



BMD Group Modern Slavery Statement
FY21



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Introduction

BMD has grown from a small, Queensland family business to become one of Australia's largest privately-owned construction, consulting, and urban development organisations. Despite our growth, our unique Australian-owned and family heritage has remained, and our business will always truly be about our people.

Our ability to deliver major and minor infrastructure as well as urbanisation projects through our integrated business model offering end-to-end capabilities, together with our financial strength, 42-year track record and self-performing capability, provides our point of difference.

Our value system, unique culture and commitment to our people guides everything we do. We strive to deliver progressive infrastructure that connects communities. The powerful combination of our capability, vision and values allows our people to deliver city shaping infrastructure, achieve great outcomes for our clients, and consistently grow our business.

It is due to our values, culture, and commitment that we are pleased to support efforts to protect human rights and prevent modern slavery from ever taking place in our operations and supply chains. We do not intend to rest on our laurels. We know it will require vigilance now, and into the future to ensure modern slavery never takes a foothold in our business operations.

We welcome the transparency of this annual reporting statement which we provide in accordance with the *Modern Slavery Act 2018* (Cth). It has been approved by the Board of Directors of BMD Holdings Pty Ltd on behalf the BMD Group of companies (BMD).

A handwritten signature in black ink, appearing to read 'Scott Power', is written over a horizontal line.

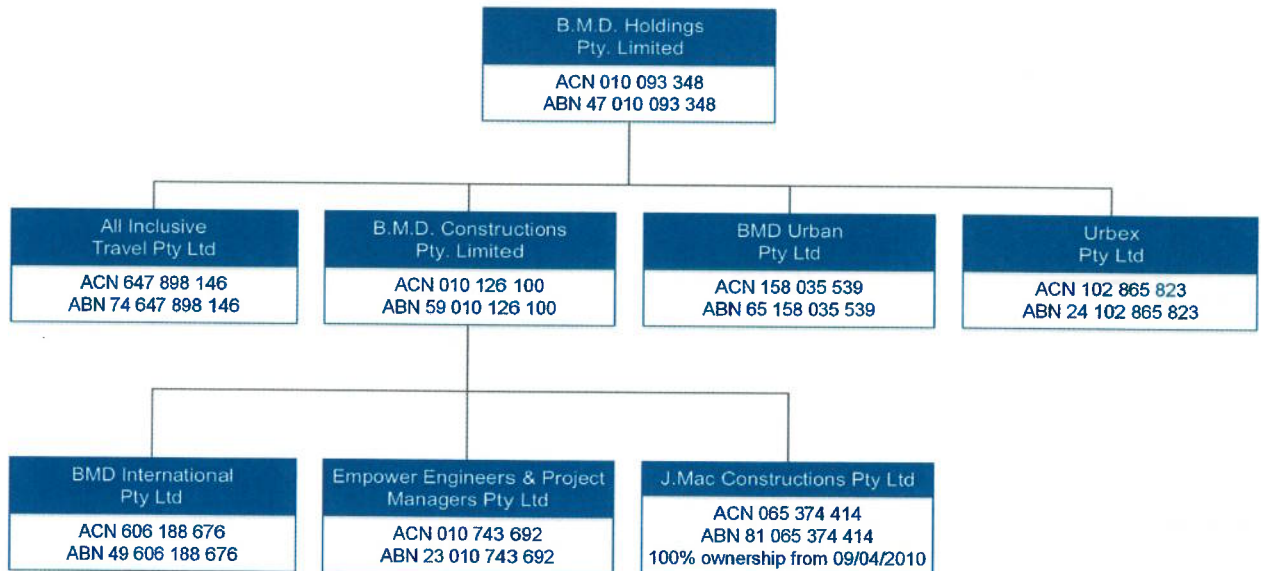
Scott Power

Group Executive Director – Chief Executive Officer



Reporting entity

The parent company of BMD is BMD Holdings Pty Ltd which is the Reporting Entity for this statement. The corporate structure of BMD is as follows:





Structure, Operations, and Supply Chains

BMD employs over 1,700 people in addition to countless others who are engaged by our subcontractors, suppliers, consultants, and advisors. Our mantra is people are our business and we are proud of our trusted relationships and partnerships we have built up through our history and values.

As a people-centred business, it is in our interests to ensure the people we employ and are engaged by others to assist our operations, are paid and treated fairly.

Entity	Structure	Operations
BMD Holdings Pty Limited (Parent)	Company	The parent company of a national group of companies engaged in engineering, design, construction and land development for clients and partners in the urban development, transport infrastructure as well as resources and energy sectors.
BMD Constructions Pty Limited	Company	Involved in the provision of major civil construction services for the delivery of infrastructure projects across the transport, defence, rail, port, resources and oil and gas industries.
BMD Urban	Company	Contractor to the urban development market with a focus on subdivisational and related services.
Empower Engineers & Project Managers Pty Ltd	Company	Design and project management consultancy utilised by external and internal BMD clients.
JMac Constructions Pty Ltd	Company	Landscape construction and related services for all types of building works, public infrastructure, environmental rehabilitation, and maintenance servicing.
Urbex Pty Ltd	Company	Property development arm of BMD and creator of innovative living environments and communities.
BMD International Pty Ltd	Company	Shareholding entity for overseas activities, if and when applicable.
Prime BMD	Company	Operating in the Philippines, Prime BMD is 60% owned by Prime Metroline Holdings Inc and 40% owned by BMD.
All Inclusive Travel Pty Ltd	Company	Corporate Travel Agency



Supply Chains

BMD seeks to do business with suppliers who have similar values, ethics, and sustainable business practices, including in relation to human rights, and understands that the risks relating to suppliers will vary depending on industry, geographic location, and company size.

BMD seeks compliance with modern slavery legislation from suppliers through acceptance of the terms and conditions included within supplier, contractor, and/or consultancy agreements, and via the raising of purchase orders.

The procurement of suppliers and materials is common to all of our operations. However, BMD is mainly focused on its engineering and construction business which has a complex supply chain structure to support the differing purposes of each entity. Regardless, all our operations need to act in accord with our corporate values. All our employees have a responsibility to prevent, identify, and report on concerns they may have in relation to modern slavery within BMD's operations and supply chains.

In the 2021 financial year, BMD (excluding Urbex and Empower Engineers & Project Managers which have minimal procurement spend apart from staffing), spent approximately \$1.05 billion on purchasing products and services from in excess of 6,000 subcontractors, suppliers, consultants, and advisers.

Goods and services purchased included construction materials, uniforms, personal protective equipment, machinery, equipment hire, car and fleet leasing, design and architecture, communications, traffic management, security, waste, recycling, information technologies, insurance, legal and environmental products.

The vast majority of BMD's direct suppliers are located in Australia, with nominal overseas procurement. The main product sourced internationally by BMD is steel, which accounted for 0.14% of total procurement.

The main types of goods and services procured by BMD include:

1. Labour – including contractors and labour hire in accordance with all Commonwealth and State/Territory laws and requirements;
2. Materials – such as quarry products, concrete and asphalt; and
3. Plant and Equipment.



Modern Slavery Risks

As the key business operations of BMD involve engineering, construction, and use of natural resources, BMD acknowledges the risk of modern slavery within its supply chains, which although low, need to be monitored and managed.

The overwhelming majority of BMD's workforce is located in Australia and protected by Federal and State/Territory laws pertaining to industrial relations; work health and safety; and human rights. Compliance with such laws is also complemented by BMD's own policies and procedures in areas such as human resources, workplace inclusion and diversity and industrial relations management which often exceed minimum lawful standards.

BMD's procurement of goods and services from direct suppliers as a percentage of total expenditure is approximately 99.8% sourced from the Australian market and such suppliers are subject to compliance with Australian laws which do not invoke modern slavery practices.

As a consequence, BMD has determined its operations and supply chains are at low risk of causing or contributing to modern slavery.

However, the risk of modern slavery still exists through its exposures to international supply chains, however minimal, and that it might be directly linked to modern slavery practices through the activities of its overseas suppliers or alternatively indirectly through its local suppliers who may source components of their supply from overseas.

BMD has identified the following goods and services as representing a heightened risk of modern slavery:

- certain information and communication technologies (ICT) equipment;
- uniforms and workwear garments;
- stationery supplies; and
- casual labour-hire undertaken on a project-specific basis.



Actions Taken to Assess and Address Modern Slavery Risks

BMD has risk management processes to assist in identifying areas of concern to allow mitigating action to be taken to lessen these risks, including:

1. adopting a new Modern Slavery Policy outlining BMD's commitment to preventing, detecting and reporting the risk of slavery or human trafficking within BMD's operations and supply chains;
2. the provision of mandatory modern slavery clauses in all procurement contracts such as purchase orders, labour hire contracts and subcontractor/supplier agreements. These provisions are extensive and provide for significant warranties from suppliers and subcontractors that they are not just complying with modern slavery laws but placing a positive obligation upon them to advise BMD of any breaches or potential breaches of the law and authorising BMD to undertake audits and checks to ensure they are complying with their contractual and legal obligations in relation to modern slavery practices;
3. due diligence processes when taking on new suppliers, including verification and audit checks;
4. highlighting its Code of Conduct for suppliers, which details the expectations on all suppliers in relation to preventing modern slavery;
5. the existence of its Serious Misconduct Disclosure Policy, which enables all employees to comfortably and confidentially report any concerns they have relating to modern slavery in BMD's operations and supply chains;
6. a supplier questionnaire which is sent to high-risk suppliers to ensure compliance with BMD's and the supplier's contractual and lawful obligations;
7. modern slavery training for all employees highlighting the practices which may constitute modern slavery and how to manage the risks faced by BMD; and
8. additional modern slavery workshops with relevant staff in finance, legal, and procurement roles on due diligence processes to ensure compliance.

BMD also has a Legislative and Regulatory Compliance Committee ("the Committee") that meets quarterly. The Committee members include:

- National General Manager Commercial and Risk (Chair);
- General Counsel; and
- General Managers (or delegates) from BMD Constructions, BMD Urban, Urbex, JMac, Procurement and Finance.

The Committee tracks and considers Modern Slavery legislation and related issues that impact across all of BMD.

Remediation

After receiving any report of a modern slavery incident, the Committee will meet to prepare a report to the BMD Group Board including potential remediation strategies. The main form of action may include reviewing and improving existing policies and procedures; additional employee and supplier education programs; more detailed surveys and auditing; and ceasing relevant activities including terminating contracts with non-complying suppliers.



Assessing the Effectiveness of Actions Taken

In the 2021 financial year, the Committee undertook a survey of suppliers to the business across a range of industries in order to monitor their responses to key questions which could highlight potential risks of modern slavery and non-compliance with the law.

For the foreseeable future, it will conduct an annual compulsory survey of suppliers of differing goods and services on a rotational basis as a component of risk assessment of modern slavery.

BMD will continue to review the effectiveness of its actions and process to address modern slavery concerns and risks through the auspices of its Legal and Regulatory Compliance Committee.

The Legal and Regulatory Compliance Committee formally reports to the BMD Group Board on an on-going basis and will include, as appropriate, in each report to the Board an update on modern slavery risks and compliance.



Consultation Process

BMD have implemented a Modern Slavery Policy which outlines BMD's commitment to prevent, detect, and report the risk of slavery or human trafficking within its operations and supply chains. This Policy also articulates the fundamental elements of BMD's approach to human rights, and how BMD demonstrates its commitment to respect human rights in line with international frameworks.

This Policy applies to all directors, senior management and employees, full-time, part-time, and casual, at every level of BMD, while engaged with any member of BMD, and is applied in addition to BMD's existing Employee Handbook, which is limited to the conduct of employees in relation to dealings with clients, colleagues and other stakeholders.