



LIPMAN PTY LTD

**MODERN SLAVERY
STATEMENT**



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OUR STATEMENT

Our statement has been prepared on behalf of Lipman Pty Ltd (i.e., the reporting entity, hereafter referred to as Lipman) in accordance with the Australian Modern Slavery Act 2018. This statement sets out the actions taken to address modern slavery risks in our business and supply chains over the financial year ending 30 June 2023.

Consultation and coordination of Lipman's response to modern slavery has been conducted through the Senior Leader Team comprising of executive directors and senior management team members who have responsibility and control across all business functions and operations.

Our statement has been approved by the Board of Directors (hereafter referred to as the Board) and signed by the responsible member, the Chief Executive Officer.

OUR STRUCTURE, OPERATIONS & SUPPLY CHAINS

Lipman operates wholly within Australia, a country with a long history of democratic government, judicial independence and high standards of governance, with legislative regimes relating to human rights including labour standards, privacy, equality and anti-discrimination.

The Lipman is a privately-owned Australian business engaged in commercial building and construction work with the head office based in North Sydney, New South Wales. Building and construction project works are conducted across New South Wales and supported through the North Sydney head office and regional offices located in Bathurst, Wyong and Port Macquarie.

With a workforce averaging 205 people, Lipman has a long history of providing quality design, building and construction management services to the commercial, residential, industrial, retail, education and health industries for private and government clients in Australia.

Lipman's main operations involve on-site building works where the majority of the directly employed workforce are based and where the bulk of the procurement, expenditure and management of suppliers is undertaken.

There were 24 building projects active including 6 that were completed in this reporting period.

The four administrative offices provide governance, business development and support services to the operations teams located at the building sites.

Building and construction work relies on business partnerships with suppliers which make up





our vast and varied supply chains. In this statement the term “suppliers” includes direct and indirect suppliers of labour, goods and services. This includes but not limited to subcontractors, consultants, labour hire, product manufacturers and distributors.

In FY23, Lipman worked with 1,290 suppliers which is an increase of 29% in the number of suppliers engaged from the previous financial year¹. Our supply agreements, orders and payments were made to Australian companies operating in Australia. The supply agreements and orders issued to these Australian based companies may not represent the country of origin of materials or products supplied to or used by our suppliers or Lipman.

The main types of goods and services procured include various building trade subcontractors, professional consultants, building materials, tools and equipment. These procurement arrangements are predominantly comprised of one-off or short term (project specific) agreements or orders.

Part of our procurement and delivery strategy is to engage with and help support local communities wherever we operate, in part by buying through local suppliers.

Our company website provides further information about our key products and services as well as information on current and past projects.



OUR RISKS

In this reporting period, we have focused our efforts on further evaluating the potential modern slavery risks in our business operations and supply chain and monitoring the effectiveness of our mitigation measures based on the identified risk priorities.

As the scope of our business operations, product provision and supply chain remained consistent with the previous reporting year, no new modern slavery risks were identified in our operations and in the supply chain.

The following actions were taken to ensure the relevance and accuracy of our modern slavery risks and priorities:

- › Operational and supply chain map was reviewed and updated.
- › Annual procurement trends by type, volume and quantity were reviewed.
- › The Risk Heat Map priorities were reviewed and updated with new supplier capability and control information obtained from supplier questionnaires.
- › The enterprise and project risk assessments were reviewed in consultation with the senior leadership team to ensure suitable and appropriate risk controls.
- › Vertical mapping program across common Tier 1 and Teir 2 suppliers was completed in collaboration with industry peers.

¹ The number of suppliers engaged by Lipman in 2022 was erroneously reported as “..1,824 suppliers which is a 57% increase..”. There were 912 suppliers engaged by Lipman in 2022 which was a 13% decrease from the previous year.

Our current risk priorities comprise of services largely associated with a high proportion of temporary/short term workers, low skilled workforce and use of foreign workers engaged typically in work activities relating to traffic control, cleaning, labour hire, demolition, formwork and scaffold erection.

Suppliers of products (particularly those originating from Asia) such as electronic equipment, timber, textiles and masonry products remain as having a higher risk of modern slavery practices.

OUR APPROACH TO GOVERNANCE

Our leadership, commitment, and objectives to protecting, respecting and promoting human rights is documented and communicated through our company policies, which include our Modern Slavery Policy, Grievance Statement, Behaviour and Culture Statement and Whistleblower Policy.

Our company policies underpin our strategies and approach to governance.

The effective implementation of our governance strategies is further supported by the shared values of our employees and suppliers in working cooperatively and always behaving with integrity.

Lipman's governance activities in this reporting period have focused on the following key areas:

- > Continued implementation of procurement policies and processes to evaluate new suppliers and communicate Lipman's requirements and expectations through supply agreements and our Supplier Code of Conduct.
- > Conducting internal management system audits to verify effective implementation of consultation, procurement management and incident response processes.
- > Measuring, reporting and reviewing of performances against established key performance indicators, outcomes of internal audits and our action plan.

There have been no modern slavery incidents reported in the FY23 period.

Where modern slavery incidents are reported or discovered, Lipman's documented incident management process provides for an independent and confidential investigation, and an appropriate remedial response which is proportionate to the nature of the issue and the impact to the individuals concerned.



OUR ACTIONS

Our actions in FY23 have been focused on the implementation, maintenance, monitoring and improvement of Lipman's management of modern slavery risks and obligations.

This section summarises the actions taken by Lipman in the reporting period to assess and address risks in our operations and supply chain.

Risk Assessment & Action Planning:

- > The modern slavery action plan for FY23 was reviewed and updated, and action items established for implementation in FY24.
- > Risk mitigation and improvement actions as defined in the modern slavery action plan were implemented and maintained.
- > The supplier Risk Heat Map (priorities) were reviewed and updated in line with information obtained on supplier's capabilities and controls through questionnaires.
- > Enterprise-wide and project specific risks and controls reviewed and updated.
- > Operations and supply chain map reviewed and revised to reflect current business relationships and supply chains.

Governance:

- > Internal audits were conducted as planned to verify the implementation and effectiveness of the Lipman's policies and procedures, both in head office and on the building site.
- > Monitoring and review of actions were implemented, and outcomes of audits were communicated to the Board and operations teams.
- > Key performance indicators were monitored, measured and reported to the Board and operational teams.

Procurement:

- > Documented procurement processes and tools used in evaluating and engaging new suppliers were implemented and maintained.
- > Lipman's Supplier Code of Conduct was communicated to new and existing suppliers.
- > Further evaluation of the high-risk supplier's capabilities and controls to effectively manage their modern slavery risk were undertaken through supplier questionnaires.
- > Compliance with and effectiveness of procurement processes and tools were assessed through internal audits.
- > Modern slavery awareness and incident reporting methods were communicated to employees and workers through site induction training.

Capacity Building:

- > Modern Slavery and Lipman management systems awareness training was provided to procurement team members.
- > Modern Slavery awareness training has been developed and rolled out for onboarding new procurement team members.
- > Modern slavery awareness for suppliers were promoted through project inductions and display of modern slavery posters.

Grievance & Remediation:

- > Policies and processes dealing with grievance, employee and supplier behaviours and incident response were implemented and compliance reviewed through internal audits.
- > An independent, confidential and anonymous hotline was provided for any person to report modern slavery incidences associated with Lipman's business operations.



Industry Collaboration:

Track and Trace Consortium Project (T&T)

As a member of a consortium of five Tier 2 construction companies, Lipman participated in the Track and Trace Consortium Project (T&T) to track and trace the supply chain of common suppliers across high-risk categories based on spend and likelihood.

Through a self-assessment questionnaire developed and delivered by specialist and independent service providers, the T&T project engaged with 22 first tier and 6 second tier suppliers.

The data collected revealed the following:

- > A marked disparity between the initial assessment of risk by country (low) and the risk by industry (medium-to-very high);
- > The goods of 14 suppliers were produced in 17 countries (in 58 locations);
- > No respondents provided any corporate social audit results to validate minimum wage levels;

The T&T project highlighted the value of a stakeholder-based approach to assessing modern slavery risk over a 12 monthly period with the integration of supplier training, policy development and a mechanism to measure impact and key milestones.

The ability to effectively monitor and report on modern slavery risks is greatly enhanced when the manufacturing locations are seen as the primary tiers in the supply chain, and the raw materials suppliers are located and engaged with directly.

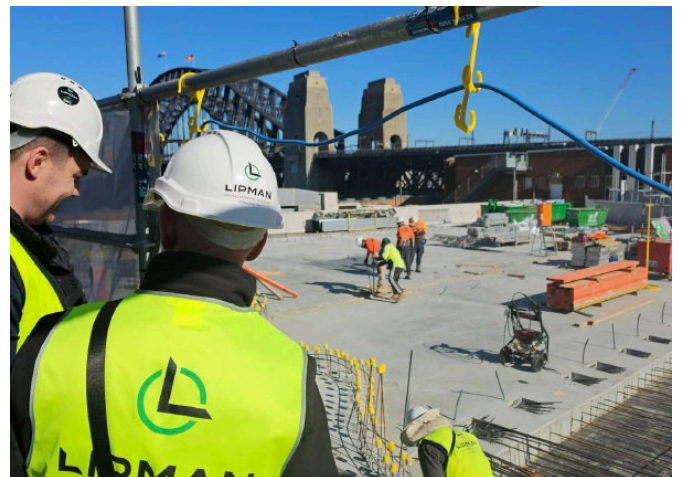
OTHER RELEVANT INFORMATION

Local and Global Market Pressures

Impacts of market pressures including inflation and shortage of labour have continued to have an impact on Lipman and our supply chains.

Our response to these impacts and pressures on modern slavery risks include:

- > Evaluating new suppliers to ensure the business is not at risk of modern slavery practices.
- > Engaging contract supervision and labour to supplement our internal workforce through local and recognised recruitment agencies.
- > Proactively monitoring and managing escalation of costs in procurement to minimise the impact on suppliers where additional costs are realised, mitigating the risk of suppliers cost cutting practices which may lead to modern slavery practices.



NEXT STEPS

The following key focus areas have been targeted to further improve Lipman's effectiveness in managing modern slavery risks in FY24.

Risk Assessment

We will:

- > Continue to implement and monitor risk mitigation actions as defined in the action plan, and
- > Monitor and update enterprise-wide and project specific risks and controls in response to incidents, opportunities for improvement and feedback received from the industry and our suppliers.

Governance

We will:

- > Monitor and measure performances against key performance indicators, and
- > Report on performances against our established key performance indicators.

Procurement

We will:

- > Review compliance and effectiveness of new procurement processes and tools through internal audits, and
- > Continue to communicate Supplier Code of Conduct expectations and evaluate new suppliers, and
- > Continue to assess supplier's capacity and controls to manage modern slavery risks.

Industry Collaboration

We will:

- > Continue to consult and collaborate with our business partners and peers to educate and influence our supply chain, and
- > Actively engage with, support and participate in industry and peer group forums.

Capacity Building

We will:

- > Continue to communicate, engage and create awareness with workers, suppliers and subcontractors, through site inductions, internal audits, in-house training of procurement teams, commercial agreements, and supplier evaluations.

This statement is made pursuant to section 16(1) of the Modern Slavery Act 2018 for the year ending 30 June 2023.

This statement (prepared on 27th September 2023) has been approved by the Board on behalf of Lipman Pty Ltd [ABN: 84 001 548 830] on 31st October 2023.



Rob MacKee

Chief Executive Officer

1st December 2023



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