

MODERN SLAVERY STATEMENT

For Reporting Period 1 July 2022
to 30 June 2023



ADCO

FOREWORD

This Modern Slavery Statement is issued by ADCO and covers the reporting period 1 July 2022 to 30 June 2023. This statement has been prepared by ADCO's Modern Slavery Working Group in accordance with the requirements of the Modern Slavery Act 2018 (Cth) and explains the actions taken by ADCO to assess and address modern slavery risks in our operations and supply chain. This statement was approved by the Board on 14 November 2023.

All enquiries or feedback on this statement should be directed to Neil Harding, Managing Director.

At ADCO, we recognise and oppose modern slavery in all its forms. We understand that being part of the construction industry, there may be a higher risk and prevalence of modern slavery in our supply chain, both locally and globally. This is an issue we take seriously. We know that combatting modern slavery cannot be achieved by one organisation alone. We are committed to operating at the highest ethical standards, and in doing so we encourage our supply partners to do the same.

ADCO's first Modern Slavery Statement covered the period from 1 July 2019 to 30 June 2020 and, with each reporting period since, we have continued to build a framework which increases awareness, improves governance and responds effectively to the risk of modern slavery in our supply chain.

Key actions taken across our previous and current reporting periods, include:

- the introduction of our own Modern Slavery Policy;
- providing dedicated Modern Slavery Training to all staff;
- establishing a Modern Slavery Working Group to steer our approach and evaluate our effectiveness;
- mapping our supply chain to identify potential areas of increased risk;
- updating our contracts and procurement procedures to incorporate modern slavery prohibitions and reporting obligations;
- engaging directly with almost 350 supply partners to increase their awareness and evaluate possible risks and opportunities for improvement in their business operations; and
- implementing awareness initiatives across all construction sites to ensure workers can recognise and report modern slavery.

We know this is a continuing journey for ADCO and our supply partners. There is always more we can do and more to achieve. We have outlined our goals for the next reporting period in this statement.

I thank our employees and our supply partners for their ongoing support and co-operation in joining with us to reduce the risks of modern slavery in our industry and beyond.



Neil Harding
MANAGING DIRECTOR



OUR BUSINESS

ADCO is an Australian, family-owned group of construction companies with a national business comprising five offices throughout Australia. ADCO employs over 700 people nationally.

Our construction activities extend across a range of sectors including health, education, commercial, defence, retail, sport and leisure, community, aviation, industrial, short term accommodation, fit out and rail. Our projects are delivered via early contractor involvement, design and construct, managing contractor, and traditional construction methods of procurement.

The ADCO story began in 1972. In the 50 years since then, we've grown to be a multi-billion-dollar construction business guided by an unwavering commitment to quality, our clients and our people. These foundations have seen us become one of the top private companies in Australia with a blue-chip client list and an award winning portfolio of almost 4,000 successfully completed projects, from early works packages to \$300+ million projects.

We aspire to be the 'Builder of Choice' for our clients, to demonstrate integrity in our relationships with our consultants, trade partners and suppliers, and to exercise high standards of corporate social responsibility in all that we undertake. We support a culture of safety and respect for workers through robust human resources systems, including employee onboarding and induction, regular reviews of employment agreements, salary arrangements and workplace policies.

We implement an online human resources platform to facilitate a structured and consistent approach to onboarding of all staff across our business, with new starters having the opportunity to familiarise themselves with ADCO's internal processes and management systems before commencing their role.

New staff are assigned an ADCO Peer to support them during their first six (6) months of employment. Our onboarding framework also tracks training performed by each employee, which connects with our National Training Program, and includes modern slavery training as a mandatory element.



We are committed to providing an inclusive and diverse workplace where all employees and workers feel supported and are treated equitably, fairly and with respect, regardless of their background or gender. We recognise the importance of Reconciliation and embrace opportunities for employees who identify as Aboriginal or Torres Strait Islander. We promote opportunities for employees who have a disability, allowing them to have a role in the construction industry which suits their capabilities.

During the current reporting period we have seen an increase in the number of:

- employees who avail of flexibility working arrangements at ADCO; and
- women employed by ADCO, with over 23% of our direct workforce now represented by women.

ADCO is proud to be a member of the Diversity Council of Australia which allows our staff to access resources to help create a supportive workplace for all.

We are firmly committed to the high-quality delivery of our projects, to fulfilling our clients' aspirations and goals and to the development of our people.

GOVERNANCE AND STRUCTURE

ADCO comprises the following primary entities, with each entity registered in Australia and governed by a board of directors:

- RJH Holdings Pty Limited ACN 001 203 256, the sole shareholder of ADCO Constructions Pty Ltd;
- ADCO Constructions Pty Ltd ACN 001 044 391, our building and construction business which undertakes projects principally in Queensland, New South Wales and Western Australia;
- ADCO Group Pty Limited ACN 094 531 272, our building and construction business which undertakes projects principally in Victoria, New South Wales, and the Australian Capital Territory and which is a subsidiary of ADCO Constructions Pty Ltd; and
- ADCO Developments Pty Ltd ABN 81 001 203 292, a private development business and subsidiary of RJH Holdings Pty Ltd.

This joint statement is issued by ADCO Constructions Pty Ltd and covers RJH Holdings Pty Limited, ADCO Constructions Pty Ltd and ADCO Group Pty Limited. References in this statement to ADCO are references to the three reporting entities and the entities they own and control. The reporting entities have a board of directors chaired by Judith Brinsmead, with strategic support provided by additional external advisory board members.

The national construction business is delivered through ADCO Constructions Pty Ltd and ADCO Group Pty Limited and is led by our Managing Director, Neil Harding, supported by an executive leadership team and State-based business unit leaders. RJH Holdings Pty Ltd provides corporate support, however, the majority of day-to-day operations are carried out by ADCO Constructions Pty Ltd and its subsidiary ADCO Group Pty Ltd. Importantly, the majority of ADCO's supply chain is managed by these two entities.



OUR SUPPLY CHAIN

ADCO has a large employee base of more than 700 direct employees, fulfilling varied roles such as bid managers, estimators, design managers, construction managers, project managers, contract administrators, project engineers, site managers, site foremen, safety managers, and construction workers, together with support staff in legal, financial, risk and compliance, information technology and administrative roles.

As our business is principally concerned with the design and delivery of construction projects, we also engage a large number of subcontractors, suppliers, consultants and other service providers (“supply partners”) to design and deliver the physical works required for our projects. ADCO procures, directly and indirectly, a variety of goods and services from our supply partners. The majority of this work is undertaken directly on our construction sites. During this reporting period, we recorded more than 4 million hours worked on our sites, including by our supply partners.

We also recognise, of course, that our entire supply chain is much broader than the work which occurs on our construction sites, and extends to the manufacture of materials and products off-site, including products and materials which may originate overseas.

Supply Chain Breakdown

Our immediate and direct supply chain for construction project delivery can be considered in two streams, being ‘Subcontract Works’ and ‘Goods and Services Supply’.

Subcontract Works represents the largest part of our supply chain, typically accounting for approximately 85% of supply partner procurement on our construction projects. Works undertaken by subcontractors are delivered on a “supply and installation” basis, meaning that the works undertaken involve both the supply of materials or goods and their installation on-site utilising site-based labour. Both the material supply and the labour components are provided by the subcontractor.

Subcontract Works may also include elements of off-site pre-fabrication utilising off-site labour (e.g. factory pre-fabrication of joinery, structural steel, glazing systems, or other specialist work).

Whilst the labour and material components of Subcontract Works vary according to the individual subcontract trade, a 60% : 40% split (labour : material) is typical.

Goods and services supply refers to goods and services procured by ADCO on a “supply only” basis. This includes, for example, goods or materials purchased directly by ADCO for incorporation into the works (e.g. concrete supply, reinforcement supply, FF&E, white goods, or other specialist equipment). It also includes the hire of certain plant and equipment and the provision of consultancy services, such as design and engineering services. Goods and Services Supply accounts for approximately 15% of our supply partner procurement on our construction projects.

The nature and scope of the Subcontract Works, and Goods and Services most frequently procured by ADCO are set out in the tables on the next page.



Subcontract Works – Supply and Installation

Description of Subcontract Works

Civil works, including excavation and roadworks, and associated raw materials

Piling works, shoring and foundation systems, including concrete and reinforcement

Structural concrete works, including formwork, steel reinforcement, insitu concrete and precast concrete

Brickwork and masonry

Structural steel and architectural metalwork

Roofing, including steel roof sheeting and insulation

Façade cladding systems, including light steel framing, aluminium panelling, fibre cement panelling, aluminium louvres

Façade glazing systems, including aluminium framing and glazing and curtain walling systems

Internal partitions, ceilings and linings, including light steel framing, timber framing, plasterboard linings, lightweight ceiling grids, pre-finished ceiling tiles, acoustic linings and pinboards

Timber doors and metal door frames

Carpentry and joinery, including cabinetry and office workstations

Building Services including electrical, mechanical, hydraulic, fire, security, audio visual, lifts, escalators and travelators, including all wiring, components, pipework, fixtures and fittings, and specialist equipment and technology

Goods and Services – Supply Only

Reinforcement steel and concrete supply

Furniture, fixtures, and equipment (FF&E)

Door and specialist hardware supply

Plant and equipment hire, including site fencing, site accommodation, small plant and equipment, and mobile crane hire

Environmental Services, including removal and recycling of building construction waste

Consultant Services, including design, engineering, and other construction consultant services

Authority Services, including fee-based services provided by local authorities

In addition to the above, ADCO also procures additional goods and services to facilitate the overall operation of our business, including for example:

- **Information and communications technology (ICT):** This includes computer hardware and software, cloud services, virtual data room services, virtual document exchange services, printers, audio/visual equipment and services, and mobile phones;
- **Corporate services:** The services we use to maintain our offices, including leasing, office maintenance services, utilities, cleaning and security;
- **Hospitality and catering:** We procure hospitality and catering services for onsite and offsite events;
- **Other professional services:** In addition to project specific design and engineering, our professional services include taxation, external legal services, insurance, banking and financial services, consulting, professional and personal development, and welfare training programs;
- **Site and office consumables:** General site and office consumables for staff use, including stationery, amenities and kitchen area consumables;
- **Safety and other branded attire:** Personal protective equipment, including work boots, hard hats, safety glasses, hearing protection, gloves, work pants and shirts, high visibility vests and clothing; and
- **Branded merchandise:** Special event branded merchandise and attire.

Sources of Supply

ADCO procures the majority of our supply from domestic Australian based supply partners.

We do not have any operations in any of the 10 high risk countries¹ identified in the 2018 Global Slavery Index (2018 Index) as having the highest prevalence of modern slavery. Of the 347 supply partners who have completed ADCO's Modern Slavery Survey, none have any operations in those countries. We also do not operate in any of the 10 countries² identified in the 2018 Index as having the largest absolute numbers of people living in modern slavery. However, we acknowledge that a small number of our supply partners do have operations in those countries or procure goods or materials directly from those countries, most notably China, the Philippines and India. We explore this further in this statement under Assessing Effectiveness.

More broadly, we recognise, as is common in the Australian construction industry, that some goods we procure through local Australian based suppliers or distributors, including some which are provided by our subcontractors on a supply and install basis, are sourced from overseas, including from Asia and from Europe.

In our industry, it is not uncommon, for example, to see supply partner imports from China, including steel-based products and façade systems, such as structural steel and aluminium framed and glazed façade systems. Some stone-based products may also be imported from China, along with various other manufactured goods. Imports from Europe, particularly Spain, Germany and Italy, include products such as vertical transport services (e.g. lifts, escalators), specialist electrical componentry and equipment, and some building finishes elements such as wall and floor tiles.

ADCO has not had any reported incidents of modern slavery in our own operations or by our supply partners in the current or prior reporting periods. We are aware nonetheless that this is an ongoing risk that must be monitored closely. We have, for example, commenced an assessment of our supply chain risk associated with the manufacture and use of Solar Panels, which was identified in the 2023 Global Slavery Index (2023 Index) as being among the top five imported products (by value) that are at risk of modern slavery in production.

While we have stringent controls and procedures already in place, over the last two reporting periods we have implemented a more targeted risk-based approach to better understand specific areas in our business operations and supply chain where modern slavery risk might exist. This has included almost 350 supply partners completing our Modern Slavery Survey to assist us in identifying risks within their business operations, including downstream in the production of goods and materials. We will use that information to shape our future actions on how modern slavery risk can be identified, managed and mitigated.

¹ North Korea, Eritrea, Burundi, Central African Republic, Afghanistan, Mauritania, South Sudan, Pakistan, Cambodia, and Iran.

² North Korea, Pakistan, Iran, India, China, Nigeria, Indonesia, Democratic Republic of the Congo, Russia, and the Philippines.



RISKS IN OUR OPERATIONS AND SUPPLY CHAIN

ADCO considers that the following risk factors need to be considered in the context of our supply chain:

- **Category of service:** We have identified sectors and industries within our operations and supply chain that may have a higher prevalence and/or greater risk of modern slavery practices because of their characteristics, products, and processes. These include services provided by migrant workers, transient or casual labour, low skill workers or labour hire contractors. For instance, certain fit-out and finishing trades which experience peaks and troughs in their labour force and/or where language communication barriers exist, provision of cleaning services, and shipping and freight services may have a higher risk of modern slavery practices, even in Australia.
 - **Category of product:** We have identified risks associated with services or products because of the way that the service or product is produced, provided, or used. These include construction materials we, or our supply partners, may procure directly from overseas, including from China, such as façade glazing systems and structural steel. In the current reporting period we have identified Solar Panels as product risk following its identification in the 2023 Index as being among the top five imported products (by value) that are at risk of modern slavery in production. The risk presented in the production and procurement of Solar Panels is further examined in our Actions Taken.
 - **Country of origin:** We have considered the risks posed by countries with poor governance, weak rule of law, or that are vulnerable to conflict, including the 10 high risk countries identified in the 2018 Index as having the highest prevalence of modern slavery. ADCO has not procured any materials, goods, or services directly from those regions in the current reporting period. However, as noted, we are conscious that the Australian construction industry relies heavily upon imports from overseas including from Asia and Europe. Among our key actions undertaken in the current reporting period has been the roll-out of our Modern Slavery Survey to better determine the country of origin for goods procured by our supply partners, whether sourced directly from overseas or through local Australian based distribution chains.
 - **Specific entity risks:** We have also considered whether there are any specific risks associated with a particular entity due to their poor human rights and labour practices record or poor governance structures. We have found no specific entity risks in that review.
- We have identified these risk factors initially using information published by the Walk Free Foundation (the 2018 Index) and the International Labour Organization (Report: Global Estimates of Modern Slavery: Forced Labour and Forced Marriage). These risk factors have, and will continue to, affect the risk methodology that we apply in our business.



We note that towards the end of the current reporting period the Walk Free Foundation released the 2023 Index, which includes an updated list of the 10 countries estimated as having the highest prevalence of people living in modern slavery³. This has seen Saudi Arabia, Turkiye, Tajikistan, United Arab Emirates, Russia and Kuwait join North Korea, Eritrea, Mauritania and Afghanistan among the countries of highest prevalence. The 2023 Index has also seen Turkiye, Bangladesh and the United States emerge in the 10 countries estimated as having the highest absolute numbers of people living in modern slavery⁴. We will continue to draw upon the 2023 Index to shape our future response to modern slavery risks in our business operations.

During our previous reporting periods we conducted a 3 year mapping of our supply chain by identifying our top 300 subcontractors and our top 300 goods and service providers by spend in each of our four primary operational states: Queensland, Victoria, New South Wales and Western Australia. The results of that 3 year mapping is set out below:

Supply Partners by Spend - 3 Year Mapping

| | FY 2019/2020 | | FY 2020/2021 | | FY 2021/2022 | |
|---------------------|-----------------|-----|-----------------|-----|-----------------|-----|
| Subcontract Works | \$609.5M | 91% | \$620.9M | 85% | \$811.9M | 90% |
| Goods and Services | \$60.3M | 9% | \$108.8M | 15% | \$90.3M | 10% |
| Total Supply | \$669.8M | | \$729.7M | | \$902.2M | |

In each period, we then refined and targeted our mapping to focus more directly on Subcontract Works spend exceeding \$200K and Goods and Services Supply spend exceeding \$100K. These financial thresholds allowed us to focus on the largest sections of our supply chain by value, being our medium-large scale subcontractors and suppliers.

Supply Partner Mapping

Using data gathered in the FY 2020/2021 reporting period (the mid-year of our mapping cycle), investigations were undertaken into the nature of business operations and employment arrangements in place across a target group of over 500 individual subcontractors. This included consideration of:

- The nature and value of works undertaken;
- Whether workers were engaged under an enterprise agreement approved by the Fair Work Commission (FWC);
- Whether the entity is a domestic Australian based entity;
- Whether the entity had any known operations in countries identified as having a high prevalence of modern slavery, or largest absolute numbers of people in modern slavery;
- Whether the entity relies upon direct importation of goods or materials from such countries; and
- Any specific risks associated with a particular entity due to poor human rights and labour practices record or poor governance structures.

³ North Korea, Eritrea, Mauritania, Saudi Arabia, Turkiye, Tajikistan, United Arab Emirates, Russia, Afghanistan, and Kuwait.

⁴ India, China, North Korea, Pakistan, Russia, Indonesia, Nigeria, Turkiye, Bangladesh, and the United States.

The data collected provided us with the following detailed supply partner mapping of our direct supply chain by nature of works and employment conditions.

Importantly, the majority of our industry partners are repeat supply partners, well known to the business. This allows us to rely confidently on our past mapping to shape our future actions.

| Nature of Subcontract Works | Value | % of Total | % EA Cover ⁴ |
|---|-----------------|-------------|-------------------------|
| Excavation and Civil Works | \$68.0M | 11.9% | 68% |
| Building Services | \$187.9M | 32.9% | 81% |
| Concrete Structures | \$83.0M | 14.5% | 80% |
| Brickwork and Masonry | \$7.2M | 1.3% | 58% |
| Structural Steel and Metalwork | \$38.3M | 6.7% | 60% |
| Façade Cladding and Glazing Systems | \$24.5M | 4.3% | 56% |
| Roofing | \$21.9M | 3.8% | 67% |
| Ceilings, Partitions and Linings | \$36.6M | 6.4% | 78% |
| Carpentry and Joinery | \$19.5M | 3.4% | 59% |
| Carpet and Vinyl | \$4.9M | 0.9% | 55% |
| Tiling and Paving | \$8.7M | 1.5% | 47% |
| Painting | \$3.6M | 0.6% | 45% |
| Traffic Control, Labour Hire and Cleaning | \$7.4M | 1.3% | 73% |
| Tower Cranes | \$4.6M | 0.8% | 71% |
| Scaffolding | \$2.7M | 0.5% | 31% |
| Landscaping | \$13.1M | 2.3% | 30% |
| Other | \$38.7M | 6.8% | 47% |
| Total Supply | \$570.7M | 100% | 70% |

The above mapping demonstrated that a majority of all subcontract trade groups employ their site-based workers under an enterprise agreement approved by FWC with the overall average coverage reaching 70%.

The 'top 3' trade groups by value, Excavation and Civil Works, Building Services and Concrete Structures, accounting for almost \$340M (60%) of the total spend, averaged 78% enterprise agreement coverage.

Other significant and labour-intensive trades were also shown to have high levels of enterprise agreement coverage, including Ceilings, Partitions and Linings at 78% and Traffic Control, Labour Hire and Cleaning at 73%.

Each entity considered in our supply partner mapping was a domestic Australian based entity. No entity was identified as having any direct operations in countries recognised as having a high prevalence of modern slavery, or highest absolute numbers of people in modern slavery.

Finally, our mapping did not raise any specific concerns associated with a particular entity due to poor human rights and labour practices record or poor governance structures.

As with the Subcontract Works stream, we conducted similar mapping against our Goods and Services providers. This however excluded the enterprise agreement component, which is less prevalent due to the nature of employment arrangements in that stream, including professional consultancy services.

⁴ Enterprise Agreement approved by FWC

The mapping which emerged for Goods and Services providers is set out below:

| Nature of Goods or Services | Value | % of Total |
|--------------------------------|----------------|-------------|
| Consultant Services | \$26.0M | 28.3% |
| Reinforcement Supply | \$15.6M | 17.0% |
| Concrete Supply | \$13.2M | 14.3% |
| FF&E Supply | \$7.6M | 8.3% |
| Authority Services | \$5.9M | 6.5% |
| Plant, Equipment and Shed Hire | \$8.9M | 9.7% |
| Environmental Services | \$3.3M | 3.6% |
| Hardware Supply | \$3.4M | 3.8% |
| Electrical Equipment Supply | \$1.2M | 1.4% |
| Specialist Equipment Supply | \$0.2M | 0.2% |
| Other | \$6.3M | 6.9% |
| Total Supply | \$91.6M | 100% |

More than 28% of the total spend related to professional services, mostly design and engineering services, provided by professionally qualified consultants. A further 31% was attributed to locally procured concrete and steel bar reinforcement supplied by well-established Australian based companies.

Other areas included fee-based services provided by Authorities (6.5%) and the direct hire of plant and equipment (9.7%), usually provided on a dry-hire basis from recognised locally based plant hire providers.

All direct supply of goods procured by ADCO, including FF&E, Hardware, Electrical Equipment and Specialist Equipment was purchased through domestic Australian based suppliers or distributors.

Our conclusion from mapping our Goods and Services supply stream is that the nature of the procurement and the employment arrangements typically in place present a low risk of modern slavery in our business operations.

Mapping Conclusions - Future Focus

As a result of our Supply Partner Mapping, which we recognise is weighted towards our large spend supply partners, we concluded that:

- Our overall risk of modern slavery within our direct operations and within our immediate direct supply chain, which is comprised almost exclusively of domestic Australian based companies and professional trades working under recognised and well-regulated employment conditions, is relatively low;
- The professional and well-regulated nature of the supply within our Goods and Services stream, again comprising an almost exclusive Australian based geography, presents an even lower risk area within our business operations;
- The nature of our business operations, our geographical footprint and supply partner relationships have not changed significantly over the mapping period, with our operating model founded strongly on repeat business suppliers; and
- To the extent that modern slavery risks exist in our supply chain, they are more likely to occur:
 - Earlier in the supply chain (e.g. extraction of raw materials, overseas production and manufacturing phases);
 - With supply partners who may operate outside the 'large-spend' focus; and/or
 - Where particular worker vulnerabilities exist, such as language barriers or a transient workforce.

As a result of these conclusions, towards the end of FY 2021 /2022, our Modern Slavery Working Group (MSWG) conducted a risk review which included consideration of:

- The proportion of ADCO's overall supply chain represented by each supply category;
- Whether the use of sub-subcontractors is prevalent within the supply category;
- Complexity within the supply partners' own supply chain;
- The extent to which the supply partners rely (or are likely to rely) on overseas procurement or imported products distributed locally;
- The visibility ADCO has into the supply partners' domestic based workforce, including off-site fabrication;
- The extent to which the supply partners are likely to rely upon a transient or casual workforce;
- The potential existence of language barrier vulnerabilities; and
- Any other geographic, product or specific entity risks.

This review prompted a shift in risk focus, resulting in our MSWG:

- Developing our Modern Slavery Survey in the second half of FY 2021/2022, which was trialled with a group of 80 supply partners, achieving a return rate of 68% (54 Surveys);
- Further refining the Modern Slavery Survey after the trial and implementing it more broadly in FY 2022/2023;
- Adopting a 24 month survey frequency for supply partners;
- Streamlining the supply partners who would be surveyed to focus on the following ten (10) trade categories, irrespective of spend value:
 - Building Services
 - Concrete Structures
 - Structural Steel and Metalwork
 - Facades and Glazing
 - Ceilings and Partitions
 - Carpentry and Joinery
 - Carpet and Vinyl
 - Tiling and Paving
 - Painting
 - Traffic Control, Labour Hire and Cleaning
- Recommending that suppliers in the Goods and Services stream are exempt from the Modern Slavery Survey, on the basis that they present a very low risk (but remain subject to future review); and
- Recognising that other categories of supply may be required to complete the Modern Slavery Survey where a particular geographic, product or specific entity risk is identified.



ACTIONS TAKEN

The key actions undertaken by ADCO in the current reporting period are outlined below.

Supply Partner - Procurement Phase Evaluation

ADCO’s onboarding of potential supply partners requires them to respond to specific questions concerning modern slavery compliance. This is captured in our Trade Partner Tender Evaluation Report and includes the supply partner:

- Acknowledging and agreeing to the modern slavery provisions in ADCO’s contract documentation;
- Warranting that they do not and will not utilise modern slavery either directly or within their supply chain;
- Confirming that they are not aware of any modern slavery risks in their operations or supply chain;
- Agreeing to notify ADCO if they become aware of, or suspect the use of, modern slavery in their supply chain; and
- Agreeing to participate in a modern slavery audit.

Supply partners engaged through our Subcontract Works stream in the current reporting period were required to satisfy the above requirements during procurement and prior to award.

These provisions complement the steps taken by ADCO in previous reporting periods to incorporate modern slavery requirements, our Modern Slavery Policy, and our Supplier Code of Conduct in all supplier procurement packages.

Modern Slavery Survey

ADCO refined its trial-based Modern Slavery Survey developed in FY 2021/2022 and issued it to supply partners falling within the ten (10) trade categories identified in our risk review described under Mapping Conclusions – Future Focus. This included services which represent a higher risk of modern slavery, including for example, hired or transient labour, cleaning services, site security, traffic control, and suppliers of ADCO branded uniforms.

293 supply partners nationally completed the survey, in addition to the 54 supply partners who returned to the original trial survey in FY 2021/2022. Over both reporting periods, ADCO has therefore received 347 survey responses from its supply partners, answering in aggregate more than 8,300 questions, to better inform us about our supply chain.

The survey includes 24 individual questions addressing the following subject areas:

- Your Organisation Details
- Modern Slavery Risks Within Your Organisation
 - Modern Slavery Act Governance Framework
 - Employment Conditions
 - Child Labour and Migrant Workers
 - Grievance and Redress Mechanisms
- Modern Slavery Risks Within Your Supply Chain

In addition, some answers trigger a follow-up question which must also be answered. Questions provide for the supplier to upload supporting information. All questions allow the supplier to add comments to expand on the answers provided.

The survey provides an automated weighted risk score (Initial Risk Rating), with differing risk weighting applied to various answers, and adopting the following overall risk grading scale:

| Weighted Score | | |
|----------------|------|------|
| Risk Grade | From | To |
| High Risk | 0% | 30% |
| Medium Risk | 30% | 70% |
| Low Risk | 70% | 100% |

Results which returned a Medium Risk or High Risk score were reviewed by our MSWG to determine the precise area of risk and actions required in response, including direct dialogue with the supply partner, before a Final Evaluation is undertaken.

A summary of the key findings and analysis to emerge from the Modern Slavery Survey are provided in the next section, Assessing Effectiveness. These results will help shape our future actions and the development and monitoring of performance indicators, including with respect to improved awareness and governance.

Training for New Employees

ADCO developed a tailored Webex training program during our second reporting period (FY 2020/2021) which was rolled out to all existing employees at that time and all new employees who have joined the company in subsequent reporting periods.

This now constitutes mandatory training for all staff and is embedded in our National Training Plan, which is designed to support learning, personal development and maintain industry standards.

The training module is customized specifically for ADCO employees so that they gain an in-depth understanding of not only the requirements outlined in the Modern Slavery Act 2018 (Cth) but also:

- What constitutes modern slavery;
- The extent and impact of modern slavery in Australia and globally;
- The different types of modern slavery risks and the prevalence of these risks having regard to the industry in which ADCO operates, including geographic risk, the nature of the products or services we acquire, and the risks associated with a specific entity from whom we source products and/or services;
- How ADCO is responding to these risks in its own operations and supply chain;
- How ADCO employees can exercise leverage to reduce the risk of modern slavery; and
- The process within ADCO to allow employees to raise concerns confidentially, in line with our Whistleblower and Modern Slavery Policies.

During the current reporting period, 81 new employees undertook modern slavery training. This is in addition to the 615 employees who undertook training across our previous reporting periods.

Our National Training Plan has also been updated to include for refresher training to be undertaken annually by all employees.

Improved Awareness - ADCO Employees

In addition to the training provided to new employees, during the current reporting period we have shared our Modern Slavery Business Update with all employees, which included:

- Our actions in the current reporting period;
- A modern slavery awareness talk - “Modern-day slavery in supply chains | Dan Viederman | TEDxBerkeley”; and
- Modern slavery awareness posters developed by Supply Chain Sustainability School.

Improved Awareness - Supply Partners

As part of our Modern Slavery Survey roll out, we provided all surveyed supply partners with an information pack to improve their awareness of modern slavery risks in their supply chain.

The information pack included modern slavery awareness posters developed by Supply Chain Sustainability School to assist supply partners and their employees to ‘spot the signs’ of modern slavery and provide them with advice on how to respond to suspected modern slavery, including reporting and assistance options.



The awareness posters were also placed in visible locations on all ADCO project sites nationally and in each of our state offices.

Solar Panel Investigation

During the current reporting period, we recognised an increased risk of modern slavery associated with the manufacture of Solar Panels, which was identified in the 2023 Index as being among the top five imported products (by value) that are at risk of modern slavery in production.

We recognise that solar panel production relies heavily on the use of polysilicon and that China now accounts for almost 90% of global production of polysilicon. We are also conscious that:

- Xinjiang, officially the Xinjiang Uyghur Autonomous Region (XUAR), in north-west China is one of the worlds biggest producers of polysilicon (accounting for 40-45% of global production)⁵; and
- Concerns have been raised by researchers and human rights activists in relation to alleged use of forced Uyghur labour in XUAR⁶.

We commenced an investigation into the specification, sourcing and use of Solar Panels on our construction projects during the reporting period. We identified that:

- We had 24 projects where Solar Panels were either supplied, or specified to be supplied;
- Manufacture of the Solar Panels was spread across 9 different manufacturers;
- None of the manufacturers were direct supply partners to ADCO;
- All 9 manufacturers hold manufacturing plants in China; and
- One manufacturer also holds manufacturing plants in the US, Malaysia and Vietnam;

Our initial research has focused on several critical aspects of each manufacturer's practices, including Modern Slavery Statement submissions, modern slavery policies, supplier and manufacturing locations, certifications, UN Global Compact status, media references to Uyghur forced labour, and other pertinent details.

The findings underscored that companies with published Modern Slavery Statements, active UN Global Compact (UNGC) status, industry commendations, or similar attributes could still have direct or indirect ties to Uyghur forced labour in their supply chains. Not all manufacturers identified on ADCO projects maintain current Modern Slavery Statements or transparent supply chain practices.

Additionally, our research illuminated the inherent diversity within Environmental, Social, and Governance (ESG) and Corporate Social Responsibility (CSR) reporting, frameworks, and assurance systems, highlighting the lack of consistency and clarity in these systems.

ADCO is yet to finalise its actions arising from these findings in the current reporting period, however recommendations to be considered through our MSWG in FY 2023/24 include:

- Proactively addressing modern slavery risks associated in solar production within our supply chain, including setting a minimum requirement of sourcing solar panels only from companies who hold both a current Modern Slavery Statement and active Global Compact status;
- Establishing a further process for obtaining additional information from company directors if a company's operations or supply chain is identified as having production links to Uyghur or other forced labour; and
- Raising awareness with our clients, design consultants and supply partners, particularly relevant subcontractors and specialist solar installers, regarding the risk of modern slavery in solar panel production.

⁵*Addressing Modern Slavery in the Clean Energy Sector - A white paper by the Clean Energy Council in collaboration with Norton Rose Fulbright Australia*

⁶*In Broad Daylight: Uyghur Forced Labour and Global Supply Chains - Report by the Helena Kennedy Centre for International Justice, Sheffield Hallam University*



ASSESSING EFFECTIVENESS

Through our earlier reporting periods we developed a framework to improve awareness and monitor the effectiveness of our actions in detecting and mitigating risks of modern slavery in our operations and supply chain. Our MSWG has been central to those efforts. In this reporting period particularly, the MSWG has also been strongly supported by both middle and senior management to secure the engagement of our supply partners in completing Modern Slavery Surveys.

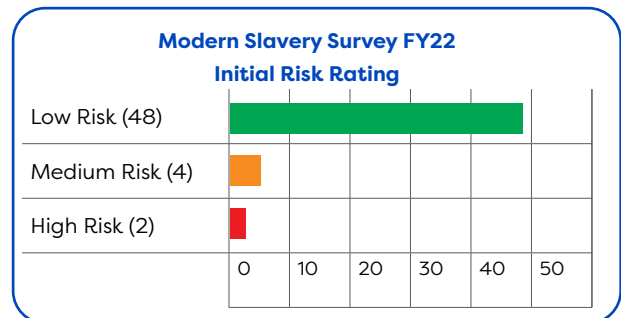
We are continuing to advance our monitoring and assessment procedures across the business and through our supply chain, as evidenced in our Actions Taken. We have successfully implemented our Future Actions from the previous reporting period and continue to measure our performance against several key performance indicators, including:

- Conducting an annual review of our risk assessment methodology;
- Applying the risk methodology to our key suppliers;
- Engaging in dialogue with supply partners who present as medium or high risk;
- Monitoring the number of personnel who have undertaken modern slavery training; and
- Monitoring the number of suspected or identified modern slavery incidents so that remediation steps can be implemented.

With the use of more sophisticated measurement tools and platforms, particularly the data emerging from our Modern Slavery Surveys, we will continue to strengthen the awareness, visibility and depth of understanding within our own organisation and through our supply chain so that we can enhance our improvement actions moving forward.

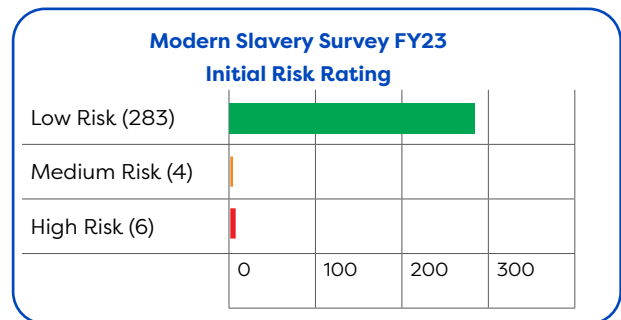
Modern Slavery Survey Outcomes

During the FY 2021/2022 reporting period 54 supply partners completed our trial Modern Slavery Survey, returning the following Initial Risk Ratings:



We noted in our Modern Slavery Statement for FY 2021/2022 that, after investigation and dialogue with each of the Medium and High Risk supply partners, a final evaluation of Low Risk was determined in each instance.

A further 293 supply partners completed our Modern Slavery Survey in the current reporting period, bringing the total number of surveyed supply partners to 347.



Again, in each instance the Medium or High Risk results were investigated by members of our MSWG, including direct dialogue with the supply partner.

In relation to each of the High Risk results, it was found that each supply partner had misinterpreted (and therefore incorrectly answered) a question which carried a significant high risk weighting. When a final evaluation was undertaken and the errors corrected, each of the supply partners were determined to be Low Risk.



In relation to each of the Medium Risk results it was found that each supply partner had, variously:

- Misinterpreted (and therefore incorrectly answered) a question which impacted their risk score; or
- Returned a Medium Risk rating due to their employment of migrant workers, however in each instance the workers were employed under appropriate Australian visa and/or sponsorship arrangements; or
- Procured goods or services, such as glass, aluminium or electronic components, or professional / administrative services, from countries with the highest absolute numbers of people living in modern slavery (e.g. China, India, and the Philippines), however the nature of the goods and services procured was not uncommon for the Australian construction industry and was regarded as low risk.

When a final evaluation was undertaken and the above factors taken into consideration, each of the supply partners was determined to be Low Risk.

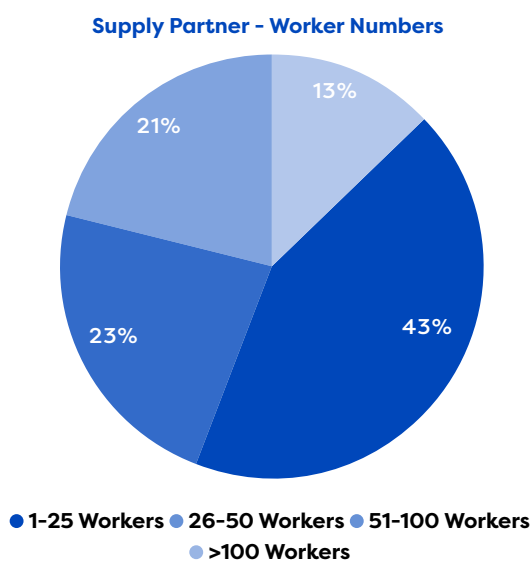
Therefore all 347 supply partners who participated in the Modern Slavery Survey over the current and previous reporting periods have returned a Low Risk rating after final evaluation.

Other Observations and Key Findings

Other observations and key findings which emerged from the Modern Slavery Survey, across both reporting periods, are set out below.

Organisation Details

The survey results provide the following profile for the size of organisation (by worker numbers) and employment arrangements in place with 347 surveyed supply partners:



Of the above, 131 supply partners (38%) reported that they employ Permanent Workers only, whilst the remaining 216 supply partners (62%) engage a combination of Permanent Workers, Casual Workers, Contract Workers and/or Labour Hire. A total of 18 supply partners (5%) reported using only Casual Workers, Contract Workers or Labour Hire.

All supply partners reported that workers were engaged under either:

- An Enterprise Agreement approved for the Fair Work Commission;
- A Modern Award; or
- Individual common law contracts of employment.

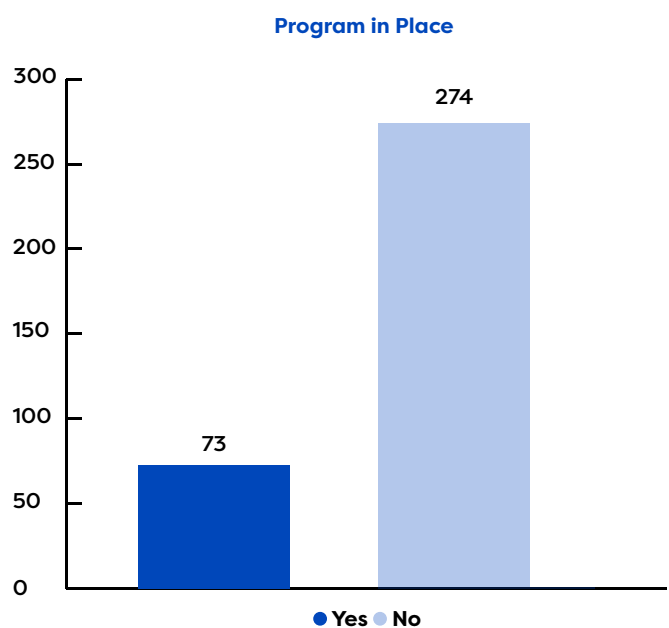
Governance, Programs, Policies and Training

None of the supply partners surveyed were aware of any modern slavery in their operations or supply chain and none were aware of any past instances of modern slavery.

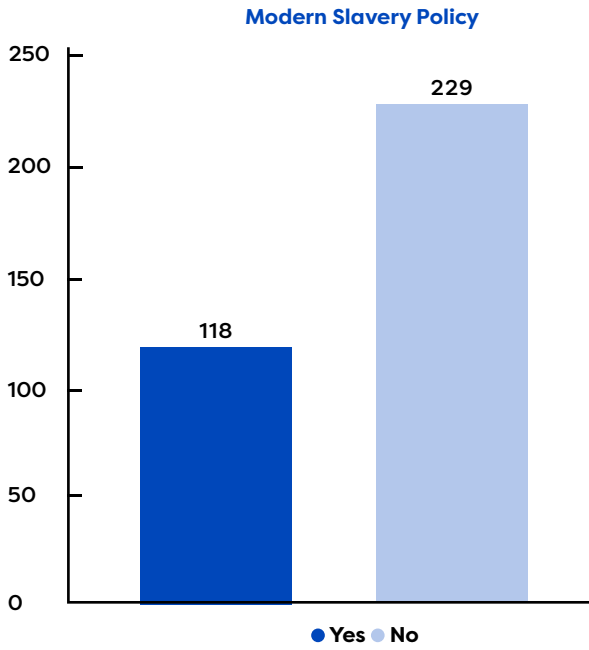
No supply partner, nor any of its key officers or directors, was subject to regulatory investigation in any country for alleged use of forced labour or human trafficking.

Notwithstanding the above, the extent of formal programs, policies and training put in place by supply partners offers room for improvement and greater awareness in governance frameworks. The following details provide insight into our supply partner responses to key questions around programs, policies and training.

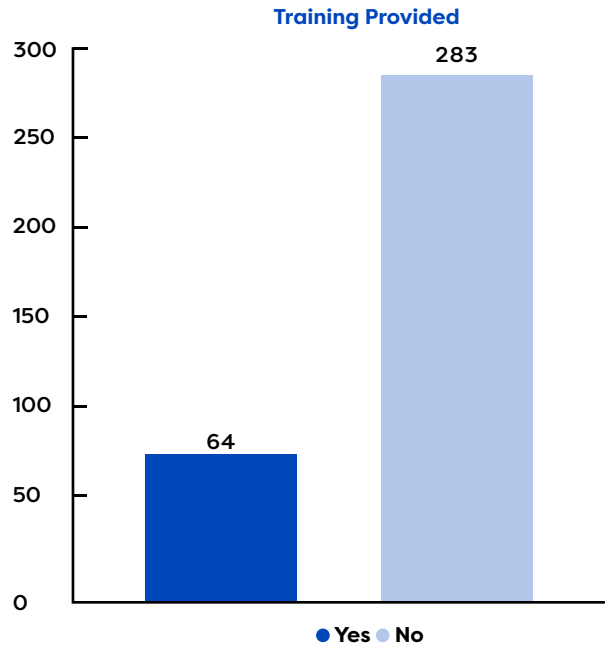
“Does your organisation have a program in place to ensure that modern slavery does not exist in your business operations and supply chain?”



“Does your organisation have in place a written modern slavery policy or Code of Conduct prohibiting modern slavery in its operations and supply chain?”

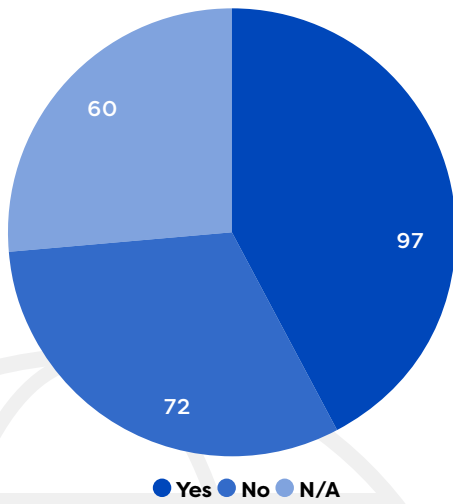


“Does your organisation provide modern slavery training to employees that includes how to recognise, prevent and report modern slavery?”



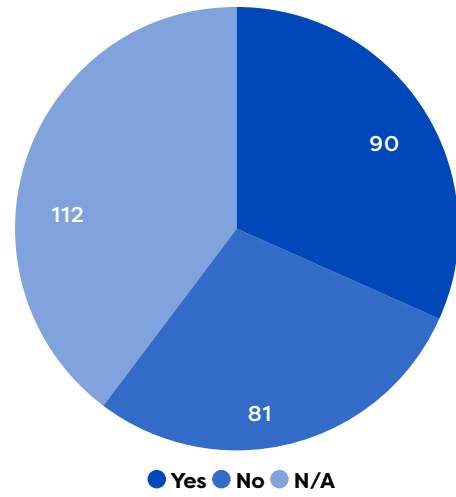
“Do you plan to introduce a modern slavery policy or Code of Conduct in the next 12 months?”

Plan to Introduce a Modern Slavery Policy



“Do you plan to introduce modern slavery training in the next 12 months?”

Training Planning within 12 Months



Employment Conditions

None of the supply partners surveyed engaged in conduct indicative of modern slavery practices, such as:

- Retaining originals of identity related documents;
- Requiring workers to lodge “security deposits” or pay recruitment fees; or
- Deducting wages, imposing monetary fines, or withholding pay entitlements,

All supply partners reported that employees / workers were:

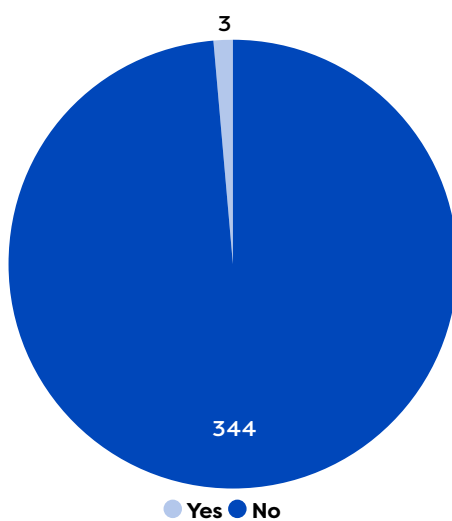
- Provided with a written document in a language they understand that describes their terms of employment, including wage rates and working hours;
- Free to lawfully resign their employment without restriction or penalty (other than customary and reasonable notice);
- Paid on a regular recurring basis at least once per month; and
- Provided with pay slips setting out the calculation of wages paid, including any applicable deductions.

Sources of Supply

No supply partner reported any direct operations or workers in any of the 10 countries which have the highest prevalence of people in modern slavery⁷.

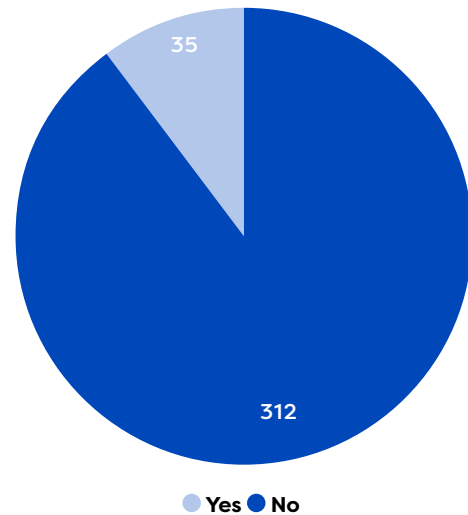
Three (3) supply partners (1%) reported having direct operations in one or more of the 10 countries which have the highest absolute numbers of people living in modern slavery. Those operations were held in China, India and the Philippines.

Operations in countries with highest absolute numbers in Modern Slavery



35 supply partners (10%) reported having directly procured goods or services from one or more of the 10 countries which have the highest absolute numbers of people living in modern slavery. Unsurprisingly, those goods or services were primarily procured from China (31 instances), along with India (6), the Philippines (5) and Indonesia (2).

Procurement from countries with highest absolute numbers in Modern Slavery



The goods and services which were either produced directly by the supply partners in their own overseas operations or through direct overseas procurement included administrative and professional services, steel and aluminium, glass, porcelain and ceramic tiles, elevators and elevator components, access and automation equipment, hardware, tools, and clothing.

The trends identified above and other data which has emerged through our Modern Slavery Survey, provide us with a more granular view of our supply chain than was available to us in previous reporting periods.

This will be used to enhance our modern slavery strategies and evaluation of risk in future reporting periods.

⁷ As identified in the 2018 Global Slavery Index





CONSULTATION

ADCO Constructions Pty Ltd is responsible for ADCO's broader modern slavery and human trafficking initiatives, policies and procedures.

As the reporting entity with the greatest ability to influence the supply chain, ADCO Constructions Pty Ltd has prepared this joint statement with the support of our Modern Slavery Working Group. This group is comprised of directors and representatives from legal, IT, corporate governance, risk and compliance, finance and commercial procurement teams across the reporting entities. Members of the group have regularly engaged with our various business units, senior management, boards of directors, and key advisors to ensure each of our reporting entities were appropriately consulted.

With the implementation of our Modern Slavery Survey, and other Actions Taken, we are achieving a greater depth of consultation with our supply partners and a better understanding of modern slavery risks within their supply chain and ours.



FUTURE ACTIONS

We are pleased to report that each of our key future actions identified for the FY 2022/2023 reporting period were achieved and indeed expanded upon, particularly with the identification of product risk in solar panel production and our preliminary investigations into that risk.

As a business, we remain committed to continuous improvement in FY 2023/2024, in collaboration with our supply partners.

In FY 2023/2024, we will focus on:

- Updating our Modern Slavery Survey to recognise evolving risks and the changing global landscape, including consideration of issues emerging from the 2023 Global Slavery Index;
- Evaluating more closely the results emerging from our Modern Slavery Survey in the current reporting period, including in relation to supply partners who report using only Casual Workers, Contract Workers or Labour Hire in their operations;
- Encouraging a greater number of our supply partners to introduce a Modern Slavery Policy, conduct Modern Slavery Awareness Training with their workforce, and improve awareness, identification and reporting of modern slavery risks earlier in their own supply chain;
- Expanding our current online and site-based inductions to improve modern slavery awareness among all construction workers who attend our project sites;
- Refreshing our inhouse Modern Slavery Training module, including capturing the latest issues and data to emerge from the 2023 Global Slavery Index;
- Maintaining a spotlight on specific areas within our own business which present a higher risk of modern slavery, including for example overseas procurement, hired or transient labour, language barrier vulnerabilities, cleaning and security services, and suppliers of ADCO branded uniforms and merchandise;
- Implementing our recommendations relating to the risk of modern slavery in solar panel production; and
- Continuing to review and implement our key performance indicators to measure the effectiveness of our actions in combatting modern slavery.

We look forward to reporting on our progress in these focus areas in our next statement.

APPROVAL OF STATEMENT

This joint statement is issued by **ADCO Constructions Pty Ltd** (ACN 001 044 391) and covers **RJH Holdings Pty Limited** (ACN 001 203 256), **ADCO Constructions Pty Ltd** and **ADCO Group Pty Limited** (ACN 094 531 272), each being a “reporting entity” for the purposes of the Modern Slavery Act 2018 (Cth). References in this statement to “ADCO” are references to the reporting entities and the entities they own and control.

This statement has been approved by the Board of each of the reporting entities on 14 November 2023. Each Board has authorised Judith Brinsmead to sign this statement in her capacity as Chairman of the Board of each reporting entity.



Judith Brinsmead AM
CHAIRMAN



Sydney

Address

Level 2, 7-9 West Street,
North Sydney NSW 2060

Postal

PO Box 1982, North Sydney
NSW 2059

Email

Sydney@adcoconstruct.com.au

Reception

(02) 8437 5000

Brisbane

Address

23 Graham Street,
Milton QLD 4064

Postal

PO Box 1167, Milton
QLD 4064

Email

Brisbane@adcoconstruct.com.au

Reception

(07) 3511 5555

Gold Coast

Address

Level 5, 7 Bay Street,
Southport QLD 4215

Postal

PO Box 10393, Southport BC
QLD 4215

Email

Southport@adcoconstruct.com.au

Reception

(07) 5577 0900

Perth

Address

Level 5, 12 The Esplanade,
Perth WA 6000

Postal

PO Box 1141, West Perth
WA 6005

Email

Perth@adcoconstruct.com.au

Reception

(08) 9211 0900

Melbourne

Address

Level 9, 75 Dorcas Street,
South Melbourne VIC 3205

Email

Melbourne@adcoconstruct.com.au

Reception

(03) 9832 1400



ADCO

adcoconstruct.com.au