

# Joint Modern Slavery Statement 2024

Hitachi Construction Machinery (Australia) Pty  
Ltd (ABN 62 000 080 0179) &

Hitachi Construction Machinery (Oceania)  
Holdings Pty Ltd (ABN 94 632 744 275)

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## Disclosure Notation

This Joint Modern Slavery Statement is prepared by Hitachi Construction Machinery (Australia) Pty Ltd (HCA) and Hitachi Construction Machinery (Oceania) Holdings Pty Ltd (HCMO) for the year end 31 March 2024. As members of the Hitachi Construction Machinery group of companies, HCA and HCMO both function under the Japanese financial year (1 April 2023 to 31 March 2024). HCA and HCMO are reporting entities under the *Modern Slavery Act 2018* (Cth) (Modern Slavery Act).

Unless otherwise stated any reference to “Companies”, “we”, “our” or “us” refers to both Hitachi Construction Machinery (Australia) Pty Ltd and Hitachi Construction Machinery (Oceania) Holdings Pty Ltd

Both HCA and HCMO provide clients with quality machinery, parts, after sales support and mining system solutions.

## Introduction

Our statement is made pursuant to the Modern Slavery Act and sets out the actions HCA and HCMO continue to take during this reporting period to address human rights abuse within our practices, operations and supply chain.

As part of a global business, we recognise that modern slavery may exist as a concealed issue, particularly within our international supply chain. We acknowledge this risk and have encouraged collaboration with our suppliers, to work towards eliminating modern slavery.

This statement has been prepared by HCA in consultation with members of HCMO’s modern slavery cross-company working group. Both Companies have a close working relationship and HCA shares many policies and processes with HCMO. Approval of this statement has been given by the Boards of HCA and HCMO respectively.



Ray Kitic

Managing Director, Hitachi Construction Machinery (Oceania) Holdings Pty Ltd  
Managing Director, Hitachi Construction Machinery Australia Pty Ltd

Date 26 / 09 / 2024

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## Company Overview – Entity Structure and Operations

HCA operates within the construction and mining equipment market in Australia and provides a wide range of quality machinery and accessories including service, parts, mining system solutions and technical support.

HCA was incorporated on 23 June 1949 as Blackwood Hodge (Australia) Pty Ltd. In July 1994, the Company name was changed to Marubeni Construction & Mining Equipment Pty Ltd, followed by a further change in September 1999 to Hitachi Construction Machinery (Australia) Pty Ltd.

Company shares in HCA are held by Hitachi Construction Machinery Oceania Holdings Pty Ltd, Marubeni Corporation Limited and Marubeni Australia Limited. The ultimate holding company is Hitachi Limited, Japan.

Within Australia, HCA operates across 26 branches (including 3 remanufacturing centres) in both regional and metropolitan areas. HCA is recognised for contributing to the development of safe equipment to support:

- regional mining
- forestry and construction industries
- local manufacturing
- innovative technology
- mining system solutions

The formation of HCMO occurred in mid-2019. HCMO is the Oceania region company charged with providing support functions to HCA and Cable Price Limited (CPL) in New Zealand.

HCMO is a wholly owned subsidiary of Hitachi Construction Machinery Co., Ltd (HCM). HCM is a leading manufacturer of construction and mining equipment, headquartered in Japan with over 20,000 staff globally. HCM manufactures hydraulic excavators from the smallest mini to the largest 780 tonne class, as well as rigid frame mining dump trucks and a wide range of wheel loaders. The ultimate holding company is Hitachi Limited.

As at 31 March 2024, HCA directly employed 1367 employees and HCMO directly employed 164 employees. These employees have an employment contract with the Company and are compensated according to the terms of the employment contract which takes into account the application of relevant industrial instruments and the National Employment Standards.

## Supply Chain

During the reporting period, both HCA and HCMO purchased goods and services from a number of direct suppliers based in overseas locations; however, the majority of these purchases were from companies within the HCM group.

The majority of our global suppliers are based in Japan, USA, Canada and South Africa. Those organisations which provide us imported goods include but are not limited to, HCM; Bell Equipment Company SA (Pty) Ltd; Hitachi Construction Truck Manufacturing; Donaldson Australasia Pty Ltd; and Bradken Pty Ltd.

The key procurement categories:

- on a global basis include construction and mining equipment whole goods and their associated repair parts; and

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- on a national basis include the provision of third party repair services; the supply of consumer goods such as power, water, travel, vehicles; and consumables that would be used as part of the normal day to day requirements to operate our business.

HCM as a significant supplier to the Companies, have its own policies with respect to human rights. HCM has established the Hitachi Construction Machinery Group Codes of Conduct and the Hitachi Construction Machinery Group Human Rights Policy and has undertaken initiatives for respecting of human rights. HCM's policy refers to a minimum understanding of human rights as described in the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. HCM has established a whistle blowing system for employees and advice lines for external stakeholders as part of its human rights reporting mechanisms.

Using the HCM group's priority risk assessment survey, HCM has defined priority risks to be tackled from FY2020. Since FY2020, HCM has conducted surveys of a total of 63 domestic and overseas factories and group companies. As a result, countermeasures are being implemented at a total of 14 sites that had evaluation items below a certain level.

After FY2022, HCM has conducted a risk assessment survey of suppliers and received responses from 618 target suppliers. HCM has requested improvements if suppliers do not meet a particular level and have confirmed that 75.8% of the improvements had been completed. HCM will continue to follow up on request improvement for the remainder of suppliers.

Within the category of services, our spending includes professional consultants; cleaning and facility maintenance; fire services; and other such services for the normal day to day requirements to operate our business. Generally, almost the entirety of this category for the Companies were sourced and purchased within the Australian marketplace.

Our items of capital plant, equipment, maintenance/repair and parts were sourced from suppliers internationally and predominantly from Japan.

## Risk of Modern Slavery

HCA and HCMO acknowledge that as large global companies we cannot disregard the possibility that modern slavery practices may or could occur within our supply chain. We recognise the importance of our well-qualified business partners and we go to great lengths to ensure that all of our partners are aware of and fully committed to the ethical manner in which we conduct business in all countries and markets.

As mentioned above, the majority of our capital plant and parts are supplied from Japan which according to the Global Slavery Index is recognised as low risk bearing a country ranking of 152/160 for "Vulnerability to Modern Slavery" and an overall rating level as "Low Prevalence". We recognize the challenge in identifying the risks of Modern Slavery in our supply chain and acknowledge the inherent risk within the global supply chain of products such as mobile phones, computers and laptops manufactured overseas.

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## Governance

The Companies recognise corporate governance must be related to the foundational business operation of the entire enterprise and is closely related to the corporate culture. Our approach to governance and compliance stems from the understanding that it is not the sole responsibility of one person or division, but instead every employee must cooperatively contribute to the identification and management of modern slavery risks.

Our Directors, Executive Officers and other equivalent persons who are responsible for the management of the Company serve as role models for high ethical standards. The Companies' Management Teams endeavour to create and sustain a corporate culture of integrity across the Companies at all times.

In addition, the Executive and Management Team have continued to communicate to employees, through training and other initiatives, the Companies' respective Code of Ethics and Compliance as well as a broad range of policies, applicable laws, rules and regulations. Both HCA and HCMO strive to prevent any misconduct and take appropriate actions to correct situations that may impair the ability of employees to act ethically.

During this reporting period, we continued our commitment to raising awareness of the risks that may be associated with modern slavery within our supply chain including the review of business practices, policies and procedures.

## Policies and Standards

Managing the risks of modern slavery and human rights abuses is underpinned by our policies and standards. The overarching framework which supports our rules and principles is the Hitachi Group Code of Ethics and Compliance and the Hitachi Global Compliance Program (Framework Policy). The Framework Policy applies to all officers and employees of Hitachi Ltd. and its consolidated subsidiaries. The Framework Policy sets out the premise for Compliance Management Responsibilities, Codes of Conduct, Assessing, Evaluating and Reporting Compliance Risks and Promoting Respect for Human Rights.

HCA and HCMO have also established their own Code of Ethics and Compliance which has been tailored to accord with Australian legal systems, social customs and business characteristics.

Specific policies which are central to the management of modern slavery in the Companies encompass those mentioned below:

- Code of Conduct and Business Ethics
- Modern Slavery Policy
- Whistle Blower Policy
- Due Diligence Questionnaire (for suppliers)

## Due Diligence

We highly value our network of business partners and suppliers. To ensure that our suppliers are fully committed to the manner in which we conduct business within domestic and international markets, we require all new suppliers to complete a Supplier Set Up/Change Request Form which contains a compliance certification. A risk assessment is then performed on the new supplier which may trigger secondary review by the Compliance and Audit team in line with our internal processes.

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Both HCA and HCMO reserve the right to request updated or additional information from our suppliers to identify any risk associated with fraud, corruption or modern slavery abuses throughout the course of the business relationship.

## Grievances and Remediation

We recognize that every employee, contractor, business, or third party provider has the right and responsibility to ask questions, seek guidance and report any suspected breach and/or grievance in relation to modern slavery or human rights abuses. Reporting is protected and highly encouraged. To obtain guidance or to raise any concerns related to compliance, our employees and/or contractors may speak to our Senior Management, Internal Audit or Human Resources team.

HCA and HCMO have continued to raise awareness of modern slavery through internal communications and updating policies as appropriate. Our policies follow those of our ultimate parent Hitachi Limited. This information was developed to provide understanding on modern slavery practices and risks, emphasize its prevalence in society and to inform the mechanisms available for reporting concerns.

Our Whistle blower Policy addresses the process for reporting concerns, ensuring we have sound procedures to ensure illegal or reportable conduct can be made as a Protected Disclosure. All disclosures under our Whistle blower Policy are reported to our parent company on a quarterly basis through our Internal Audit and Compliance department.

Internal communications are also provided to update staff on revisions to our procurement policies to bring them into line with the Modern Slavery Act, such as Supplier Set up and Supplier Risk procedures.

## Assessing Effectiveness

Our Audit and Compliance team continue to review and analyse awareness of modern slavery while monitoring the current practices of our suppliers. Our Modern Slavery Self-Assessment questionnaire was developed in consultation with our Compliance Team and cross-business working group with reference to *Commonwealth Modern Slavery Act 2018 (Guidance for Reporting Entities)*. We will continue our efforts and ongoing activity initiated during FY2021 to reduce our Modern Slavery risk through screening any new supplier that is set up in our database for compliance with the Modern Slavery Act. New suppliers are required to declare if they are in compliance with the Modern Slavery Act and a copy of Modern Slavery statement is obtained and compliance with this process is verified before the supplier set up is completed.

The Company takes its legal and regulatory obligations seriously and pays careful attention in order to conduct business operations based on our integrity and ethics policies. As part of our quarterly compliance, our internal audit team report regularly reports on any breach of laws or internal company regulations. Our employees are encouraged to submit confidential reports regarding potential or actual compliance violations, which are protected under our Whistle Blower Policy. We are pleased to report that during this period there was zero reporting related to Modern Slavery practices.

Our Training programme has been continued for relevant employees of both HCA and HCMO which aimed to:

- increase awareness of modern slavery practices;
- outline compliance responsibilities and reporting requirements for the Modern Slavery Act;
- promote better understanding of the prevalence of modern slavery; and

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- describe the actions HCA and HCMO will continue to take with assessing and managing risk associated with modern slavery.

Training on Modern Slavery was assigned to the following categories of employee in the company in this reporting period:

- Directors
- General Managers
- Branch, Sales, Service and Parts Managers,
- Sales Representatives
- Customer Call Centre
- Parts Administration
- Human Resources
- General Administration
- IT and Accounts (Finance team)

## Future Actions

HCA and HCMO will continue our commitment to the measures introduced to ensure that risks associated with Modern Slavery practices are identified within our business and supply chain. Our team will facilitate actions based on identified risks and ensure corrective actions to eliminate non-compliance issues by working collaboratively with key internal and external stakeholders.

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