, including stationery, amenities and kitchen area consumables;
- / **Safety and other branded attire:** Personal protective equipment, including work boots, hard hats, safety glasses, ear protection, gloves, work pants and shirts, high visibility vests and clothing; and
- / **Branded merchandise:** Special event branded merchandise and attire.

### Sources of Supply

ADCO procures the vast majority of our supply (for both our project and general business operations) from subcontractors, suppliers and service providers within Australia.

We do not have any operations in any of the 10 high risk countries<sup>1</sup> identified in the 2018 Global Slavery Index (**Index**) as having the highest prevalence of modern slavery. We are not aware of any operations held by our supply chain in those countries. We also do not operate in any of the 10 countries<sup>2</sup> identified in the Index as having the largest estimated absolute numbers of people in modern slavery (which account for 60% of people living in modern slavery).

We recognise however, as is common in the Australian construction industry, that some goods we procure, including some which are provided by our subcontractors on a supply and install basis, are sourced from overseas, including from Asia (particularly China) and Europe.

For example, it is not uncommon to see subcontractor imports from China, including steel-based products and façade systems, such as structural steel and aluminium framed and glazed façade systems. Some stone-based products may also be imported from China, along with various manufactured goods. Imports from Europe, particularly Spain, Germany and Italy, include products such as vertical transport services (e.g. lifts, escalators), specialist electrical componentry and equipment, and some building finishes elements such as wall and floor tiles.

ADCO has not formally had any reported incidents of modern slavery in our own operations but we are aware that this is an ongoing risk that must be managed. While we have stringent controls and procedures already in place, we intend, through the mechanisms outlined below, to undertake further investigations of certain targeted aspects of our business operations and supply chain in future reporting periods to better understand how modern slavery risk might exist, particularly downstream in the production of goods and materials, and how it can be further managed.

<sup>1</sup> North Korea, Eritrea, Burundi, Central African Republic, Afghanistan, Mauritania, South Sudan, Pakistan, Cambodia, and Iran.

<sup>2</sup> North Korea, Pakistan, Iran, India, China, Nigeria, Indonesia, Democratic Republic of the Congo, Russia, and the Philippines.



# MODERN SLAVERY RISKS

## RISK FACTORS

ADCO considers that the following risk factors need to be considered in the context of our supply chain:

- / **Category of service:** We have identified sectors and industries within our operations and supply chain that may have a higher prevalence and/or greater risk of modern slavery practices because of their characteristics, products, and processes. These include services provided by migrant workers, transient or casual labour, low skill workers or labour hire contractors. For instance, certain fit-out and finishing trades which experience peaks and troughs in their labour force and/or where language communication barriers exist, provision of cleaning services, and shipping and freight services may have a higher risk of modern slavery practices, even in Australia.
- / **Category of product:** We have identified risks associated with services or products because of the way that the service or product is produced, provided, or used. These include construction materials we occasionally procure directly from China, such as façade glazing systems and structural steel, although none have been procured directly by ADCO from overseas in this reporting period.
- / **Country of origin:** We have considered the risks posed by countries with poor governance, weak rule of law, or that are vulnerable to conflict, including the forementioned countries identified in the Index. ADCO has not procured any materials, goods, or services directly from those regions in the current reporting period. However, as noted, we are conscious that the Australian construction industry relies heavily upon imports from overseas including from Asia and Europe. Further investigation, originally planned for FY2020/2021 but interrupted by Covid-19 impacts, will be undertaken with our supply chain in FY2021/2022 to better determine the country of origin for the goods procured by them, whether sourced directly from overseas

or through local Australian based distribution chains.

- / **Specific entity risks:** We have also considered whether there are any specific risks associated with a particular entity due to their poor human rights and labour practices record or poor governance structures. We have found no specific entity risks in that review.

We have identified these risk factors using information published by the Walk Free Foundation (the Global Slavery Index 2018) and the International Labour Organization (Report: Global Estimates of Modern Slavery: Forced Labour and Forced Marriage). These risk factors have, and will continue to, affect the risk methodology that we apply in our business.





## RISKS IN OUR OPERATIONS AND SUPPLY CHAIN

During the reporting period we have mapped out our supply chain by identifying our **top 300 subcontractors** and **top 300 goods suppliers and service providers** by spend in each of our four primary operational states: Queensland, Victoria, New South Wales and Western Australia.

This provided a total pool of **1200 subcontractors** and **1200 suppliers and service providers** from which to consider our modern slavery risk. The total spend within each of the two streams is set out below:

Supply Stream – Top 1200 by Spend	FY2020/2021	%
Subcontract Works	\$620,901,000	85%
Goods and Services Supply	\$108,833,000	15%
<b>Total Supply</b>	<b>\$729,734,000</b>	

As indicated above, the majority of our supply chain, 85% by value, relates to work undertaken on construction projects performed by subcontractors on a supply and installation basis.

We have further refined our supply chain with a more direct focus on:

- Subcontract Works where expenditure in FY2020/2021 exceeded \$200K; and
- Goods and Services Supply where expenditure in FY2020/2021 exceeded \$100K.

Setting these financial thresholds allowed us to target our medium-large scale subcontractor base and similarly our larger suppliers of goods and services. The lower threshold applied to suppliers of goods and services is reflective of the lower value procurement typical within that stream, compared to the subcontractor stream.

The targeted supply group for each of the identified streams, refined by the threshold amounts, is set out below:

Supply Stream refined by Financial Threshold	FY2020/2021
Subcontract Works > \$200K Expenditure	\$570,700,000
Goods and Services Supply > \$100K Expenditure	\$91,668,000
<b>Total Supply</b>	<b>\$662,368,000</b>

The above supply stream captures over **500 individual subcontractors** and **220 suppliers of goods and services**.

### Subcontract Works

Further investigations were undertaken into the nature of employment arrangements in place across the targeted subcontract works group, representing over **\$570M** of the identified supply chain.

In relation to each entity, this included consideration of:

- / the nature and value of works undertaken;
- / whether workers are engaged under an enterprise agreement approved by the Fair Work Commission (FWC);<sup>3</sup>
- / whether the entity is a domestic Australian based entity;
- / whether the entity has any known operations in countries identified as having a high prevalence of modern slavery, or largest absolute numbers of people in modern slavery;
- / whether the entity relies upon direct importation of goods or materials from such countries; and
- / any specific risks associated with a particular entity due to poor human rights and labour practices record or poor governance structures.

Each entity was assigned a preliminary desktop risk assessment applying a Low / Medium / High risk rating based on ADCO's direct knowledge of and experience with the entity concerned, the majority of whom are repeat business partners.

<sup>3</sup> Other acceptable employment arrangements include modern awards and common law contracts of employment.

The analysis undertaken by ADCO established the following breakdown by nature of works and employment conditions, demonstrating the percentage coverage by value of work under an enterprise agreement approved by FWC:

Nature of Subcontract Works	Value	% of Total	% EA Cover <sup>4</sup>
Excavation and Civil Works	\$68.0M	11.9%	68%
Building Services	\$187.9M	32.9%	81%
Concrete Structures	\$83.0M	14.5%	80%
Brickwork and Masonry	\$7.2M	1.3%	58%
Structural Steel and Metalwork	\$38.3M	6.7%	60%
Façade Cladding and Glazing Systems	\$24.5M	4.3%	56%
Roofing	\$21.9M	3.8%	67%
Ceilings, Partitions and Linings	\$36.6M	6.4%	78%
Carpentry and Joinery	\$19.5M	3.4%	59%
Carpet and Vinyl	\$4.9M	0.9%	55%
Tiling and Paving	\$8.7M	1.5%	47%
Painting	\$3.6M	0.6%	45%
Traffic Control, Labour Hire and Cleaning	\$7.4M	1.3%	73%
Tower Cranes	\$4.6M	0.8%	71%
Scaffolding	\$2.7M	0.5%	31%
Landscaping	\$13.1M	2.3%	30%
Other	\$38.7M	6.8%	47%
<b>Total Supply</b>	<b>\$570.7M</b>	<b>100%</b>	<b>70%</b>

The analysis demonstrated that a majority of all subcontract trade groups employ their site-based workers under an enterprise agreement approved by FWC with overall average coverage reaching 70%.

The 'top 3' trade groups by value, Excavation and Civil Works, Building Services and Concrete Structures, accounting for almost \$340M (60%) of the total spend, averaged 78% enterprise agreement coverage.

Other significant and labour-intensive trades have also shown high levels of enterprise agreement coverage, including Ceilings, Partitions and Linings at 78% and Traffic Control, Labour Hire and Cleaning at 73%.

<sup>4</sup> Enterprise Agreement approved by FWC

Lower than expected coverage was evident for Tiling and Paving, Painting and Scaffolding. Whilst not a cause of immediate concern (i.e. other acceptable employment arrangements include modern awards and common law contracts of employment), these trades, along with other labour intensive categories, such as labour hire and cleaning services, will be given further close consideration during the FY2021/2022 reporting period.

Each entity considered is a domestic Australian based entity. No entity was identified as having any direct operations in countries recognised as having a high prevalence of modern slavery, or largest absolute numbers of people in modern slavery.

However, as noted previously, we recognise that the Australian construction industry relies heavily upon product imports from overseas including from Asia (especially China), and from Europe. Our plans to further investigate product source of origin with our supply partners during FY2020/2021 have been impacted by the Covid-19 pandemic. This will now be undertaken with our supply chain in FY2021/2022 to better determine the country of origin for the goods procured by subcontractors, whether sourced directly from overseas or through local Australian based distribution chains. This will include a particular focus on Façade Cladding and Glazing Systems and Structural Steel which we have identified as representing an overseas risk with some supply partners.

Finally, our analysis of the subcontract works

stream of our supply chain has not raised any specific concerns associated with a particular entity due to poor human rights and labour practices record or poor governance structures.

### Goods and Service Supply

As with the subcontract works supply stream, we have further considered the modern slavery risks within our goods and service provider stream, which represents over **\$91M** of the identified supply chain. This has also included consideration of:

- / the nature and value of goods or services provided;
- / the employment arrangements common to the supply or service;
- / whether the entity is a domestic Australian based entity;
- / whether the entity has any known operations in countries identified as having a high prevalence of modern slavery, or largest absolute numbers of people in modern slavery;
- / whether the entity relies upon direct importation of goods or materials from such countries; and
- / any specific risks associated with a particular entity due to poor human rights and labour practices record or poor governance structures.



The analysis undertaken by ADCO includes the following breakdown of goods and services procured during the reporting period:

Nature of Goods or Services	Value	% of Total
Consultant Services	\$26.0M	28.3%
Reinforcement Supply	\$15.6M	17.0%
Concrete Supply	\$13.2M	14.3%
FF&E Supply	\$7.6M	8.3%
Authority Services	\$5.9M	6.5%
Plant, Equipment and Shed Hire	\$8.9M	9.7%
Environmental Services	\$3.3M	3.6%
Hardware Supply	\$3.4M	3.8%
Electrical Equipment Supply	\$1.2M	1.4%
Specialist Equipment Supply	\$0.2M	0.2%
Other	\$6.3M	6.9%
<b>Total Supply</b>	<b>\$91.6M</b>	<b>100%</b>

The nature of the goods and services noted above and the employment arrangements typically in place, in our view, present a low risk of modern slavery.

More than 28% of the above spend relates to professional services, mostly design and engineering services, provided by professionally qualified consultants. A further 31% relates to locally procured concrete and steel bar reinforcement supplied by well-established Australian based companies.

Other areas of low risk include services provided Authorities (6.5%) and the direct hire of plant and equipment (9.7%), usually provided on a dry-hire basis from recognised locally based plant hire providers.

All direct supply of goods procured by ADCO, including FF&E, Hardware, Electrical Equipment and Specialist Equipment has been through domestic Australian based suppliers or distributors.

However, as with our subcontract works stream, further investigation in relation to countries of origin will be undertaken in FY2021/2022, noting that some of the above supply categories will certainly involve overseas production and raw materials earlier in the supply chain. This further assessment will consider whether any supply partner has operations in countries identified as having a high prevalence of modern slavery, or largest absolute numbers of people in modern slavery.

### Overall Supply Chain Risk Summary

From our analysis in this reporting period, ADCO considers that the risk of modern slavery within our immediate supply chain, based on geography, is relatively low. ADCO's subcontractors, suppliers and service providers are predominantly based in Australia and primarily involve professional trades carrying out building and construction activities under recognised and well-regulated employment conditions.

Despite our suppliers being predominantly based in Australia, we acknowledge that other risks may arise because of the way the products we procure from our direct subcontractors and suppliers are produced or supplied through earlier phases of the supply chain. In that regard, further investigations will be necessary and are planned in FY2021/2022 to determine risks associated with country of origin for goods provided to ADCO by our Australian based supply partners.

# ACTIONS TAKEN

The key activities undertaken by ADCO in the FY 2020/2021 reporting period are outlined below.

## Training

A tailored training program was rolled out across ADCO during the reporting period. This constituted mandatory training for all staff (including all corporate and site staff), and now forms part of ADCO's National Training Plan, which is a recurring training schedule to support learning, personal development and to maintain industry standards.

ADCO engaged a third party professional legal services firm to provide the training via an electronic platform (Webex) to overcome difficulties faced by the Covid-19 pandemic. This training was conducted over five (5) sessions within a two (2) week period to accommodate the working hours of our site-based staff across Australia and those within different time zones.

The training module was customized specifically for ADCO employees so that they gained an in-depth understanding of not only the requirements outlined in the Modern Slavery Act 2018 (Cth) but also:

- / what constitutes modern slavery;
- / the extent and impact of modern slavery in Australia and globally;

- / the different types of modern slavery risks and the prevalence of these risks having regard to the construction industry in which ADCO operates (having regard also to geographic risk, the nature of the products or services we acquire and the risks associated with a specific entity from whom we source products and/or services);
- / how ADCO is responding to these risks in its own operations and supply chain;
- / how ADCO employees can exercise leverage to reduce the risk of modern slavery; and
- / the updated process within ADCO to allow employees to raise concerns confidentially, in line with our Whistleblower Policy which was updated during our first reporting period.

The training was well-received by staff, with many offering feedback and ideas for improvement in ADCO's internal processes to assist with early risk identification, indicating that the issue of modern slavery is acknowledged as a key risk when assessing and evaluating potential supply partners. This training was electronically recorded and forms part of the onboarding of new employees, and will be further updated as part of our National Training Plan.



### Tender Evaluation/Supplier Engagement Questionnaire

ADCO's onboarding of potential supply partners now requires them to respond to specific questions concerning modern slavery compliance as part of ADCO's Trade Partner Tender Evaluation Report. This includes:

- / acknowledging and agreeing to the modern slavery provisions in ADCO's contract documentation;
- / warranting that they do not and will not utilise modern slavery either directly or within their supply chain;
- / acknowledging that they are not aware of any modern slavery risks in their operations or supply chain;
- / agreeing to notify ADCO if they become aware of or suspect the use of modern slavery in their supply chain; and
- / agreeing to participate in a modern slavery audit.

This complements the initial steps taken by ADCO in the first reporting period to amend all contractual documentation to reflect modern slavery requirements, and the inclusion of ADCO's Modern Slavery Policy in tender and contract packages.

### Supplier Code of Conduct

ADCO launched its Supplier Code of Conduct (**Code**) in this reporting period. It outlines the high standards we must adhere to in our dealings with clients, employees, workers, and the wider communities in which we work, with respect to:

- / human rights, modern slavery and fair labour;
- / work health and safety;
- / privacy and confidentiality;
- / anti-corruption;
- / business continuity; and
- / conflicts of interest.

Our contracts require that our supply partners adhere to our Code and we reserve the right to verify compliance at any time. We expect that with normal resumption of business operations as borders reopen following the lifting of Covid-19 restrictions, there will be greater opportunity for on-site discussion and awareness training to be conducted with our supply partners to reinforce the expectations that are outlined in our Supplier Code of Conduct. In-person contact with our project teams will also facilitate open communication particularly in the context of reporting possible incidents of modern slavery that may be suspected by our supply partners in their own supply chains.

### Supply Partner Assessment Tool

In this reporting period, we undertook a desktop assessment of our supply partners in line with the criteria outlined above (refer section titled 'Modern Slavery Risks'). In parallel to this, we have moved forward towards improving our approach in supply partner risk assessment by entering an agreement to adopt a third-party supplier assessment platform, CENTRL MSA360.

CENTRL will be launched as ADCO's electronic survey and assessment tool in the next reporting period. This will significantly improve our current process of data collection and will allow a deeper analysis of our supply chain. Moving to an electronic platform also improves consistency in our analysis across all areas of our business and provides for better monitoring of improvement steps taken by our supply chain.

Key areas to be assessed and monitored through the CENTRL platform in FY2021/2022 and future reporting periods include:

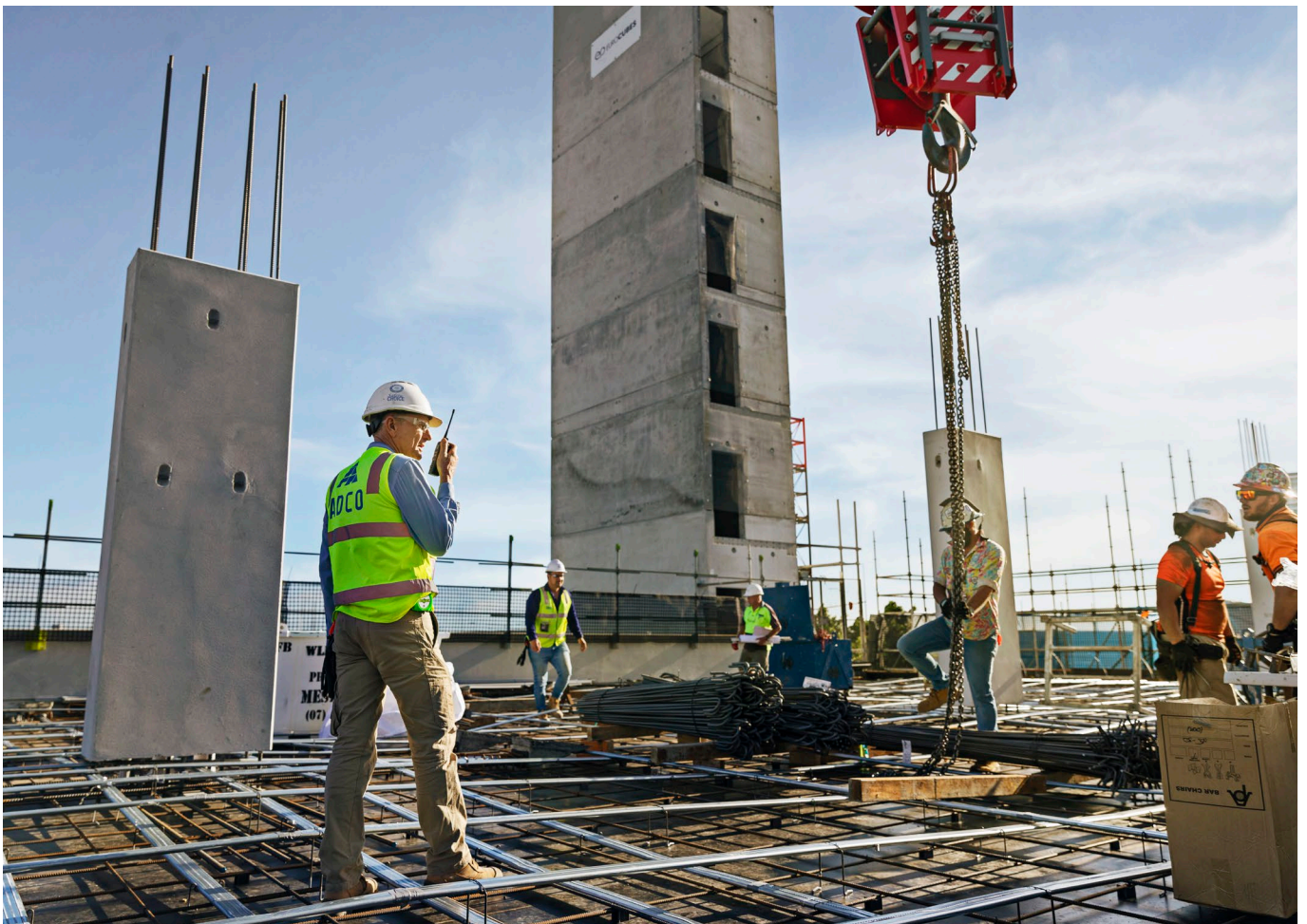
- / awareness and training;
- / compliance management and governance;
- / employment conditions;
- / grievance and redress mechanisms; and
- / supply chain management.

# ASSESSING EFFECTIVENESS

The focus of our first reporting period was to develop a framework to monitor the effectiveness of our actions in detecting and mitigating risks of modern slavery in our operations and supply chain. We are continuing to develop our monitoring and assessment process through continuous review of modern slavery processes within our business. Primarily through ADCO's Modern Slavery Working Group, we will measure our performance against several key performance indicators, including:

- / conducting an annual review of the risk assessment methodology;
- / applying the risk methodology to our key suppliers on an annual basis;
- / monitoring the number of personnel who have undertaken modern slavery training; and
- / monitoring the number of suspected or identified modern slavery incidents in order to undertake the required remediation.

With the use of more sophisticated measurement tools and platforms as outlined above, we will continue to strengthen our awareness, visibility and understanding of our supply chain so that we can enhance our improvement actions over the years to come.



# CONSULTATION

ADCO Constructions Pty Ltd is responsible for ADCO's broader modern slavery and human trafficking initiatives, policies and procedures.

As the reporting entity with the greatest ability to influence the supply chain, ADCO Constructions Pty Ltd has prepared this joint statement with the support of ADCO's Modern Slavery Working Group. This group is comprised of directors and representatives from legal, IT, corporate governance and commercial procurement teams across the reporting entities. Members of the group have regularly engaged with our various business units, senior management, boards of directors, and key advisors to ensure each of our reporting entities were appropriately consulted.





# FUTURE ACTIONS

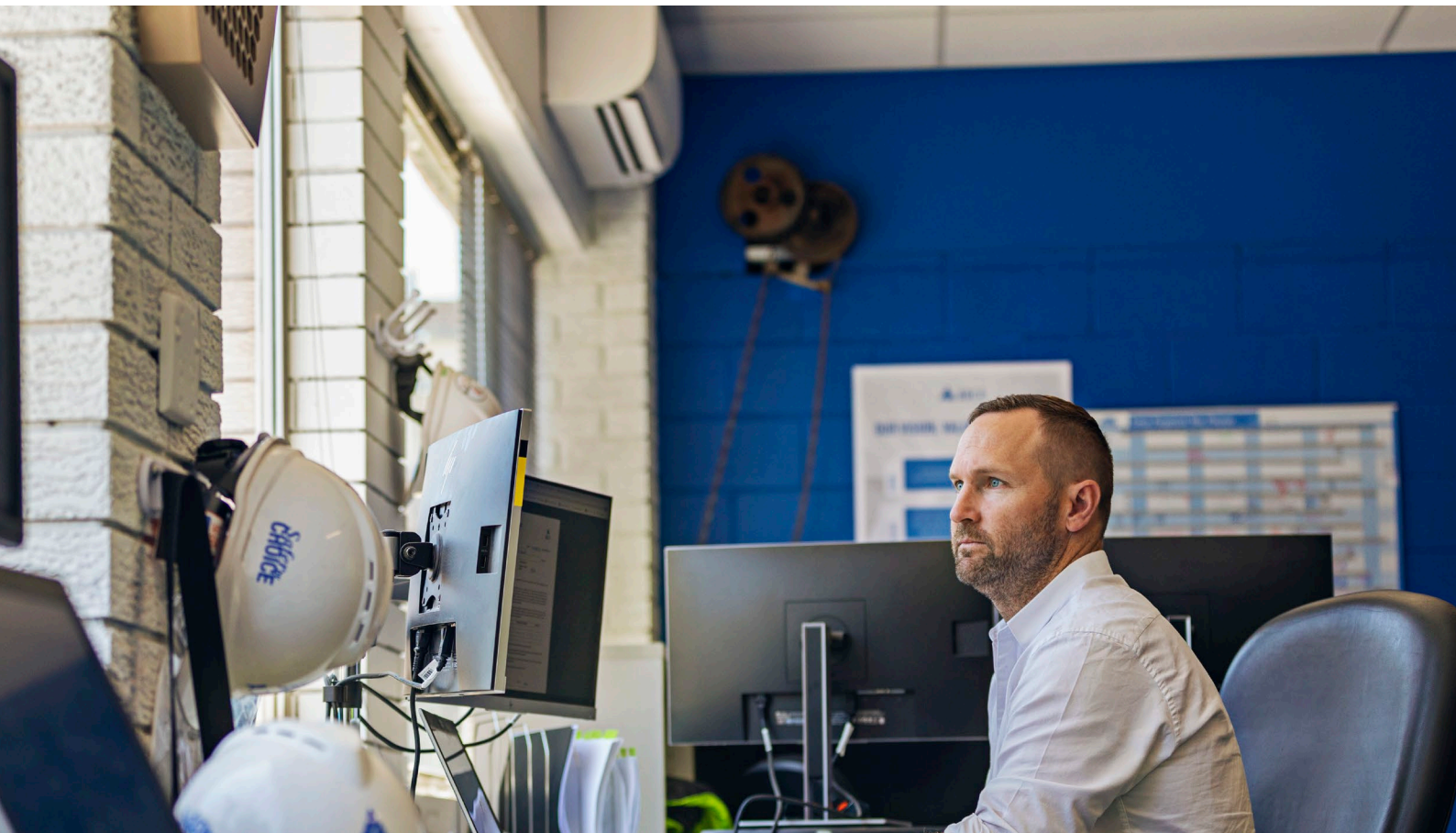
We recognise that not all goals we set for ourselves for the FY 2020/2021 reporting period were met. Some were impacted by Covid-19 and the need to resource the business differently in response to the pandemic. However, we are committed to continuous improvement in this area and acknowledge that this is an evolving process. In FY 2021/2022, we will focus on:

- / implementation of the CENTRL platform to provide a more comprehensive assessment of our supply chain and to better understand and assess the downstream modern slavery risks of our subcontractors and suppliers;
- / prioritising audits of key subcontractors and suppliers that could not be completed in the FY 2020/2021 reporting period;
- / evaluating specific services within our own

business which represent high risk areas for modern slavery, including hired or transient labour, site accommodation and corporate office cleaning services, site security, traffic control, catering suppliers, and suppliers of ADCO branded uniforms and merchandise;

- / further updating our employment and workplace health and safety policies; and
- / implementing additional key performance indicators to measure the effectiveness of our actions.

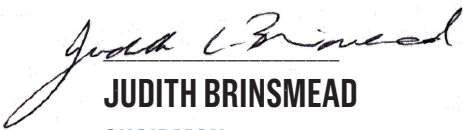
We look forward to reporting on our progress in these focus areas in our next statement.



# APPROVAL OF STATEMENT

This joint statement is issued by **ADCO Constructions Pty Ltd** (ACN 001 044 391) and covers **RJH Holdings Pty Limited** (ACN 001 203 256), **ADCO Constructions Pty Ltd** and **ADCO Group Pty Limited** (ACN 094 531 272), each being a “reporting entity” for the purposes of the Modern Slavery Act 2018 (Cth). References in this statement to “ADCO” are references to the reporting entities and the entities they own and control.

This statement has been approved by the Board of each of the reporting entities on 30 November 2021. Each Board has authorised Judith Brinsmead to sign this statement in her capacity as Chairman of the Board of each reporting entity.



**JUDITH BRINSMEAD**  
**CHAIRMAN**

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