



INDEX

1. Introduction
2. Structure and Operations
3. Supply Chain
4. Risk Assessment
5. Corrective Actions
6. Assessing Effectiveness
7. Continual Development
8. Approval

TEXCO CONSTRUCTION FY22 MODERN SLAVERY STATEMENT



INDEX

1. **Introduction**
2. Structure and Operations
3. Supply Chain
4. Risk Assessment
5. Corrective Actions
6. Assessing Effectiveness
7. Continual Development
8. Approval

INTRODUCTION

INDEX

1. Introduction
2. Structure and Operations
3. Supply Chain
4. Risk Assessment
5. Corrective Actions
6. Assessing Effectiveness
7. Continual Development
8. Approval

“MODERN SLAVERY INVOLVES THE EXPLOITATION OF PEOPLE THROUGH COERCION, THREATS OR DECEPTION TO UNDERMINE OR DEPRIVE THEM OF THEIR FREEDOM. IT HAS NO PLACE IN THE MODERN WORLD, YET IT IS MORE WIDESPREAD THAN MANY OF US CAN IMAGINE, OCCURRING IN ANY SECTOR, INDUSTRY OR COUNTRY, AND AFFECTING SOME 40 MILLION PEOPLE WORLDWIDE”

INDEX

- 1. Introduction
- 2. Structure and Operations
- 3. Supply Chain
- 4. Risk Assessment
- 5. Corrective Actions
- 6. Assessing Effectiveness
- 7. Continual Development
- 8. Approval

INTRODUCTION

At Texco, we believe respecting and protecting human rights enables individuals, societies and businesses to flourish. Our approach to identifying and managing the risk of modern slavery is guided by our commitment to respect human rights across our business operations and supply chain.

As part of that commitment, we do not tolerate any form of coercion, deception, threat, or worker exploitation that undermines the individual and collective freedom of our employees and the workforce throughout our supply chain. Additionally, we hold our employees accountable for acting with integrity, respect and transparency and to respond to noncompliance with laws and regulations.

This Modern Slavery Statement is prepared by Texco Construction Unit Trust (ABN 17 750 066 289) (“Texco”) and covers its subsidiaries and related entities*.

In this Statement, we describe the risks of modern slavery in our operations and supply chain and show our commitment to upholding human rights by detailing the measures we will adopt and implement, and the policies, systems and processes we will use to continually assess and address our modern slavery risks.

This Statement has been prepared in accordance with the requirements in the Modern Slavery Act 2018 (Cth) for the reporting period 1 July 2021 to 30 June 2022.

*Subsidiaries and related entities include:

- Texco Construction (VIC) Pty Ltd (ABN 89 626 365 071)
- Texco Construction (NSW) Pty Ltd (ABN 73 628 207 312)
- Texco Construction (QLD) Pty Ltd (ABN 87 613 103 709)
- The WeBuilt Unit Trust (ABN 24 665 364 119)



INDEX

1. Introduction
2. **Structure and Operations**
3. Supply Chain
4. Risk Assessment
5. Corrective Actions
6. Assessing Effectiveness
7. Continual Development
8. Approval

STRUCTURE AND OPERATIONS

STRUCTURE AND OPERATIONS

Texco is a privately owned commercial and industrial construction specialist providing integrated design and construct services across Victoria, New South Wales, South Australia and Queensland.

Established in Melbourne in 2011, over the past 10 years we have built a reputation for delivering industry-leading commercial and industrial facilities for Australia’s most prominent REIT’s, developers and owner-occupiers. We are a proud contributor to Australia’s industrial property landscape. It’s a market that rewards hard work, genuine relationships, high performance, innovative thinking and collaboration and these are the values that guide our approach.

We directly employ a workforce of over 100 employees in both Victoria and New South Wales. All our employees are directly employed under individual employment agreements or our [Enterprise Agreement](#).

We are committed to being responsive to our clients’ needs and to working with them to align our activities regarding upholding human rights, and to making continuous improvements to our modern slavery program.

Our business operations require us to forge relationships with our partners that are mutually built on integrity, transparency and sound ethical practices. To ensure we are all focused on upholding our obligations under the Act, the conversation around addressing the risks of Modern Slavery is being had with our clients, suppliers and subcontractors.

Our office locations:

VIC Office (registered office)
2/1 Hall Street
HAWTHORN EAST VIC 3123

NSW Office
12.1/160 Bourke Road
ALEXANDRIA NSW 2015



INDEX

1. Introduction
2. **Structure and Operations**
3. Supply Chain
4. Risk Assessment
5. Corrective Actions
6. Assessing Effectiveness
7. Continual Development
8. Approval

INDEX

- 1. Introduction
- 2. Structure and Operations
- 3. **Supply Chain**
- 4. Risk Assessment
- 5. Corrective Actions
- 6. Assessing Effectiveness
- 7. Continual Development
- 8. Approval

SUPPLY CHAIN

INDEX

1. Introduction
2. Structure and Operations
3. **Supply Chain**
4. Risk Assessment
5. Corrective Actions
6. Assessing Effectiveness
7. Continual Development
8. Approval

SUPPLY CHAIN

Our business operations require engagement and collaboration with numerous suppliers and subcontractors throughout the construction process. This presents a risk to our business being exposed to modern slavery either directly in our operations or indirectly through our suppliers and their supply chains.

We engage with a select number of preferred suppliers and subcontractors who undertake work onsite. The majority of these businesses are small to medium enterprises that do not have accountabilities under the Act. Regardless of their obligations, we recognise the importance of assessing and preventing the risk of modern slavery from occurring via these channels.

As such, during the procurement process, we perform a robust supplier and subcontractor selection process that is built upon compliance with all modern slavery regulations and legislation as well as ensuring a win, win from a commercial standpoint. Some key areas of focus in the selection process are:

- Compliance with relevant legislation and government-mandated standards;
- Health and safety compliance and track record;
- Compliance with environmental requirements; and
- Performance track record verified via industry references.

“Business models in the construction sector tend to be heavily based on outsourcing, which increases the complexity of operations and supply chains and decreases the visibility of labour risks and impacts.”

INDEX

1. Introduction
2. Structure and Operations
3. Supply Chain
- 4. Risk Assessment**
5. Corrective Actions
6. Assessing Effectiveness
7. Continual Development
8. Approval

RISK ASSESSMENT

INDEX

1. Introduction
2. Structure and Operations
3. Supply Chain
4. Risk Assessment
5. Corrective Actions
6. Assessing Effectiveness
7. Continual Development
8. Approval

“GLOBALLY, AROUND 7 PER CENT OF THE WORKFORCE IS EMPLOYED BY THE PROPERTY AND CONSTRUCTION SECTOR AND AN ESTIMATED 18 PER CENT OF MODERN SLAVERY VICTIMS ARE FOUND IN THE CONSTRUCTION INDUSTRY.”

INDEX

- 1. Introduction
- 2. Structure and Operations
- 3. Supply Chain
- 4. Risk Assessment
- 5. Corrective Actions
- 6. Assessing Effectiveness
- 7. Continual Development
- 8. Approval

RISK ASSESSMENT

We have commenced the process of assessing the risk of Modern Slavery in our supply chains by initiating a desktop review of current suppliers and subcontractors.

Our modern slavery risk assessment rates each supplier and subcontractor as a high, medium, or low risk of modern slavery against the following criteria:

- product or service supplied;
- industry the supplier operates in;
- jurisdiction (country of registration);
- countries where the supplier has operations; and
- workforce and the possibility/probability that the workforce contains vulnerable workers.

For each of these, we are assessing the modern slavery risks that attach to each criterion and we are rating the supplier or subcontractor accordingly.

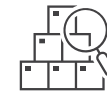
Finally, we are looking at whether or not there are any modern slavery risks associated with the particular supplier or subcontractor, including any known history of non-compliance with laws or regulations related to modern slavery, or evidence of human rights abuses.

Based on this assessment, we will identify risk areas across our operations and supply chain where the perception of or potential for risk factors of modern slavery exists.

The construction industry is considered at high risk of modern slavery practices due to:



High demand for low-skilled workers



Poor visibility over long and complex supply chains



Low-tier suppliers operating in high-risk geographies

Common modern slavery practices in construction are:



Forced or unpaid work



Unsafe working conditions



Bonded and child labour



Inadequate accommodation



Passport confiscation



Human trafficking

INDEX

1. Introduction
2. Structure and Operations
3. Supply Chain
4. Risk Assessment
5. **Corrective Actions**
6. Assessing Effectiveness
7. Continual Development
8. Approval

CORRECTIVE ACTIONS

CORRECTIVE ACTIONS

This year our aim was to gain a better understanding of our modern slavery obligations, risks and how such risks may be present in our operations and supply chains. The following actions have been developed for delivery in FY23 to start building the foundations for addressing our modern slavery risks long-term.

1. RISK MANAGEMENT

As previously stated in the “Risk Assessment”, during FY23 we will prioritise a desktop review of Tier 1 suppliers and subcontractors (remaining tiers to follow) to assess the risk of Modern Slavery in our supply chains to develop high, medium and low risk vendor categories which will form the basis of further reviews and due diligence/audit requirements.

2. POLICIES AND PROCEDURES

Develop and review key policies and procedures to help us assess, monitor and reduce the risk of modern slavery in our operations and supply chain.

3. PROCUREMENT

Develop and implement a questionnaire for existing and new vendors, asking them about their approaches and measures to prevent and mitigate instances of modern slavery and human rights abuses in their operations and supply chains.

4. TRAINING AND AWARENESS

Enhance and broaden Modern Slavery Awareness training for existing and new employees and, where appropriate, consider making such training available to suppliers and subcontractors.

INDEX

- 1. Introduction
- 2. Structure and Operations
- 3. Supply Chain
- 4. Risk Assessment
- 5. **Corrective Actions**
- 6. Assessing Effectiveness
- 7. Continual Development
- 8. Approval

CORRECTIVE ACTIONS CONTINUED

The following key policies and procedures will underpin our efforts to create a workplace that is safe, inclusive, fair, and rejects human rights abuses, and will support our ambition to address modern slavery risks more broadly throughout our supply chains.

Procurement and Supplier Standards | *Develop*

These standards define our minimum expectations for the consistent application of robust ethical and commercial procurement practices in all external financial commitments made by us to our suppliers and subcontractors. They also set out the requirements for each supplier that provides goods or services to us or performs work for us, as well as their personnel. Our requirements include:

- ensuring all procurement is fair and ethical, socially responsible, and transparent;
- countering modern slavery in vendor supply chains and operations;
- ensuring our suppliers and subcontractors comply with applicable anti-modern slavery laws and notify us of any breach; and
- compliance with minimum wage and overtime laws.

Procurement Process | *Review*

The Procurement process sets out the steps employees are required to follow in the acquisition of goods and services. We have also developed tools and templates for employees which are available on our internal intranet site.

Supplier Contracts | *Review*

Wherever possible, we seek to include contractual terms in our supply and service contracts to monitor for and prevent modern slavery. These contractual terms ensure suppliers comply with our relevant policies, are obliged to take reasonable steps to ensure that there is no modern slavery in their own operations or supply chain and must notify Texco if they become aware of any breaches.

Whistleblower Policy | *Develop*

We are committed to acting on any suspicion of modern slavery, as well as when actual incidents are identified. The development and implementation of a Whistleblower Policy will allow for anonymous reporting of modern slavery incidents. Any person who suspects or believes there is any incident, practice or conduct of modern slavery in any part of our operations or supply chains will be able to notify us via our independent hotline service that protects the identity of the complainant.

Code of Conduct | *Review*

Our Code of Conduct will be published on our website and reviewed once every three years.

EEO and Diversity Policy | *Review*

Equality, diversity and inclusion are at the heart of our business and ingrained in our values. Our commitment is to lead the way in diversity and inclusion for the benefit of our industry and our broader community. We also strive to build a society free of prejudice and racism, where difference is celebrated and valued, and everyone has equal opportunities. These values underpin our commitment to work with our suppliers and subcontractors to eradicate modern slavery, which are practices that are the antithesis of this ideal.

Workplace Health and Safety Policy | *Review*

We are committed to managing our projects in a manner that complies with the highest standards of health and safety prescribed by legislation, associated regulations, codes of practice, Australian standards and other requirements to protect the health and safety of all employees and outsourced personnel.

INDEX

1. Introduction
2. Structure and Operations
3. Supply Chain
4. Risk Assessment
5. **Corrective Actions**
6. Assessing Effectiveness
7. Continual Development
8. Approval

INDEX

1. Introduction
2. Structure and Operations
3. Supply Chain
4. Risk Assessment
5. Corrective Actions
6. **Assessing Effectiveness**
7. Continual Development
8. Approval

ASSESSING EFFECTIVENESS

INDEX

- 1. Introduction
- 2. Structure and Operations
- 3. Supply Chain
- 4. Risk Assessment
- 5. Corrective Actions
- 6. Assessing Effectiveness
- 7. Continual Development
- 8. Approval

ASSESSING EFFECTIVENESS

We are committed to actively managing our potential modern slavery risks and monitoring the effectiveness of our risk management and compliance processes surrounding modern slavery.

While our focus in FY23 will be to set up a robust and effective modern slavery program and implement the risk assessment model for our supply chain, our attention will move to monitor the completion of committed actions and assess how effectively the program is operating during the next reporting period.

In future, our review process will continue to analyse the outputs from the various reporting mechanisms that we put in place. We will use those insights to assess, update and modify our program so that its effectiveness is continually strengthened, and it remains relevant and fit for purpose.

We will monitor employee participation in modern slavery training modules, and assess feedback provided by participants on the effectiveness of the training.

All of our company policies are subject to periodic review. The review includes consideration of any legislative or regulatory changes and new or updated standards or codes. We will also continue to look at feedback and reports from internal and external sources and will take steps to benchmark our policies against best practice.

To assess the effectiveness of the measures taken by Texco, the main control areas that will be subject to review and monitoring include:

- Working upstream with our clients on the topic of modern slavery helping them achieve their goals and objectives;
- Supplier contracts and terms and conditions compliance, including procurement;
- Supplier and subcontractor education, risk assessment and monitoring;
- Employee training completion; and
- Audit and compliance program.



INDEX

1. Introduction
2. Structure and Operations
3. Supply Chain
4. Risk Assessment
5. Corrective Actions
6. Assessing Effectiveness
7. **Continual Development**
8. Approval

CONTINUAL DEVELOPMENT

INDEX

1. Introduction
2. Structure and Operations
3. Supply Chain
4. Risk Assessment
5. Corrective Actions
6. Assessing Effectiveness
7. **Continual Development**
8. Approval

CONTINUAL DEVELOPMENT

We will continue to monitor, review and improve the effectiveness of our modern slavery program and processes with our clients, suppliers and subcontractors while acting on the insights and learnings we gained over the past two years.

Once our committed actions are implemented, we will regularly undertake, and review the effectiveness, of our now-standard policies and procedures regarding compliance with the Act, being to:

- Conduct risk assessments and audits (when required) of our existing and new suppliers and subcontractors;
- Require potential suppliers to formally disclose their modern slavery risk mitigation strategies as part of our procurement and contract administration processes;
- Continue to revise our policies and draft new policies where necessary, so we continue to reflect our commitment to combatting modern slavery in all its forms;
- Increase the number of employees and subcontractors (where appropriate) who are provided with dedicated training on modern slavery legislation;
- Regularly review and update our standard form contracts, new employee and EHS induction materials when and if required; and
- Facilitate an annual review process of our modern slavery risk management framework and processes with members of Senior Leadership and other relevant stakeholders.

CONSULTATION

This Statement was prepared by Texco's People and Performance and Finance teams. As part of this process, the Senior Leadership team and relevant departments and stakeholders were consulted. These discussions helped us to understand and map our supply chains, assess our operations for possible modern slavery risks, and prepare this Statement.

INDEX

1. Introduction
2. Structure and Operations
3. Supply Chain
4. Risk Assessment
5. Corrective Actions
6. Assessing Effectiveness
7. Continual Development
8. **Approval**

APPROVAL

INDEX

- 1. Introduction
- 2. Structure and Operations
- 3. Supply Chain
- 4. Risk Assessment
- 5. Corrective Actions
- 6. Assessing Effectiveness
- 7. Continual Development
- 8. **Approval**

APPROVAL

We are proud to publish our FY22 Modern Slavery Statement covering the period from 1 July 2021 to 30 June 2022, and we are committed to continuing to assess, measure and publicly report on our progress in the years to come.

This statement was approved by the board of Texco Construction Unit Trust in their capacity as the principal governing body of Texco Construction Unit Trust on 9 December 2022.



MATTHEW BARKER
DIRECTOR OF TEXCO CONSTRUCTION UNIT TRUST



THOMAS BULL
DIRECTOR OF TEXCO CONSTRUCTION UNIT TRUST

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