

CIVILMART

The Civilmart Group

# Modern Slavery Statement

2022-2023



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## **About this Statement**

This statement is prepared in accordance with the Modern Slavery Act 2018 (Cth) (the Act) and sets out the approach of CTC Precast Pty Ltd (CTC) to identify and address modern slavery risks in its operations and supply chain during the financial year ending 30<sup>th</sup> June 2023.

In accordance with section 14 of the Modern Slavery Act 2018 (Cth), this is a joint statement covering CTC Precast Pty (ABN 12 614 966 059) and its subsidiaries CTC Management Pty Ltd (ABN 16 652 733 947), Precast Civil Industries Pty Ltd (Precast) (ABN 78 615 726 924), Transfab Holdings Pty Ltd (Transfab) (ABN 53 662 386 441), Concrete Solutions Holdings Pty Ltd (ABN 53 651 776 251), Concrete Solutions Operations Pty Ltd (89 651 777 212) and Rocla Pty Ltd (ABN 31 000 032 191).

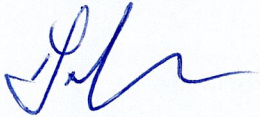
CTC's registered office is Level 13, 664 Collins Street, Docklands, Victoria.

## Introduction

We acknowledge our role in safeguarding human rights through ethical and sustainable business practices. Our Responsible Procurement Framework is an expression of our core values of corporate responsibility, leadership, respect, social responsibility, and accountability.

Our fourth modern slavery statement demonstrates our commitment to continuously improving efforts to identify, manage and mitigate modern slavery risks in our operations and supply chain. We are proud of the additional steps we have taken throughout this reporting period, to embed responsible procurement across our operations and supply chain, and to strengthen our ability to identify supply chain risk and evaluate our suppliers.

We look forward to working with our employees and suppliers over the next 12 months to achieve the objectives we have identified and to raise awareness about modern slavery and human rights.



**Drew Spiden**  
Chief Executive Officer

## Overview

We are committed to responsible procurement activities in partnership with our suppliers, and care deeply about the safety and wellbeing of our people, our customers, and communities, and the environment that we operate within.

Trading as Civilmart, CTC Precast Pty Ltd (CTC) is a privately owned Australian proprietary limited company, which owns and controls its subsidiaries, Precast Civil Industries Pty Ltd (Precast), Transfab Holdings Pty Ltd (Transfab) and Rocla Pty Ltd (Rocla). Civilmart acquired Transfab in October 2022, and has taken steps to successfully integrate the business into Civilmart's group processes and policies to become one of the largest manufacturers and distributors of precast concrete and prefabricated reinforcement products in Australia.

Civilmart is an Australian manufacturer of precast concrete products and supplier of a broad range of associated product materials into the civil construction sector across Australia and the Pacific. Our product range is made up of precast products such as reinforced concrete pipes, box culverts, stormwater pits, headwalls, precast sewer elements, poles, sleepers, and tanks. We also manufacture and distribute prefabricated reinforcement products and supply an extensive range of ductile iron covers and frames, galvanized mild steel grates and frames and a variety of aluminium, brass and FRP ancillary products.

During the reporting period, we actively engaged and consulted with the entities we own or control in the development of this statement. We discussed details of the Modern Slavery Act 2018's reporting requirements, information regarding the actions we intend to take to address these requirements, and provided senior representatives with relevant materials and updates.

## Our operations

Our history in precast concrete manufacturing and distribution spans over many years. We have remained 100% Australian owned and operated, delivering expertly engineered products, built tough to withstand the harsh Australian climate.

Civilmart employs over 800 staff and engages subcontractors at manufacturing and distribution sites across Queensland, New South Wales, Victoria, South Australia and Western Australia, as shown in the diagram below.

### Where to find us

#### New South Wales

Mittagong  
Central Coast  
Grafton  
Sydney

#### Queensland

Yatala  
Stapylton  
Sunshine Coast  
Gold Coast  
Toowoomba  
Cairns  
Rockhampton  
Brisbane

#### South Australia

Adelaide

#### Victoria

Packenham  
Shepparton  
Wodonga  
Geelong

#### Western Australia

Kwinana



**CIVILMART**

## About our supply chain

Our global supply chain is made up of over approximately 1200 registered suppliers. The majority of our key suppliers are long term, established business relationships.

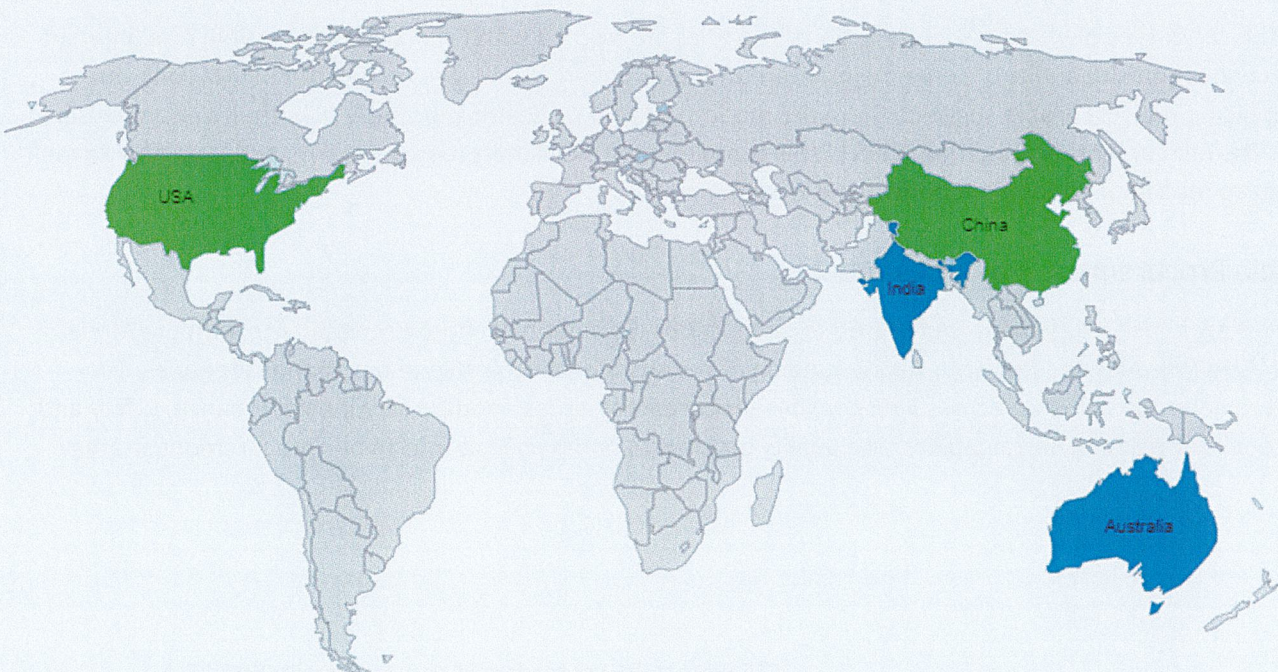
Civilmart sources components for its manufactured products and a large range of resale items. Over 85% of our largest suppliers are based in Australia, with the remainder of our products and services sourced from China, India and the USA, as shown in the diagram below.

Some procurement for goods and services is conducted on an ad hoc or on the spot basis, with most of these involving companies registered in Australia.

Civilmart manages its supplier selection, onboarding, and relationships through its procurement function with a Group Purchasing Manager and Procurement Manager, reporting to the Chief Operating Officer.

## Our purchase categories

- **Production steel and consumables:** a range of steel products and consumables used in our manufacturing processes.
- **Concrete, cement, aggregates:** raw materials used in our manufacturing processes to produce goods.
- **Imported products:** finished goods for resale, and components used in our manufacturing processes.
- **Transport:** subcontract transport and couriers.
- **Goods For Resale domestic:** precast elements, civil industry associated products.
- **Utilities:** IT hardware and software and site expenses including electricity, rates, water, rent and fuels.
- **Safety, testing, engineering:** safety equipment (including PPE), training and product testing.
- **Plant and equipment:** a range of plant and equipment used across our operations
- **Other:** a range of general goods and services including accommodation and travel, office consumables, tools, professional services, and recruitment and labour hire.



## Our responsible procurement framework

Through a set of policies and processes, we seek to promote responsible procurement across our operations and supply chain. Considerations such as human rights risks, including modern slavery, form part of our framework.

### Our philosophy

We are committed to responsible procurement activities in partnership with our suppliers. We value collaborative relationships with like-minded business partners and suppliers, and care deeply about the safety and wellbeing of the people within our operations and supply chain, our customers, communities, and the environment that we operate within.

### Principles for supplier interaction

We seek to engage with suppliers who are aligned with our responsible procurement values and aspirations. Our aim is to work with suppliers to improve sustainability performance, and to protect the rights of everyone in the supply chain. We define success as succeeding together with our suppliers, rather than eliminating poorly performing suppliers.

### Supplier Code of Conduct

Sustainability is firmly integrated in our procurement processes. The Supplier Code of Conduct and companion Questionnaire are provided to suppliers as part of the supplier selection and onboarding process, and suppliers must complete the Questionnaire satisfactorily and acknowledge and adhere to the requirements of the Code.

### Supplier evaluation

We require suppliers to meet the minimum (RE) social, environmental and health and safety standards set out in our Supplier Code of Conduct. Through the Code, we also communicate our expected (EX) and encouraged (EN) social, environmental and health and safety standards so that our suppliers are supported in their own sustainable procurement maturity. The code, questionnaire and evaluation provide a process for identifying and qualifying supplier performance for new as well as existing suppliers.

### International Supplier Factory Audit

To ensure the conditions of workers in international factories are aligned with Civilmart's responsible procurement values, we conduct on-site audits of some major international suppliers. Audits are carried out in locations where the geographic or industry profile suggests there are modern slavery or health and safety risks that warrant closer inspection. The factory worker conditions checklist is completed by a Civilmart representative, and is an additional requirement to the Supplier Code of Conduct and Questionnaire.

### Responsible Procurement Risk Assessment

Our modern slavery risk assessment tool is used to support our evaluation of supplier compliance with the *Modern Slavery Act 2018* (the Act) and build our understanding of the sustainability profile of our spend categories. The assessment reviews the risk level across 5 responsible procurement issues: modern slavery, governance, safety and wellbeing, environment and sustainability, and quality assurance, and is used to inform our procurement strategy.

## Managing risks in our supply chain

We are committed to assessing our operations and supply chain to identify modern slavery risks. We have a zero-tolerance approach towards breaches of human rights in any form, and we expect the same standard from our suppliers, contractors, and business partners.

### Identification of modern slavery risks

During 2020-21 we began to improve our ability to identify and report on modern slavery risks in our supply chain and achieved progress in 2021-22 despite the challenges of the COVID-19 pandemic. We invested in policies and processes (see 'Our responsible procurement framework' section on page 6) to promote responsible procurement across our operations and supply chain, and to embed a comprehensive process for identifying and qualifying supplier performance.

In this reporting period (2022-23) we have continued to work with our external consultants to promote responsible procurement across our operations and supply chain, and to embed a comprehensive process for identifying and qualifying supplier performance.

### Modern slavery risk indicators

During 2022-2023 we have built a more mature understanding of the risk indicators of modern slavery and supply chain-related human rights abuses. We have continued to work with an external consultant to integrate modern slavery risks and human rights abuses into our organisational risk assessment approach, and have drawn on publicly available resources to better explore the risks in our supply chain.

We have used the following indicators to identify and assess supplier risk throughout 2022-23:

#### Country profile

We know that certain countries have a higher risk of modern slavery practices, but also that no country or industry is completely free of these practices. Approximately 85% of our annual spend is with Australian suppliers, with 15% of our annual spend sitting with suppliers located in China, India and the USA.

#### Sector, industry and supplier profile

We are also aware that certain sectors and industries are more prone to human rights abuses, including modern slavery. A risk assessment tool will help us to identify and track the performance of our medium and high-risk suppliers with more accuracy.

#### Direct and indirect supply

The structure of our supply chain determines the level of visibility and transparency we have over the goods and services we purchase. Generally speaking, the finished goods we purchase have a longer supply chain with less transparency than goods and services supplied directly to us, where we have more control and visibility.

#### Ability to audit

Suppliers which we can audit (and successfully pass our criteria) or which are able to demonstrate compliance with a recognised international standard or certification body have a reduced risk of modern slavery or other human rights abuses.

## Our modern slavery risk assessment

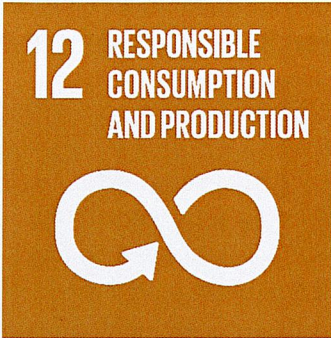
Our focus throughout 2022-23 has continued to be on direct Tier 1 and high-risk suppliers. However, we will continue to expand our approach, with the longer-term aim to better identify and act upon risks and opportunities deeper within our supply chain.

### Our risk assessment concluded:

- **Production steel and consumables:** Our production steel is supplied by both domestic and international suppliers. Because it is ACRS approved and has the relevant state road authority approvals (which cover modern day slavery requirements), items in this category are considered low risk.
- **Concrete, cement, aggregates:** Our concrete, cement and aggregates are purchased from Holcim and Boral, both of which have policies and procedures in place to assess the risk of modern slavery in their operations and supply chains, and report under the Modern Slavery Act. Our factory incidentals are purchased from various large domestic suppliers. We consider the items in this category low risk.
- **Imported products:** Our imported products are supplied by reputable companies in China, India and the USA who have all provided modern slavery declarations to Civilmart. However, we are aware that China and India are countries where there is an extreme risk of modern slavery practices. With the lifting of COVID-19 travel restrictions we recommenced workplace assessments in China in this reporting period. We did not detect any evidence of modern slavery or human rights violations in our existing suppliers; however, a proposed new supplier was assessed as high risk, and excluded. We continue to view the items in this category as high risk and will work with our suppliers to monitor and assess their operations.
- **Transport:** All of our subcontract transport suppliers have submitted modern slavery declarations to Civilmart. Transport is a sector where base-skilled labour may be outsourced, giving rise to a risk of underpayment, excessive working hours, or other systemic issues. For this reason, we consider this a high to medium risk category and will continue to undertake random workplace assessments to monitor and assess their operations.
- **Goods For Resale domestic:** Our GFS suppliers are large reputable domestic companies with policies and procedures in place to assess the risk of modern slavery in their operations and supply chains, and report under the Modern Slavery Act. We consider the items in this category low risk.
- **Utilities:** The provision of utilities in Australia is highly scrutinised and regulated. We consider this to be a low-risk category.
- **Safety, testing, engineering:** Our testing and engineering is undertaken by large reputable domestic companies with policies and procedures in place to assess the risk of modern slavery in their operations and supply chains, reported under the Modern Slavery Act. We consider these services low risk. We acknowledge the high risk of underpayment, excessive working hours or other systemic issues in the apparel and footwear industry and therefore consider the supply of PPE a high-risk category. We will continue to monitor and assess these suppliers.
- **Plant and equipment:** Our suppliers are large reputable domestic companies with policies and procedures in place to assess the risk of modern slavery in their operations and supply chains, reported under the Modern Slavery Act. We consider the items in this category low risk.



- **Other:** This category includes a range of goods and services, some of which are considered high risk. Professional services are considered a low risk as the category is dominated by local skilled desktop labour/services. However, migrant and base-skilled labour is a feature of services such as security and cleaning. Cleaning in particular has been documented as a high risk activity across multiple industry groups. We will continue to exercise a high level of oversight over contract labour used by our suppliers.



**Civilmart’s sustainability strategy is focused on “Growing the Right Way.”**

This requires us to do our best to purchase goods and services that are environmentally and socially responsible, including identifying, managing, and mitigating modern slavery risk in our operations and supply chain.



## Our actions

We have taken the following actions to strengthen and embed our modern slavery policies and procedures:

### Modern slavery within our Responsible Procurement Framework

We continued to embed modern slavery, human rights, and ethical business conduct into our procurement framework (see 'Our Responsible Procurement Framework' section on page 6). The framework is comprehensive, and intended to identify, track, and remediate modern slavery risks within our operations and supply chain, through clear procedures and policies. Throughout 2022-23 we focused on suppliers with an annual spend of \$25,000 and above who supply directly to Civilmart, and those considered "high-risk" in our modern slavery risk evaluation.

### Awareness raising

We recognised that some of our small-to-medium suppliers were not aware of the risks of modern slavery in the supply chain, and did not understand the relevance of modern slavery, human rights, and ethical business conduct questions in our Code of Conduct and Supplier Questionnaire. We developed a Responsible Procurement Fact Sheet and suite of 'Need to Know' Guides to raise awareness about modern slavery and responsible procurement, and help our suppliers understand Civilmart's minimum requirements and how they can comply.

Throughout 2022-23 we worked with our external consultant to develop and launch an Employee Code of Conduct to provide clear guidelines on the behaviours and conduct we expect from our employees.

### Risk mitigation

We have continued to grow and improve our policies and practices in relation to procurement, human resources, and corporate responsibility. We developed a Whistleblower Policy and engaged an external independent whistleblowing service to enable people to raise concerns about suspected modern slavery violations in our operations or supply chain. We also developed an Anti-Bribery and Corruption Policy and Guidance Note, noting that there can be linkages between corruption and contemporary forms of slavery, human rights abuses, and gender inequality.

### Supplier audits

With the lifting of COVID-19 travel restrictions, we were able to recommence workplace assessments. We performed on-site audits and risk assessments of major suppliers in China, and one proposed new supplier. Our audit determined that the five existing suppliers complied with our responsible procurement requirements (including modern slavery and ethical business practices). However, the potential new supplier did not meet the minimum ESG requirements in our responsible procurement framework and the risk level was assessed as high risk. We decided not to use this supplier and to seek an alternative source.

### Training and capacity building

We engaged an external consultant to facilitate group and state-based responsible procurement workshops to train our staff in how to implement our responsible procurement procedure when purchasing goods and services, and how to engage effectively with our suppliers to communicate our requirements.

## Effectiveness of our actions and future plans

We are committed to building on our approach to managing modern slavery risks, and playing our part in raising awareness of modern slavery risks with our internal and external stakeholders.

We understand that our efforts to identify and address the modern slavery risks in our operations and supply chain will be an ongoing and evolving process.

In 2022-23 we experienced a high level of internal and external stakeholder engagement as we continued to roll out our responsible procurement framework. We did not identify any modern slavery in our operations or existing supply chain during the reporting period, however we excluded a proposed international supplier who did not comply with our minimum requirements. Importantly, we were able to recommence some in-person factory audits to ensure that workers' conditions in those factories align with our expectations.

We learned that our branch staff are important ambassadors for our responsible procurement values; often fielding modern slavery and other important environmental, social and governance supplier enquiries. To support them we undertook awareness and training activities and developed a suite of 'Need to Know' guides. To enable people to raise concerns about suspected workplace breaches, including modern slavery violations, we developed an Anti-Bribery and Corruption Policy and a Whistleblower Policy. For additional transparency, we engaged an external independent whistleblowing service. In 2023 we began to investigate how ESG performance and risk management software can help us to measure and report on the effectiveness of our actions.

Over the past twelve months we have made significant progress in embedding responsible procurement principles and systems into the Civilmart business. Looking forward, we will continue to mature our understanding of modern slavery risk in our supply chain and strengthen our ability to monitor and measure our activities.

Throughout 2023-24 we intend to focus on the following actions to develop and refine our approach to responsible procurement across our operations and supply chain, including managing human rights abuses such as modern slavery.

Focus area	Actions	Objectives
<b>Awareness and training</b>	Deliver ongoing internal training on modern slavery risks and support with communication collateral.	Strengthen employee capability to identify and respond to modern slavery risks and communicate with suppliers.
	Hold workshops with our key suppliers to introduce our Responsible Procurement Framework	Take steps to actively engage our suppliers and promote our Responsible Procurement philosophy.
<b>Risk identification</b>	Introduce our Responsible Procurement Framework to new suppliers; put Tier 1 and high-risk suppliers through the evaluation process	Socialise our Responsible Procurement philosophy and processes externally and develop detailed risk-profiles for Tier 1 and high-risk suppliers.

<b>Risk identification</b>	Develop Remediation Guidelines to be used if modern slavery practices are identified in our supply chain	Establish a process to ensure we can remediate swiftly in the event that modern slavery is found in our supply chain.
<b>Risk mitigation</b>	<p>Create KPIs to measure the effectiveness of our actions, e.g., completion rates for Code of Conduct sign off, number of high-risk assessments and/or identified modern slavery cases</p> <p>Develop a Labour Hire Engagement Procedure</p>	<p>Ensure our actions are implemented and effectiveness measured and reported.</p> <p>Continue to grow and improve our policies and practices in relation to procurement, human resources and corporate responsibility.</p>

This Modern Slavery Statement was approved on 19<sup>th</sup> December 2023 in accordance with the requirements of the Modern Slavery Act 2018 (Cth) by the Board of CTC Precast Pty Ltd for and on behalf of the following entities:

- CTC Precast Pty Ltd
- CTC Management Pty Ltd
- Precast Civil Industries Pty Ltd
- Transfab Holdings Pty Ltd
- Concrete Solutions Holdings Pty Ltd
- Concrete Solutions Operations Pty Ltd
- Rocla Pty Ltd



**Stephen Copulos**  
**Chairman and Director**  
 CTC Precast Pty Ltd