

Modern Slavery Statement

For the Year Ended June 30, 2021

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Drysdale Library Project

1 The Reporting Entity

A W Nicholson Pty Ltd, trading as Nicholson Construction
360 Dowling St
Wendouree Vic 3355
ABN 14 118 404 381

2 Executive Summary

Nicholson Construction triggered the obligations to comply with the requirements of The Modern Slavery Act (2018) (*The Act*) in June 2020. In the first year of complying with the requirements of the Act, the Company developed and implemented policies and procedures to address our obligations including documenting a process to identify the risks associated with modern slavery and the strategies to address them.

During the 2020-2021 (financial) year, we have reviewed our Modern Slavery Risk Assessment and our Modern Slavery Charter. We have found that:

- Modern Slavery was adequately addressed in Company Policies (Modern Slavery Procedure (500-P002); Modern Slavery Charter (500-F022))
- Our risk assessment adequately determined the risks and exposure our operations, including our supply chain, have to Modern Slavery (500-R006);
- A Modern Slavery Charter and supplier questionnaire has been issued to any suppliers identified as “high risk”;
- Improvements made to our procedure ensures that all subcontractors and suppliers identified as “high risk” and above, have completed the Modern Slavery Charter supplier questionnaire.

Nicholson Construction investigated the requirements of the Modern Slavery Act (2018) and researched modern slavery through various sources including the Global Slavery Index website (amongst others). Our updated Risk Assessment (500-R006) of our entire supplier database and identified the following outcomes:

- No suppliers were in the High Risk category; and
- 13 suppliers were deemed “Medium Risk”.

Nicholson Construction will continue to implement procurement procedures to ensure its obligations under The Act are fulfilled.

3 Company Structure, Operations, and Supply Chains

A W Nicholson Pty Ltd, trading as Nicholson Construction, is a long-established family business which commenced operation in the late 1800’s and has grown to become a leading commercial construction company in regional Victoria. We specialise in buildings up to \$40 million serviced from our offices in Ballarat, Bendigo, Geelong and Warrnambool.

Nicholson Construction specialises in commercial construction, particularly, health, education and government public facilities, as well as private projects such as retail outlets and shops, and industrial projects and factories.

We have a professional team of personnel and utilise numerous subcontractors and suppliers most of whom are based in regional Victoria. Our business operations are limited to Victoria only.

Our suppliers include small, medium and large companies depending on the materials/services being purchased. Typically, our construction projects achieve local content targets of 90% and higher with “local content” as defined by the Industry Capability Network (ICN) as Australian and New Zealand origin.

We work with various organisations who help connect our company with suppliers who are capable to service and supply our project's needs. This includes the Industry Capability Network (ICN) and the office of the Local Jobs First Commissioner in Victoria.

Nicholson Construction is a signatory to GROW (<https://grow.org.au/>) in Geelong, Ballarat, Bendigo and Shepparton. Our company's objectives align with GROWs which is to maximise the social outcomes that can be achieved through our company's procurement activities.

As a Company we are proud of the contribution we make to the community and environment in which we operate. We have a commitment to excellence and a charter which documents our approach to ethical and professional standards of behaviour and performance. Our management systems are accredited to ISO9001, ISO45001 and ISO14001. In addition, our HSEQ management system is accredited to the Federal Safety Commission OHS standards.



Figure 1: Lyndoch Living, Warrnambool

4 Risks of Modern Slavery Practices

During 2021, Nicholson Construction conducted a review of our Modern Slavery Risk Assessment of our entire supply chain inclusive of over 1,000 of our subcontractors and suppliers.

To assess the risk of modern slavery within our supply chains, consideration was given to the source of their products (whether they were manufactured locally or imported), the level of expertise/skill of the workforce required to manufacture and install the product, their potential supply chains, and the total spend Nicholson Construction had with the supplier and/or subcontractor. A particular focus was made on those products (and therefore the supplier) that could be imported from countries identified as high risk by the Global Slavery Index; <https://www.globalslaveryindex.org/>

Further, the risk assessment considered suppliers who may fail to pay wage rates in accordance with State and Federal Awards and employment conditions including the Victorian Federal Awards (Uniform Systems) Act 2003 and the Australian Industrial Relations Act 1988.

In summary, our risk assessment focused on the following attributes for every supplier:

- Quantity of our spend (\$ value)
- Category of our spend – Identified if the supplier provides goods or services, or both
- Understand our risk – Identified the goods being supplied and determined the risk of being sourced from countries that have a high risk of modern slavery practices
- Digging deeper with high risk suppliers – the suppliers who were identified as high risk undertook further exploration and detail as to the source/manufacture of their products.

At the conclusion of the assessment conducted in 2021, there were no suppliers or subcontractors that we assessed as “high risk”. Further, the majority of our suppliers and subcontractors were assessed to be of low risk of modern slavery practices.

A small number of suppliers and subcontractors (only 13) were assessed as a medium risk of modern slavery.



Figure 2: Collaboration on site

5 Actions Taken to Assess and Address these Risks

Our Modern Slavery Procedure requires all contractors and/or suppliers with a risk profile of high, for compliance with modern slavery requirements to complete and fulfil the Nicholson Construction Modern Slavery Charter (500-F022).

This questionnaire seeks to clarify the source of the supplier's products and the procedures they have in place to address risks of modern slavery. Nicholson Construction will continue to work with each supplier until such time as their risk assessment rating is reduced to "low" or otherwise on an ongoing basis to obtain sufficient knowledge and information about their supply practices to satisfy ourselves of our compliance with The Act.

All suppliers with a risk profile of high are identified as such within the Company's procurement software system (currently JobPac) and are required to complete the Modern Slavery Charter (500-F022) as part of the documentation required before they commence work on site (amongst others such as Insurance, Worker details, Safety Plans, Licences etc). The Company's procedures require the Charter to be returned amongst a suite of documents as pre-requisite for payment.

Nicholson Construction also further developed our processes to address Sham Contracting as defined by the Fair Work Act. These processes have been incorporated into our procurement process for all contractors and must be undertaken prior to the contractor commencing works on site to ensure workers are paid in accordance minimum Award requirements and specific employment conditions.

6 Assessing the Effectiveness of Our Actions

The Nicholson Construction Modern Slavery Charter is the main tool to prevent, mitigate or remedy modern slavery issues. As such, the charter and its contents shall be reviewed as part of the Modern Slavery Risk Assessment. Our Modern Slavery Charter was reviewed giving consideration to the responses on the completed charters by the contractors who were determined as high and medium risk in the previous year (2020).

The review determined that the current Charter was adequate and that no additional controls are required within the Modern Slavery Charter or Procedure.

We are confident that the risk of non-compliance with The Act is low. We will continue to implement our Modern Slavery procedures and review our Modern Slavery Risk Assessment (500-R006) again in 2022.

7 Consultation with any Entities the Reporting Entity Owns or Controls

Not applicable to Nicholson Construction.

8 Other relevant information

Nicholson Construction remains pro-active to promote the obligations imposed on our company and commits to ongoing assessment of our supply chain in relation to Modern Slavery and supporting our suppliers and subcontractors in our endeavour to avoid all forms of modern slavery.

9 Statement

The Nicholson Construction Modern Slavery Statement was approved by the AW Nicholson Pty Ltd board of directors on 17 December 2021.

A handwritten signature in black ink, appearing to read "Richard Nicholson".

Signed by Richard Nicholson, Director