

# HMA



**MODERN SLAVERY STATEMENT**





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## HMA MODERN SLAVERY STATEMENT FY2020/21

### Our Structure, Operations and Supply Chain

Please note, our structure, operations and supply chain have remained unchanged over the reporting period, so we have reiterated the information in this statement.

This Modern Slavery Statement (MSS) is made pursuant to the **Australian Federal Government, Modern Slavery Act 2018**, sets out the actions taken by HMA Group to incorporate these requirements into our statement for the financial year **1 July 2020 to 30 June 2021 (FY2020/21)**.

**Our businesses** in respect of our related body corporate, HMA Group, **as of 1<sup>st</sup> July 2020**

- Halley and Mellows Pty Ltd, ABN: 83 000 558 627 and its subsidiaries HMA Geotechnical, HMA Materials Handling
- HMA Wear Solutions Pty Ltd, ABN 69 002 407 730
- Diamond Power (Australia) Pty Ltd, ABN 64 008 425 214 and its subsidiary HMA Power Generation
- HMA Instrumentation Pty Ltd, ABN 42 058 605 959
- HMA Flow and Industrial Pty Ltd, ABN 68 092 292 718

The HMA Group has been providing industrial solutions since 1966. We manufacture, distribute and service a wide range of capital plant and equipment to a diverse range of industries. The scope of the HMA Group products and services includes sales, design, source, manufacture, supply, assemble, install, commission, test and repair of plant and equipment, as well as providing training, project management and consultancy.

The majority of the HMA Group 's products and services businesses operate in Australia, with branch offices in New Zealand, Indonesia, South Africa. The HMA Group is proud of the valuable contribution our National and International operations make to our customers and our business. We recognise that International operations can create a perception of an elevated risk of modern slavery. As part of our risk management process, we will identify, assess, and evaluate the level of risk across all our operations.

The HMA Group sells a wide range of capital plant and equipment across many Key Industries which include oil, gas, refining and petrochemical, water, waste, paper, mining, industrial, power generation, pharmaceutical, food, railway, lifting, and materials handling equipment, a vast range of valves and control solutions, measurement and control solutions for the process and marine industries and geotechnical instrumentation.

The HMA Group have numerous supply chain relationships, with over 4000 suppliers, the source of the products, goods, and services we procure is spread across our National and International suppliers, who supply OEM products, branded products, manufactured goods, raw materials, and services.

Our main categories of procurement include:

- Direct Procurement (manufacturer)
- Goods Procurement (retail)
- Logistics and Freight
- Professional Services
- Information, Communication and Technology

The HMA Group source from locations worldwide as part of our supply chain, which includes but not limited to Australia and New Zealand, China, India, Indonesia, and South Africa. These suppliers provide manufactured goods and goods procurement, such as raw materials.

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## Governance and Policies

HMA Modern Slavery Policy was developed for the FY2019/20 to integrate a reference to Australian Federal Government, Modern Slavery Act 2018 requirements. As stated in the HMA Modern Slavery Policy, HMA does not tolerate any violation of human rights, such as human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting, child labour (child exploitation).

In addition, the HMA Modern Slavery Policy and the HMA Modern Slavery Statement have been embedded into the HMA Code of Business Conduct, which applies to all staff and the HMA Group is striving to ensure that these principles are respected and upheld by all stakeholders including our supply chain. HMA has a robust corporate governance and risk management framework in place, to support our Board of Directors and Management Team in our risk mitigation strategies, operational processes and to ensure that we are taking all reasonable steps to fulfil our corporate responsibility in respect to human rights and to address potential modern slavery risk areas, these include,

### HMA Governance Policies

- HMA Code of Business Conduct
- HMA Modern Slavery Policy
- HMA Modern Slavery Statement
- HMA Code of Ethics
- HMA Equal Employment Opportunity Policy
- HMA Discrimination Harassment & Bullying Policy
- HMA Grievance and Complaints Procedure

## Due Diligence and Risk Management

In relation to the risk of modern slavery in our business and supply chain, HMA businesses have a risk-based approach to modern slavery due diligence and ethical sourcing, and through the HMA Group implemented risk management processes, we have taken the following steps to identify, assess, mitigate, and monitor potential risk areas where we could be exposed to human rights concerns.

When we began our ethical sourcing risk identification, FY2020/21, we recognised that our National and International suppliers, of our OEM and branded products was an area where we could make the most significant contribution. Also, during this process, we have since identified and expanded those areas to include manufactured goods and goods procurement such as raw materials, and to focus our efforts accordingly, we will include these as part of our tier one suppliers (approx.183).

During the FY2020/21 other direct procurement sources in our supply chain were identified as potential human rights risks, so we extended our focus on those areas, to include manufactured goods and goods procurement such as raw materials, as part of our Risk audit program, risk review and risk mitigation strategy. Our aim is to ensure that human rights are understood, respected, and upheld across our business operations and supply chain.

All our reporting entities are governed by a common Board of Directors and as part of the ongoing management and development of this statement, a Modern Slavery Working Group was established from the HMA Group Management Team to ensure each of our entities is informed, made aware of their contribution requirements and to ensure they facilitate in the continuous improvement to this statement. During this reporting period, we engaged and consulted with each of our reporting entities, we own, to frame our expectations, raise awareness, and understand their approach in mitigating modern slavery risks.

HMA considers the risk of modern slavery within its direct business operations to be low. However, HMA recognises that through our supply chain and customers, it can be indirectly exposed to the risk of a human rights violation.

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### HMA Controls Framework

- Modern Slavery Working Group, (Risk Steering Committee)
- Risk Register HMA, for example, environmental, social and governance (ESG) risks
- Internal audit program, including ESG risks
- Seek specialist advice
- Modern Slavery due diligence assessments

### Supply Chain Management

- HMA Modern Slavery Supplier Questionnaire
- Supplier Prequalification Questionnaire
- Contract Terms and Conditions
- Purchase Conditions
- Procurement Process and Procedures for Suppliers

### Areas of Action

In FY2020/21 we planned to undertake a review our environmental, social and governance (ESG) risks on HMA’s supply chain to identify potential for exposure to human rights violation. This included a review of ‘High Risk ESG sectors and sensitive areas’, which will be used to determine suppliers and customers that may have a higher risk of ESG issues and to identify where any additional ESG risk assessment and due diligence maybe required. For Human Rights, these sectors include the HMA Groups International suppliers, based in China, India, Indonesia, South Africa, who provide manufactured goods and goods procurement, such as raw materials.

An ongoing review of our supply chain will confirm the sectors that have the highest potential to expose HMA to human rights risks. Actions undertaken to minimise the risk of modern slavery within the HMA Group’s supply chain included:

- request our suppliers to complete our HMA Modern Slavery Supplier Questionnaire to help us identify the risk of Modern Slavery and human trafficking within our supply chains.
- continuing to focus our supply chain ESG risks on material suppliers and suppliers in HMA’s ‘High Risk ESG sectors and sensitive areas’.
- conduct ESG risk evaluation of suppliers to ensure they provide HMA with information on how they manage their supply chain related ESG risks, particularly human rights risks.

HMA also recognises that human rights are a potential risk in relation to our supplier’s activities. HMA’s risk management policies and processes incorporate a risk-based approach to assess human rights risk (incorporating modern slavery and human trafficking) as part of business Risk Register and risk assessment processes and due diligence, which includes a review of the ‘High Risk ESG sectors and sensitive areas’ to determine suppliers and customers that may have a higher risk of ESG issues.

Additionally, in FY2020/21, HMA undertook several activities in the following focus areas in preparation for not only meeting our requirements of the Modern Slavery Act 2018, but also for measuring and evaluating the performance of our actions with key performance indicators (KPI’s), to assist in identifying continuous improvement across our business.

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**Our current focus areas include:**

- **review our governance and due diligence processes**, to facilitate consultation and improvement of the HMA Modern Slavery Statement covering all HMA Group subsidiary reporting entities to meet the requirements of the Modern Slavery Act 2018.
- **undertake a gap analysis** of the HMA Group’s current policies procedures and practices against the requirements of the Modern Slavery Act 2018.
- actively **engage in consultation processes** that have run in the lead up to, and the development of, the Modern Slavery Act 2018 and its guidance materials. This will occur through both direct engagement with our entities and consultation with relevant industry groups.
- review **procurement categories and supply chain** to ensure they are aligned to HMA’s ‘High Risk ESG sectors and sensitive areas’ so that the procurement categories and supply chain with a higher likelihood of ESG risk, including human rights, are clearly identified on the HMA Risk Register and in risk assessment processes.

Against each of these focus areas we will develop key performance indicators (KPI’s) that we will use to assess the effectiveness of our actions. These include: the percentage of the number of suppliers completing our modern slavery questionnaire; the number of HMA workers who have completed modern slavery training and awareness. Over our next reporting period, we will continue to review and enhance these KPIs and develop our metrics to assess the effectiveness of our plans, actions, and continuous improvement across our business.

**Education, Training, Awareness**

Education, training, awareness, and communications about human rights made available to workers in FY2021/22. HMA to engage with our business leaders, workers, and suppliers to develop and deliver risk awareness training which includes an ESG risks with information on human rights and training on ethical sourcing requirements and to ensure they understand ethical sourcing risks and the standards expected by our businesses. To be applied in Australia, and International branches in New Zealand, Indonesia, and South Africa. HMA workers to **commence** their training by the end of the third quarter of FY2021/22.

**Grievance, Feedback Mechanisms**

HMA Grievance and Complaints Procedure that allows workers, suppliers, customers and third parties to HMA to raise concerns in a confidential manner. This channel is available for reporting human rights related concerns. Where grievances or concerns are raised, we investigate and address them as appropriate. This may include engagement with suppliers, customers, and other stakeholders. In these cases, we take steps to understand the issue(s) and take appropriate action. This may involve referring the matter to the appropriate authorities (in the case of allegations of human rights) or engaging with the stakeholders about areas of the organisation that we supply to.

In FY2020/21, HMA did not identify any instances of human rights or human trafficking associated directly with our own operations, or through sourcing-related risk assessments in relation to HMA’s supply chain. In FY2020/21, no modern slavery and/or human trafficking concerns were raised with HMA about suppliers or customers through our feedback channels.

Should any such concerns be identified, HMA will conduct any required investigations in accordance with regulatory requirements, policy, and procedures, which may include raising of reports on suspicious matters with Human Rights Commission which can limit the HMA Group’s ability to publicly disclose details of reported matters.

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## Stakeholder Engagement, Collaboration

HMA is committed to responsible leadership is about making sustainable business decisions which consider the interests of all stakeholders, including shareholders, employees, clients, business partners, suppliers, governments, the community, the environment, and future generations.

HMA is committed to collaborating with our stakeholders, through listening, co-operation, and best practice strategies, to better identify and understand their expectations and how these might effect change, to help eradicate modern slavery. For example, engage with stakeholders to provide their views and share their expectations.

This statement was approved by the Board of Directors of HMA International Pty Ltd.

### Signed

**Frank Jacono**  
**Executive Director**  
**10<sup>th</sup> December 2021**

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