



Modern Slavery Statement

NHP Electrical Engineering Products Pty Ltd

2023/2024



www.nhp.com.au

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Purpose

This Modern Slavery Statement is submitted in accordance with the Modern Slavery Act 2018 (Cth) and sets out actions taken by NHP Electrical Engineering Products Pty Ltd (“NHP”) in identifying and addressing modern slavery risks within our operations and supply chain and serves as a critical tool for promoting transparency and accountability, as well as demonstrating a commitment to responsible business practices and continuous improvement in the fight against modern slavery.

What is Modern Slavery?

The term modern slavery is used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. It covers but is not limited to the following activities:

- Slavery: where ownership is exercised over an individual
- Servitude: involves the obligation to provide service imposed by coercion
- Forced and compulsory labour: all work or service, not voluntarily performed, which is obtained from an individual under the threat of force or penalty.
- Human trafficking: involves arranging or facilitating the travel of another with a view to exploiting them.
- Child labour: whilst not always illegal in the jurisdiction in which it takes place, child labour involves the employment of children that is exploitative or is likely to be hazardous to or interfere with a child’s education, health (including mental health), physical wellbeing or social development.

It does not include practices like substandard working conditions or underpayment of workers. However, these practices are also illegal and harmful and may be present in some situations of modern slavery. These practices may also escalate into modern slavery if not addressed.

All forms of modern slavery have in common, the deprivation of a person’s liberty by another in order to exploit them for commercial or personal gain and amount to a violation of an individual’s fundamental human rights.

1. REPORTING ENTITY

Our Business

NHP is a privately owned Australian electrical engineering products distributor and manufacturer. Its Head office is in Melbourne, Australia with around 800 employees located across more than 20 branches in Australia and New Zealand. NHP has been trading since October 1968.

Our Values

NHP’s values make clear to our employees the actions and behaviour expected of them when representing NHP. We strive to maintain the highest standards of employee conduct and ethical behaviour when operating and managing our supply chain. NHP is committed to conducting business responsibly and ensuring that human rights are respected within our areas of influence.

NHP’s Guiding Principles of Enjoyment, Team Spirit, Flexible Discipline, Accountability, Empower the Customer and Make a Difference are the compass for our actions, decisions and behaviours.

2. STRUCTURE, OPERATIONS AND SUPPLY CHAIN

Organisational Structure & Operations

NHP's main operations include a large team of sales employees supported by product management, and technical experts. NHP's supply chain includes the sourcing, manufacturing, and distribution of its full product range of around 70,000 SKU's used in construction, mining, manufacturing, and commercial building activities. In this context NHP is sourcing a number of its products from overseas manufacturers located in Europe, the UK, America, and Asia and managing the subsequent distribution of these products in Australia and New Zealand.

Supply Chain Mapping

NHP undertake ongoing risk assessments of modern slavery risks in our operations and supply chains including reviewing resources such as the Global Slavery Index as well as other materials and information available on risks of modern slavery. We have taken a range of factors into consideration to identify the relevant risks factors of modern slavery practices in the countries in which our suppliers operate. This includes online supplier audits that are reviewed bi-annually with our supply line partners in consultation with the applicable Product Managers who have undertaken relevant training.

NHP regularly compiles a report that maps the countries of origin for products used in our manufacturing process and/or those supplied to our customers. This report is then compared with data from the Global Slavery Index to identify and monitor at-risk countries accordingly.

3. RISK OF MODERN SLAVERY IN OUR SUPPLY CHAIN

Risk of Modern Slavery in our Supply Chain

Following the audits and mapping reports that are run, NHP have determined that we source less than 39% of our goods / services outside of Australia. Utilising global frameworks, we identified that we do not purchase product from any of the highest risk countries, with the largest estimated numbers of people in modern slavery.

However, NHP acknowledges that the risk of modern slavery may be heightened in certain countries that have previously been noted as high risk (China and India for example) and ensure to monitor this accordingly. We continue to review the requirement to put in place more frequent assessments of these suppliers.

4. DUE DILIGENCE AND REMEDIATION PROCESSES

Supply Chain Management

At NHP, we conduct thorough due diligence when evaluating potential new suppliers and periodically review our current suppliers. Our due diligence and review process includes:

- Mapping the supply chain broadly to assess specific product or geographical risks of modern slavery and human trafficking;
- Evaluating the modern slavery and human trafficking risks of each new supplier;
- Re-engaging with our on-going suppliers every two years through an automated system that is overseen by the relevant Product Manager;

- Conducting supplier audits and/or assessments with a greater focus on slavery and human trafficking where general risks are identified;
- Invoking sanctions against suppliers that fail to improve their performance in line with an action plan or seriously violate our supplier code of conduct, including the termination of the business relationship.

We continuously assess the effectiveness of our current procedures in relation to Governance, Procurement, Supply Chain, HR practices and Reporting. Recognising the due diligence is an ongoing process across our operations, we continue to focus on projects that enable monitoring of the efficacy of our processes, working in consultation with our supply line partners and product managers.

During the current reporting period, NHP has established a cross-functional team dedicated to ESG (Environmental, Social, and Governance) initiatives. This team's focus includes strengthening our relationships with supply line partners in various areas, such as modern slavery, basic human rights and sustainability.

Supplier Code of Conduct

NHP is actively committed to limiting the risk of modern slavery occurring within its own business, infiltrating its supply chains or through any other business relationship. This applies to all persons working for or on behalf of the Company, in any capacity, including employees, directors, officers, agency workers, contractors, consultants and any other third-party representative.

NHP expects all who have, or seek to have, a business relationship with the Company to familiarise themselves with the Supplier Code of Conduct and to act in a way that is consistent with its values. The Company will only do business with organisations who fully comply with this code, or those who are taking verifiable steps towards compliance.

5. ASSESSING EFFECTIVENESS OF OUR ACTIONS

To underpin the commitments laid out in this policy statement, NHP will continue to collaborate and improve upon the procedures put in place during previous reporting periods including the following activities such as:

- Bi-annual reviews of our suppliers' base to identify where greatest potential exposure for modern slavery is within our supply chain.
- Ongoing continuous improvement in our supply chain and risk assessment processes for both current and potential supply line partners.
- Regular reviews of resources such as the Global Slavery Index to ensure we are on top of any changes to risk ratings for countries that are part of our supply chain.
- Ongoing automated audits and assessments of our supply chain to ensure secure capture of information.
- Regularly review our contractual documentation to ensure it clearly sets out specific prohibition against slavery or servitude, the use of forced, compulsory or trafficked labour, and the use of child labour in line with this policy statement.
- Continue to engage directly with new suppliers in respect of our Modern Slavery Statement, Modern Slavery Policy and Supplier Code of Conduct in order to gain a proper understanding of the measures they have in place to ensure that modern slavery is not occurring within their own businesses.

- Continue to make provision for our contracted suppliers to hold their own suppliers to the same standards.
- Conducting internal reviews with product managers and senior executives to ensure that they have an awareness of and are in alignment with the processes in place with regards to modern slavery risks in our supply chain and across our business in general.
- Reserving the right to terminate any contractual arrangement if there is breach of this statement or the Supplier Code of Conduct.

6. CONSULTATION

NHP is actively committed to limiting the risk of modern slavery occurring within its own business, infiltrating its supply chains or through any other business relationship. This statement applies to all persons working for or on behalf of the Company, in any capacity, including employees, directors, officers, agency workers, contractors, consultants and any other third-party representative.

NHP expects all who have, or seek to have, a business relationship with the Company to familiarise themselves with this statement and to act in a way that is consistent with NHPs values. The Company will only do business with organisations who fully comply with this statement and our Supplier Code of Conduct, or those who are taking verifiable steps towards compliance.

NHP addresses the risk of modern slavery through its onboarding process and ongoing education of its contractors through its safety management portal.

We note that NHP do not own or control any other entities and therefore criteria 16(1)(f) is not applicable.

7. OTHER RELEVANT INFORMATION

Relevant Policies

We operate the following policies that describe our approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in our operations:

- Human Resources Policy - We have zero tolerance of any threat of physical or sexual violence, harassment, or intimidation against employees and their family, or close associates. Our policies are clearly defined and communicated to all employees. All our employees are treated fairly and equally and are paid at least the national minimum wage.
- Procurement Policy - The organisation is committed to conducting purchasing activities in a fair, objective, and transparent manner that satisfies the requirements of accountability and internal controls including but not limited to NHP's 'Quality Management', 'Environmental', 'Ethical Code of practice', and 'Anti-Bribery' policies which fulfil legal and financial obligations and effectively manages commercial risk. Emphasis is placed on selecting suppliers and service providers that demonstrate recognisable environmental, sustainable, business integrity along with Corporate Social Responsibility (CSR) standards including but not limited to compliance with laws and regulations, respect for human rights, labour working conditions, equal opportunities, health and safety accreditation, maintenance and promotion of information security, fair trade, and acceptable corporate ethics.
- Recruitment Policy - The organisation uses only specified, reputable employment agencies to source agency workers and always verifies the practices and licences of any new agency it is using before accepting workers from that agency.

- Whistleblowing Policy - We encourage all of our employees, customers, and other business partners to report any concerns related to the direct activities, or the supply chains of, NHP. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. Our whistleblowing procedure is designed to make it easy for employees to make disclosures, without fear of retaliation.
- Code of Conduct Policy – NHP has established a document that is provided to all current and potential NHP employees providing a framework for the appropriate behaviour expected of them whilst they are representing NHP. The policy and supporting procedures apply to all NHP employees.

Breaches of This Policy Statement

The breach of this policy statement by an employee, director or officer of the Company may lead to disciplinary action being taken in accordance with the Company's Disciplinary Procedure. Serious breaches may be regarded as gross misconduct and can lead to immediate dismissal.

All employees will be expected to co-operate to the fullest extent possible in any investigation into suspected breaches of this policy statement or any related processes or procedures.

If any part of this policy statement is unclear, clarification should be sought from the Human Resources function.

Communication and Employee Awareness Training

Line Managers will ensure that relevant employees receive adequate training on this policy statement and any supporting processes applicable to their role.

NHP's Product Managers are trained on the requirements within the Modern Slavery Act and how it relates to the supply line partners that they directly interact with.

We will continue to review and update our training and communications with our contractors and employees in relation to Modern Slavery risks and our trading requirements.

Responsibility for This Policy

The Executive Board has overall responsibility for this policy statement and in ensuring that the Company complies with all its legal and ethical obligations.

The CEO/Managing Director will have the primary day-to-day responsibility for the implementation of this policy statement, monitoring its use and ensuring that the appropriate processes and control systems are in place, and amended as appropriate, to ensure it can operate effectively.

All Executive Team members are responsible for ensuring that their function complies with the provisions of this policy statement in the day-to-day performance of their roles.

Status of This Policy Statement

This Modern Slavery Policy Statement will be reviewed by the Executive Board on a regular basis. This notice reflects the Company's current practice. NHP will update the statement from time to time to reflect legal and operational requirements.

Approval of Statement

This Statement was approved by the board of NHP Electrical Engineering Products Pty Ltd on 27 November 2024.

A handwritten signature in black ink, appearing to be 'S. Coop', with a long horizontal stroke extending to the right.

Stephen Coop

Managing Director / CEO

27 November 2024