

MODERN SLAVERY STATEMENT

Reporting period: Financial year ended 30 June 2024

INTRODUCTION

This statement is made on behalf of the reporting entities **FK Gardner and Sons Pty Ltd** (ABN 99 010 136 053) and **FKG Civil Pty Ltd** (ABN 65 123 436 751) (collectively to be known as **FKG**) which are defined related entities. FKG makes the following statement under the Modern Slavery Act 2018 (Cth).

During the reporting period, FKG have continued to focus on improving our practices in relation to Modern Slavery, particularly as it presents in the Construction industry, through increasing our understanding of the risks both evident and potential in our operations and those of our supply chains and subcontractors.

This Statement outlines the governance processes, actions and progress made throughout the Financial Year ending 30 June 2024.

Our STORY

FKG is a leading Tier 2 commercial and civil construction company with a reputation for delivering quality projects throughout Queensland, New South Wales and the Northern Territory. As at 30th June 2024, FKG employed over 463 staff across Queensland, New South Wales and the Northern Territory and had a consolidated revenue of \$482 million for the financial year.

Throughout our 50+ year history, FKG have built an extensive portfolio of projects for all sectors including both government and private clients. Working across various industries including industrial, education, health and aged care, community, transport, resources and energy, and mining, FKG have always aimed to operate our business to the highest ethical standard that protects all human rights whether it be for our employees, subcontractors, suppliers, communities or other stakeholders.

The foundations of our business have long been based on simple, traditional values and principles that centre around doing the right thing. Our commitment to reducing the risk of modern slavery and human rights is no different.

Our STRUCTURE AND OPERATIONS

FK Gardner and Sons Pty Ltd and FKG Civil Pty Ltd are related party entities, controlled and administered by the FKG Board.

The FKG Board governs the activities of all operating entities. The FKG Board oversees the corporate governance and sustainability of the company's strategy. Our Executive Leadership Team and Senior Leadership Team are responsible for the execution and ongoing review of the company's strategy through their teams and respective business units.

The framework we apply to our business and our supply chain is consistent with our overarching corporate policies and commitments to act in a manner consistent with the United Nations (UN) Universal Declaration of Human Rights. These commitments are also reflected and endorsed in FKG's Code of Conduct and Human Rights Policies.

Our CORE GOVERNANCE FRAMEWORK

The framework we apply to our business and our supply chain for the management of modern slavery risks is aligned with our overarching corporate policies and commitments to act in a manner consistent with the United Nations (UN) Universal Declaration of Human Rights. These commitments are also reflected and endorsed in FKG's Code of Conduct and Human Rights Policies.

Anyone with reason to suspect a breach of the Code of Conduct or Human Rights policy is encouraged to raise the issue through the Complaints Handling Policy or under the framework of the Whistleblower Policy.

Code of Conduct

The FKG Code of Conduct (the **Code**) provides an ethical framework to guide the professional conduct of our employees and any partners to the FKG business.

At the core, FKG is committed to providing a productive, safe and healthy work environment. It is our view that the safety and wellbeing of our employees, subcontractors and clients is a primary responsibility in all our undertakings and we work to ensure responsible corporate conduct and basic human rights are always maintained.

The Code establishes a common understanding of the standards of behaviour expected of all employees of FKG, our subcontractors, consultants and visitors to our workplaces. The Code places an obligation on all individuals to take responsibilities for our own conduct and to work with each other cooperatively to uphold the expectations and standards set out in the Code.

It outlines our commitment to:

- Comply with all legislation, industrial instruments, policies, procedures and job requirements set out by FKG and/or our clients;
- Carry out our duties carefully, safely, honestly, courteously and fairly;
- Report unethical, dishonest, illegal and/or corrupt conduct;
- Represent FKG in a positive and professional manner at all times (during and outside work hours), through our conduct and our personal presentation; and
- Carry out all safe, lawful and reasonable instructions.

The FKG Code of Conduct requires that all FKG employees and business partners observe basic human rights and local labour laws and report any suspected or actual violation of Human Rights by FKG or any stakeholder in our supply chain.

The Policy was reviewed in February 2024 and again in November 2024 and approved by the Managing Director.

Human Rights Policy

FKG's Human Rights Policy (the '**Policy**') was initially approved by the Managing Director in 2020 and is formally reviewed annually. The Policy was most recently reviewed in February 2024.

The Policy articulates FKG's commitment to respecting the rights of all individuals and ensuring that we continue to understand our impacts and conduct of our business consistent with the Universal Declaration of Human Rights and the United Nations (UN) Guiding Principles on Business and Human Rights (UNGPs). We seek to do this by creating positive social impacts and mitigating human rights-related risks through our operation and supply chain.

At the core of the Policy is a commitment to identifying and preventing all types of modern slavery, including human trafficking, slavery and slavery practices, child labour, unsafe work practices, unlawful work and employment conditions. FKG seeks to maintain an active and critical awareness of our operations and the areas where increased risks to human rights may be prevalent and will not tolerate any action or inaction by any stakeholder that may cause harm to any individual in any way.

TRAINING and AWARENESS

All FKG employees undertake mandatory online training in our corporate policies including the Code of Conduct and Human Rights Policy on commencement, for completion by the end of the first month of employment. Refresher training is also required by all employees periodically and when any change or review of the policies has occurred. An interim review of our formal policies and approach to Human Rights was completed in February 2024 with full review scheduled for February 2025.

Prior to engagement on any FKG project, our subcontractors are issued with a "Subby Info Pack" that includes copies of the company's policies and procedures, including the Code of Conduct and Human Rights Policy. This ensures a common understanding of the standards of behavior expected of all employees of FKG, its subcontractors, consultants and visitors to our workplaces is established at the earliest possible opportunity. This information is further covered in each site-specific induction which is mandatory for all workers on any FKG site. Any changes to any policy or framework relating to the management of human rights that occurs during a project is discussed in onsite toolbox talks.

Throughout FY2024, a number of subcontractor forums were held with the importance of these policies and the prevention of modern slavery outlined for all attendees.

Our DUE DILIGENCE & RISK IDENTIFICATION

FKG appreciate the increased risks associated with a broad and diverse subcontractor base and supply chain that includes both Australian and international stakeholders. Our risk management approach operates at a number of levels within the business by delegated personnel, to ensure there is limited opportunity for any risk area to be omitted or not accounted for:

1. At a Group/ Core Governance level;
2. At a Business Unit level; and
3. For each individual project.

Based on the assessments conducted of the FKG operations, we have again focused our attentions on three main modern slavery risks as the most relevant and prevalent to our operations and supply chains:

- a. **Direct labour** – engagement of labour by subcontractors whether through labour hire or directly without appropriate pre-employment and risk assessment processes. This was extended to checks by labour hire entities engaged by the business.
- b. **Indirect Labour (supply chain)** – engagement of labour by suppliers for the manufacturing and production of materials and products with the potential for forced or bonded labour, child labour, or inappropriate working conditions.
- c. **Supply Chain Challenges** – various economic and geopolitical pressures (e.g. supply issues and price escalations, Ukraine conflict, industrial conflicts) leading to a reduction in visibility of labour supply for suppliers and producers particularly internationally, local economic pressures including inflation and increased cost of living/ doing business, and disrupted job security and labour certainty resulting in potential for unlawful labour conditions and pay.

FKG continue to address these risk areas through the implementation and monitoring of controls and processes which includes the relevant policies, controlled and thorough procurement management, and education and training of all supply chain stakeholders. FKG also acknowledges the influence we can have on providing support and education to our subcontractors to enable them to better identify and manage any risks to human rights that may exist in their supply chains.

FKG are further committed to cooperating with any due diligence requirement of our clients or government departments to assist in demonstrating our compliance and dedication to preventing modern slavery.

Our SUPPLY CHAIN

Our operations are supported by a supply chain for goods and services. This supply chain includes suppliers of material, skilled labour and services required for our operations and the supply of legal, technical and administrative professional services.

Helping grow and support the communities in which we work is fundamental. We understand the benefits of sourcing local suppliers and subcontractors to capitalise on their local knowledge and insight, whilst creating new jobs and opportunities within the local region and this continues to remain a focus for our business.

Our subcontractors and suppliers play an integral role in supporting our business and our reputation depends on the quality of the services they deliver. For this reason, we work closely with our suppliers and subcontractors to ensure they share our values based on the foundation of collaboration and respect.

We require our suppliers to comply with all applicable regulations and legislation relating to working hours, industrial relations, welfare and human rights. Our procurement management procedure ensures suppliers and subcontractors are monitored in terms of their performance and certification status as well as the quality, safety and environmental impact of the goods and/or services they supply. This approach drives collaboration and supports closer alignment to our corporate goals and company values.

As part of our commitment to working with like-minded subcontractors and suppliers, we hold regular subcontractor forums to promote information and knowledge sharing and outline any changes to FKG's expectations. Throughout the 2023-24 financial year, subcontractor forums have been held across each of our core work locations including Brisbane, North Queensland, Toowoomba and Regional Qld, and Newcastle.

Our JOURNEY ONWARDS

To continue to expand and reinforce our commitment to reducing the risks of modern slavery and ensuring human rights, the focus for the coming year will include:

- Work collaboratively with our supply chain stakeholders to provide opportunities for further education and awareness of modern slavery risks;
- Provided continued opportunities for education to build awareness for our supply chains and those we work with closely;
- Full review of our policies and a complete periodic risk assessment;
- Review our internal assessment process for subcontractor and supplier management.

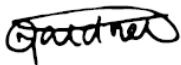
Our PERFORMANCE

FKG's approach to modern slavery and the protection of human rights is continually reviewed and measured to ensure effectiveness in all aspects of our supply chain. We will continue to work collaboratively with our stakeholders and conduct regular reviews, define key actions and pathways to improve, and engage in conversation around the risk of modern slavery.

Any concerns identified will be raised ultimately with the Managing Director and treated in confidence.

BOARD APPROVAL

The FKG Board are the principal governing body of FKG for the purpose of the Modern Slavery Act 2018 (Cth). This statement has been approved by the Board for the financial year ending 30 June 2024 on 12th December 2024.



Nicholas Gardner
Managing Director