



CIP Constructions

Modern Slavery

FY 2024-2025

Policy
October 2024



We are committed to addressing the risks of Modern Slavery across our business through proactive engagement with our team members, clients, business partners, and suppliers.

In this – our inaugural statement – we detail how we are reviewing our business operations. Through working with our business partners in detecting the risks of Modern Slavery in our business and supply chain, we are acting in accordance with the requirements of the Modern Slavery Act 2018 (Cth). CIP Constructions provides design and construction management services for clients across the Industrial and Commercial sectors.

Our experience and innovativeness combine to deliver exceptional service to our clients. The interdisciplinary knowledge and experience that we have, is proven in our building practices which span from small distribution facilities to technically advanced business parks and industrial facilities. The CIP Constructions' in-house design teams are involved throughout the design and delivery process to ensure that each component meets and surpasses best practice construction.

Our transparent and open approach in communication is reflected in the long-term relationships that we develop with our clients, consultants, subcontractors, and suppliers. CIP Constructions is driven by our collective efforts, and we place importance on good communication, mentorship, teamwork, knowledge, and expertise.

We know that our team members are our most important asset and we actively encourage diversity – in every way – in our teams.

1 Introduction

1.1 Who we are

The brand name CIP Constructions is synonymous with an extensive portfolio of commercial and industrial builds across the Australian mainland since inception of the founding company.

1.2 What we do

We provide design and construction management services to suit our clients' or their tenants' needs and functional requirements.

Our roots are in construction, with experience and innovation combining together to deliver a personalised and progressive approach to our clients.

Our experience and interdisciplinary knowledge of proven building practices, spans from small distribution facilities to technically advanced business parks and industrial facilities.

We are a service focused business, and we proactively engage with our Clients, suppliers and business partners to achieve best practice outcomes.

Our transparent and open approach is reflected in the long-term relationships that we develop with our Clients Consultants and construction partners.

1.3 Our Team

We are a diverse, experienced team of construction professionals positioned across our operating locations in Queensland, New South Wales, Victoria, South Australia and Western Australia.

Our business is driven by our collective efforts and, we value effective communication, mentorship, teamwork, knowledge and expertise.

2 Governance & Structure

CIP Constructions is an Australian, family-owned national business with offices in New South Wales, Queensland, Victoria, West Australia, and South Australia. Our construction capabilities centre on the industrial and commercial sectors – servicing a wide range of well-known developer and commercial clients.

All projects are delivered via early contractor involvements, design & construct, managing contractor, and traditional construction methods of procurement. CIP Constructions comprises of the following industries (listed below) which are registered in Australia and governed by a board of directors.

References in this statement to CIP Constructions refers to the reporting entities of:

*CIP Consolidated
Pty Ltd*

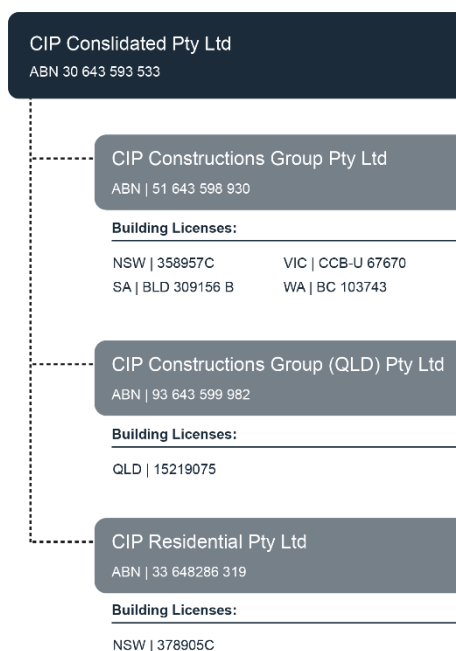
*CIP Constructions
Pty Ltd*

*CIP Constructions Group (QLD)
Pty Ltd*

Our construction business is delivered through CIP Constructions Pty Ltd, and CIP Constructions Group (QLD) Pty Ltd – both of which are managed by our CEO and supported by a national management team.

The state-based business units are managed by the respective state managers.

While CIP Consolidated Pty Ltd provides corporate support – our supply chain is managed by CIP Construction Pty Ltd and CIP Constructions Group (QLD) Pty Ltd.



3 Our Supply Chain

CIP Constructions operates as the head contractor on all projects. We partner with a large number of Australian-based service providers, suppliers, and subcontractors to deliver goods and services to and from our projects.

Our supply relationships are direct with our business partners, and we do not procure from any overseas countries. Our procurement for project delivery - through our supply network – accounts for approximately 80% of our purchasing activity.

Works completed by subcontract companies are primarily delivered on a 'supply and install' basis, whilst services provided by suppliers and consultants are on a 'supply-only' basis. The balance of our procurement activity centres around overhead and management costs for state and site office requirements.

The majority of goods and services for our project and business operations are sourced from within Australia. However, some goods – which are provided by subcontractors on a 'supply and install' basis - are known to be sourced from other countries including: China, Germany, Spain, and Italy.

Such products include:

- Steel products,
- Facade Systems (e.g. aluminium-framed and glazed-façade systems),
- Glazing and tiling,
- Vertical transport services,
- Solar panels,
- Specialist electrical services componentry.

Our review of information collated about our supply partners in this past year, supports our assessment that the overall risk of Modern Slavery within our business operations is low.

Procurement for project delivery through our supplier and subcontract network equates to approximately 95% of our purchasing activity, with the remaining 5% relating to consumables used in our State and project offices.

4 Managing the Risk

4.1 Assessing the Risk

To determine the scope of risk across our supply chain, we use the following evaluation criteria:

- *Sector/industry*
Informal or unregulated; have little visibility over lower tier suppliers; have high levels of seasonal work; have low pay.
- *Product/Service*
Where the product is manufactured in industries known to have low rates of pay and high rates of manual labouring.
- *Geographic Risk*
The product is manufactured in countries engaged in or under threat of conflict; which have poor democratic governance and weak rules of law.
- *Supply Chain Model*
Supply is through companies that have complex supply chains that are difficult to monitor; companies who use subcontractor or labour hire; entities with a history of non-compliance and which are poorly managed / have inefficient procurement and sourcing processes.
- *Spend Value*
The value of annual spend by CIP Constructions across the entities of CIP Constructions Group (QLD) Pty Ltd and CIP Constructions Group Pty Ltd and the change in spend value year to year.

To assess risk, we reviewed our supply chain by:

- determining key products supplied (e.g. steel, concrete, glazing, metal products, solar panels, vertical transport, HVAC).
- identifying the business partners who supplied the service and/or product.
- reviewing the value of spend against the above suppliers.
- identifying the number of new partners onboarded during the year and whether they posed any risk to the businesses.

Once collated and evaluated against the five risk criteria, we identified the following:

- A **66.89% increase** in spend value across both entities. QLD entity dropped 18.87% in expenditure whilst the other States increased by 119.42% in expenditure primarily due to the pickup of work in NSW, which had been relatively dormant for a number of years.
- A further **8.92% increase** in the number of subcontractor companies who had not previously worked with CIP Constructions.
(This was also resultant from the company expanding into South and West Australia and New South Wales.)
- A further **increase of 36.5%** in procurement of some products from outside of Australia due to cost, low / no availability in Australia or, improved delivery times compared to a local supply.

This primarily applied to structural steel, electrical components, vertical transport, solar panels, and glazing.

The Companies who have provided these products have been reviewed and have found to have sourced their products ethically.

Assessed levels of risk in our supply chain was:

- **86.15% Low Risk.**
Primarily produced in Australia or from Countries that have a low risk of modern slavery.
- **12.31% Medium Risk**
Assigned on the basis that they may procure goods from overseas countries with documented sector/industry or geographic risks.
- **1.54% High Risk**
Assigned on the basis that they are widely known to use high levels of contract labour in both production and installation.

*Note: We have no reason to believe that any of the above noted as High or Medium risk have engaged in any modern slavery activities.
We acknowledge that risks, beyond our knowledge may arise in the way that products are produced or procured.*

While our supply chain is based in Australia, we acknowledge that other risks may arise in the way that products are procured from direct subcontractors and suppliers which use other countries for production and supply.

4.2 Actions Taken

The key activities that we have completed in this reporting period are:

- *Supply Chain Mapping*
We reviewed our suppliers (suppliers, subcontractors, and service providers) to identify our top 50.
- *Spend Value*
We completed an assessment of spend value across all projects against the mapped supply chain.
- *Supplier Engagement*
We updated our pre-qualification questionnaire to include responses to modern slavery and international procurement.
- *Tender Evaluation*
We enhanced our tender evaluation process to include compliance confirmation to 'Modern Slavery', Anti-Bribery and Corruption (ABAC)', and 'Money Laundering'.
- *Contracts*
We incorporated 'Modern Slavery', 'Anti-Bribery and Corruption (ABAC)', and 'Money Laundering' statements into our subcontract and consultancy agreements – requiring suppliers to provide guarantee that modern slavery practices do not exist in their supply chain.
- *Training*
We commenced awareness training for our team members to enable them to understand and recognise the risks of modern slavery in our business.
- *Policy Development*
We developed policies for 'Modern Slavery', 'Anti-Bribery and Corruption (ABAC)', and 'Money Laundering' and published them in the first quarter of 2023-2024.

4.3 Actions for the Next Period

Key actions that we have identified for the next reporting period include:

- *Risk Evaluation*
Inclusion of additional supply information into our evaluation matrix, to enhance the integrity of the information that we collect.

- *Awareness Training*
Awareness and application training to be developed for positions which directly interact with suppliers and subcontractors.
- *Client Discussions*
Identifying opportunities with our clients to strengthen the use of Australian-made products to support local industry and reduce Modern Slavery Risks.

5 Assessing Effectiveness

The focus of our first reporting period has been to:

- Construct the framework for assessing and evaluating our supply chain risks.
- Enhance our procurement practices and documentation.
- Provide information and training to our teams.

Our monitoring process is developing, and we intend to implement key performance indicators, such as:

- Completing an annual risk evaluation against our key, identified suppliers.
- Monitoring that all personnel - including new hires - have completed mandatory 'Modern Slavery' training.
- Identifying suspected or actual modern slavery incidents

5.1 Future Actions

As this is our inaugural statement, we recognise that there are further actions that can be implemented to assess and address the risk of modern slavery in our business and supply chain.

In FY 2024-2025, we will be focusing on:

- Consolidating our risk evaluation process.
- Continuing the requirement that all our supply chain including subcontractors and suppliers are continuing to be verified under our prequalification process.
- Undertaking supplier mapping to mitigate any risk from overseas supply.
- Providing information and support to our suppliers/Subcontractors to enable them to manage modern slavery risks in their own supply chain.

6 Consultation

6.1 How we Consulted

During the reporting period that this Statement covers, and in the development of this Statement, we actively engaged and consulted with all companies that we own or control.

During this engagement, we:

- discussed the reporting requirements of the Modern Slavery Act 2018.
- convened quarterly meetings to review compliance to pre-qualification completion, review spend value and identify risks.
- agreed actions to address any risks.
- provided relevant materials and updates to positions who directly deal with suppliers and subcontractors.

Statement of Approval

This statement is issued by CIP Consolidated Pty Ltd (ABN 30 643 593 533) and covers CIP Constructions Group Pty Ltd (ABN 51 643 698 930) and CIP Constructions Group (QLD) Pty Ltd (ABN 93 643 599 982), each being a “reporting entity” for the purposes of the Modern Slavery Act 2018 (Cth).

This statement has been prepared in accordance with the requirements of the Modern Slavery Act 2018 (Cth) and explains the actions taken by CIP to assess and address modern slavery risks in our operations and supply chain during the reporting period from 1 July 2023 to 30 June 2024.

This statement was approved by the Board of each of the reporting entities on 31 August 2024.

Mark Hendry

Chief Executive Officer