

HMA



MODERN SLAVERY STATEMENT

HMA Modern Slavery 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 1st July 2020

- Halley and Mellowes 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

OUR STRUCTURE, OPERATIONS, SUPPLY CHAINS

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 of companies have numerous supply chain relationships and supply a wide range of products and services across many Key Industries which include oil & gas, refining, petrochemical, water & waste, pulp & paper, mining & minerals, industrial, power generation, pharmaceutical, food & beverage, rail & transport, cement & quarry, civil & infrastructure, environmental, marine & offshore, process industry, lifting and materials handling.

DUE DILLIGENCE PROCESS

In relation to modern slavery in our business and supply chains and risk management, steps we have taken to assess and manage the risk. HMA businesses have a risk-based approach to modern slavery due diligence and ethical sourcing, we have over 4000 suppliers, who are our National and International suppliers, suppliers of OEM products and National suppliers of branded products.

When we began our ethical sourcing risk identification, we recognised that our National and International suppliers, our OEM and branded products was an area where we could make the most significant contribution and focused our efforts accordingly, so we decided to commence our focus on our tier one suppliers (approx.183) in our supply chains.

Where other brands and services supply chains are identified as carrying human rights risks, we will extend our work to focus on those areas 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.

We expect all our stakeholders to adhere to ethical sourcing and code of business conduct commitments which are consistent with our own, and we are committed to working with them to fulfil this common goal. The HMA Group may consult with relevant social NGOs (Non-Governmental Organisations) as part of our risk review process.

HMA considers the risk of modern slavery within its direct business operations to be low. However, HMA recognises that through its supply chain and customers, it can be indirectly exposed to the risk of human rights violation. HMA has implemented risk management processes to identify, assess, mitigate, and monitor potential risk areas where it could be exposed to human rights concerns.

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AREAS OF ACTION

In FY2020/21 we will undertake an environmental, social and governance (ESG) risk assessment on HMA's supply chain to identify potential for exposure to human rights violation. This includes 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 for which additional ESG risk assessment and due diligence maybe required. For modern slavery, these sectors may include contract labour, construction, textiles, franchising, printing, and supply chains, hospitality, domestic, and cleaning services, extending into developing countries.

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 risk assessment on material suppliers and suppliers in HMA's 'High Risk ESG sectors and sensitive areas'.
- conduct an ESG risk investigation into 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 ESG risk 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 customers and suppliers that may have a higher risk of ESG issues).

Additionally, in FY2020/21, HMA will undertake the following activities in preparation for meeting requirements of the Modern Slavery Act 2018 in FY2020/21:

- **developed a governance process**, to be implemented in FY2021, to facilitate consultation and preparation of the HMA Modern Slavery Statement covering all HMA Group subsidiary reporting entities which meets the requirements of the Modern Slavery Act 2018.
- **undertake a gap analysis** of the Group's current policies and practices against the requirements of the Modern Slavery Act 2018; and
- 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 can occur through both direct engagement with government and participation in industry group activities.
- review **sourcing categories** to ensure they are aligned to HMA's 'High Risk ESG sectors and sensitive areas' so that sourcing categories with a higher likelihood of ESG risk, including human rights, are clearly identified for business Risk Register and risk assessment processes.

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POLICIES AND GOVERNANCE

HMA Modern Slavery Policy was developed for the FY2020/21 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 to the HMA Modern Slavery Policy. The HMA Code of Business Conduct applies to all workers, consultants, and suppliers. We strive to ensure that these principles are respected by all our stakeholders. HMA has a robust corporate governance and risk management framework in place, which assists our Board and Management Team in our human rights management and risk mitigation strategies, these include our,

HMA Policies and Procedures

- HMA Code of Business Conduct
- HMA Modern Slavery Policy
- HMA Code of Ethics
- HMA EEO Policy
- Discrimination Harassment & Bullying Policy
- HMA Grievance and Complaints Procedure
- Contract Terms and Conditions
- Purchase Conditions
- **Risk Steering Committee**
 - Risk Register HMA,
 - Risk audit program
 - Seek specialist advice
 - Modern Slavery due diligence assessments
 - ESG risk assessment
- **Supply Chain Management (ditto)**
 - HMA Modern Slavery Supplier Questionnaire
 - Supplier prequalification questionnaire
 - Procedures for Suppliers and Procurement Policies

EDUCATION, TRAINING, AWARENESS

Education, training, awareness, and communications about human rights made available to workers in FY2020/21. 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 offshore branches in New Zealand, Indonesia, and South Africa. HMA workers to complete their training by the end of the third quarter of FY2020/21.

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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 customers, suppliers, 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 FY2019/20, 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 FY2019/20, 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.

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



Sindy Jenkins
HMA Senior Director
23rd March 2021

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