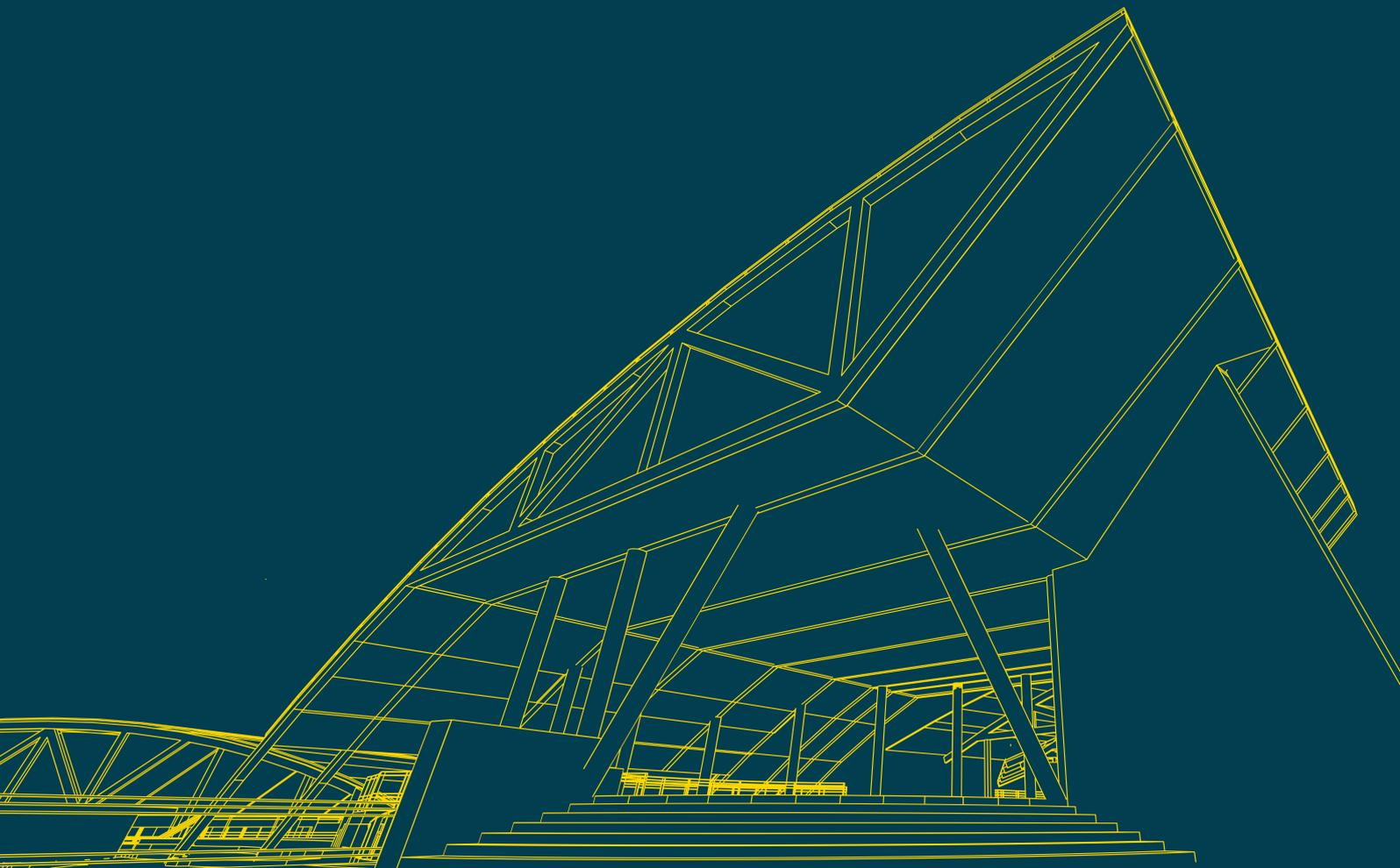


MODERN SLAVERY STATEMENT



Report Details

Reporting Entity	Douglas Construction & Engineering Pty Ltd
ABN Number	25 082 412 011
Financial Year	July 2022 – June 2023
Published Date:	Friday, 29 December 2023

This report is provided in accordance with the requirements of the Modern Slavery Act 2018 for Douglas Construction & Engineering Pty Ltd (DCE) (ABN 25 082 412 011)

Table of Contents

1. OVERVIEW	2
1.1 Our Business Structure	2
1.2 Our Values	2
1.3 Consultation	2
1.4 Our Commitment	2
1.5 Operations Summary	3
1.6 Supply Chain Summary	3
2. RISKS	4
2.1 Risk in the Australian Construction Sector	4
2.2 Our Risk	5
3. ACTIONS	6
3.1 Action Undertaken in FY 2022 / 2023	6
3.2 Actions Identified for FY 2023 / 2024	6
4. REPORTING REQUIREMENTS	7

1. Overview

1.1 Our Business Structure

Douglas Construction & Engineering is a construction company based in Brisbane and operating exclusively in Southeast Queensland. The business has been in operation nearly 25 years and is privately owned. There are no subsidiaries or related entities covered in this report.

1.2 Our Values

Douglas Construction & Engineering Pty Ltd (DCE) is still underpinned by the values it was built on:

We Put People First

Our success is built on our people and our relationships. We demonstrate people focus through strong support of our team members, encouraging their individual development, and fostering strong relationships with stakeholders.

We Are Accountable

We achieve brilliance in every build by taking individual and collective ownership of the key outcomes of cost, time and quality.

We are Problem Solvers

We love a good challenge. By putting ourselves in your shoes and applying our exceptional technical & commercial problem-solving abilities we find win win solutions.

We Keep Our Cool

We approach all communication in a positive and constructive manner. Responding, rather than reacting, enables us to navigate challenges while also enhancing relationships.

1.3 Consultation

As part of the development of this report DCE have consulted internally and with external specialist consultants to understand the risks around modern slavery in the business and our broader supply chain. Ongoing consultation is required as addressing these risks requires a comprehensive and collaborative approach within the construction sector, involving companies, industry associations, and regulatory bodies to promote transparency, responsible procurement practices, and the protection of workers' rights.

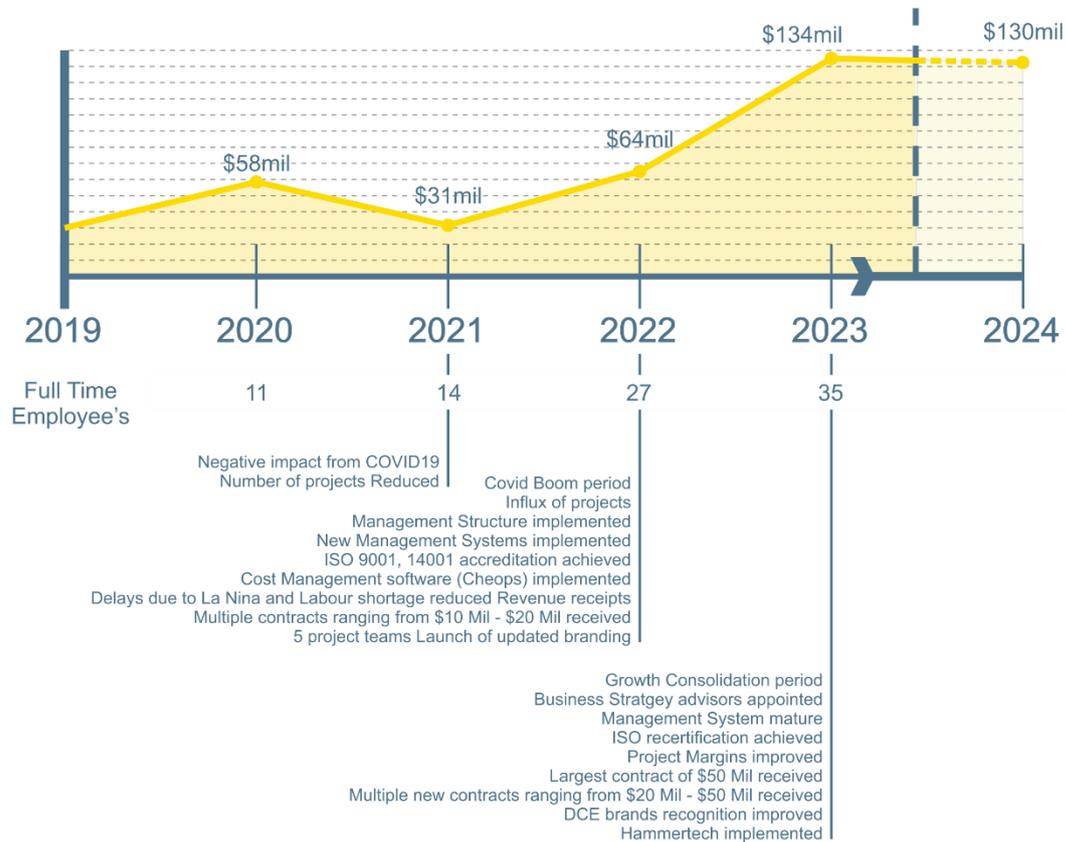
1.4 Our Commitment

As part of living out our values in our business, Douglas Construction & Engineering is committed to our purpose of *"making the process enjoyable"* by providing a respectful environment for all personnel, free from discrimination, abuse and exploitation.

We believe that all people who work with and for us, contribute to our business or are part of our community, should be treated, at all times, with dignity and respect. We have a zero-tolerance policy towards all forms of modern slavery in our business operations and our downstream supply chain. By fostering a culture of transparency and ethical responsibility, we can make significant strides in reducing the risks associated with modern slavery in our sphere of influence.

1.5 Operations Summary

Our operations involve the design and construction of industrial and commercial buildings for a range of clients and end users. We operate throughout the metropolitan areas of Southeast Queensland. As shown below DCE has experienced significant growth over the past 3 years and this is the first year that the revenue threshold from the Modern Slavery Act 2018 has been exceeded triggering the requirement for this statement. In the 2022 / 2023 financial year we have reported \$134million in revenue, more than double any previously reported.



The business is focussed largely in the industrial / logistics sector, and we typically construct around 7 – 9 projects per year. Our growth in revenue is largely driven by an industry wide industrial sector expansion combined with our growth in market share and an increase in the scale of the projects delivered.

1.6 Supply Chain Summary

While all work is coordinated and managed by DCE, we partner with aligned subcontractors to undertake the works. Over the past 25 years we have developed strong relationships with our key subcontract partners.

Most of our subcontractor and supply partners are classed as small-medium enterprises (turning over less than \$100M), while under the Modern Slavery Act 2018 they are not required to report they are contractually bound to DCE’s requirements, policies, as well as all relevant local laws when working on our projects.

The majority of our expenditure is directly with our tier 1 suppliers and subcontractors, who each have their own supply chains. Although not typical, there are some instances where we also engage directly with downstream tiers in our supply chain.



2. Risks

2.1 Risk in the Australian Construction Sector

The Australian construction sector faces various risks related to modern slavery. Some of the known risks include:

Risk Heading	Risk Description	Risk at DCE
Labour Exploitation	The construction industry often relies on a diverse and transient workforce, including both direct employees and subcontractors. This complexity can create opportunities for labour exploitation, including issues such as underpayment of wages, unsafe working conditions, and poor employment practices.	DCE occasionally utilise labour hire directly, we also note the additional risk due to the lack of transparency of poor labour practices due to the prevalence of multi layered subcontracting
Multi Layered Subcontracting	The use of subcontractors in construction projects can result in extended supply chains, making it challenging to monitor and ensure ethical labour practices throughout. Subcontractors, especially those further down the chain, may be more susceptible to engaging in modern slavery practices.	The lack of transparency of poor labour practices due to the prevalence of multi layered subcontracting is a concern for DCE
Migrant Worker Vulnerability	The construction sector frequently employs migrant workers who may be vulnerable to exploitation due to language barriers, limited awareness of their rights, and potential dependence on employers for visas. This vulnerability can be exploited by unscrupulous employers.	We are aware of some subcontractors bolstering labour with migrant workers.
Offshore Procurement	Many construction projects involve the procurement of materials and components from offshore suppliers. Risks may arise if these suppliers operate in countries with weaker labour regulations, leading to potential exploitation and modern slavery practices in the production of materials like steel, glass, or other construction-related products.	DCE procure structural steel from Australian suppliers that fabricate offshore.
Complex Supply Chains	The construction supply chain can be intricate, involving numerous suppliers, manufacturers, and distributors. This complexity can make it challenging for companies to trace and monitor the origins of materials and ensure that each entity in the supply chain adheres to ethical labour practices.	General Industry wide risk
Lack of Transparency	Limited transparency within the construction industry can contribute to modern slavery risks. Lack of visibility into the operations of subcontractors, suppliers, and other entities within the supply chain can hinder efforts to identify and address potential issues.	General Industry wide risk
Training and Awareness Gaps	There may be gaps in training and awareness within the construction sector regarding modern slavery risks. This can result in a lack of understanding among industry participants about how to identify and address these issues effectively.	General Industry wide risk
Other High-Risk Activities	Certain construction activities, such as demolition or excavation, may attract workers from marginalized or vulnerable groups who are at a higher risk of exploitation. Irregular working	Low Risk at DCE on site with our supply chain. DCE manage sites & supervise subcontractor works directly.

	hours, dangerous working conditions, and insufficient oversight can exacerbate these risks.	
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Addressing these risks requires a comprehensive and collaborative approach within the construction sector, involving companies, industry associations, and regulatory bodies to promote transparency, responsible procurement practices, and the protection of workers' rights.

2.2 Our Risk

All our tier 1 suppliers are Australian based. This, along with a keen focus on the development and maintenance of strong partnerships with trusted selected specialist trades, has resulted in relatively low risk in our tier 1 suppliers and subcontractors. Furthermore, our subcontract arrangements typically include both labour and material supply. However, as part of the investigations undertaken in preparation for the development of this modern slavery statement there are a few key risks that have been identified that will be the focus of our actions in the coming 2023/2024 financial year.

Offshore Materials & Manufacture	<p>We recognise that our downstream supply chains are complex and are often extend beyond Australian borders and are therefore exposed to jurisdictions where prevalence of modern slavery is of more significant concern.</p> <ul style="list-style-type: none"> - At DCE all work is contracted to Australian entities, we are however aware, that one key supplier has offshore manufacturing in Vietnam. The prevalence of modern slavery in Vietnam is 256% higher than in Australia.
Migrant Worker Vulnerability	We have become aware of a subcontractor utilising offshore based recruitment to fill low or semi-skilled labour positions that they have been unable to fill locally to the constrained labour market.
Labour Hire	While most work is subcontracted there are instances where labour hire organisations are used as required to assist in the execution of the works. The nature of the short term engagements poses an increased risk for modern slavery.
Multi-layered subcontracting	We have noted an increase in multi-layered subcontracting arrangements and have some concerns around that lack of transparency in these subcontract arrangements and the resultant increase is risk of modern slavery incidents.

3. Actions

3.1 Action Undertaken in FY 2022 / 2023

Although up until earlier this year, DCE were not a reporting entity under the Australian Modern Slavery Act 2018, we understood the importance of transparency across our business in order to provide the means by which such practices can be eliminated and have therefore undertaken some mitigation measures.

Risk	Action Undertaken	Effectiveness
Restricted Subcontract Pool	As part of our overall quality management strategy, DCE have always worked with a restricted subcontract pool. Subcontracts are not sent out for open tender but suitable subcontractors are vetted and invited. This has led to long term relationships with trusted partners we get to know well.	Very Effective - Historically this has been very effective as the increased depth of relationship between the parties has driven trust and increased transparency. As the business has grown and additional new subcontractors & suppliers are added, this will be insufficient to address the risk
Offshore Materials & Manufacture	We have requested details of how the entity addresses the risk of modern slavery within their supply chains and received a copy of their Modern Slavery Statement	Limited Effectiveness – While receiving and reviewing the reporting provides some insight into the sup
Labour Hire	Ensure all engaged labour hire suppliers are reputable and appropriately registered.	Very Effective – While not eliminating the risk, working with reputable labour hire agencies does reduce the risk. The additional communication measures in section 3.2 will further mitigate this risk in future

3.2 Actions Identified for FY 2023 / 2024

Action Heading	Action Description	Associated Risk
Due Diligence	Implement robust due diligence processes for suppliers and subcontractors. This includes assessing their labour practices, ensuring compliance with ethical standards, and may also include conducting on site audits where required to monitor ongoing adherence to these standards. This includes working with reputable labour hire agencies. Include assessment of ethical recruitment practices in due diligence processes, including ensuring that workers are recruited fairly, with transparent contracts and fair wages.	Offshore Materials & Manufacture Labour Hire Subcontractors utilising labour recruited from offshore
Subcontract Adjustment	Adjustment of our standard forms of subcontract to ensure suitable transparency through our supply chain	Multi-layered subcontracting
Awareness Program & Whistleblower Mechanism	Introduce communication in site induction process to educate workers on their rights, workplace safety, and the introduction of a whistleblower mechanism, allowing any instances of exploitation to be reported to DCE management. Language-appropriate materials should be used for workers with diverse linguistic backgrounds and will be communicated through the site induction process and on-site posters ensuring all workers on site are exposed to the communication.	Labour Hire

4. Reporting Criteria

All entities with a Consolidated Revenue of \$100 million based or operating in Australia are required to report on modern slavery in their operations and supply chains. There are 7 mandatory reporting criteria that need to be addressed in the published Modern Slavery Statement. The table below maps the required reporting criteria to the various parts of this report.

Mandatory Reporting Criteria	Where we have addressed this
1. Identify the Reporting Entity:	Report Details (Page 1)
2. Describe the Reporting Entity's Structure, Operations, and Supply Chains:	Overview (Page 3)
3. Describe the Risks of Modern Slavery Practices:	Risks (Page 5)
4. Describe Actions Taken to Assess and Address Risks:	Actions (Page 8)
5. Assess the Effectiveness of Actions:	Actions (Page 8)
6. Describe the Process of Consultation:	Overview (Page 3)
7. Provide Any Other Relevant Information:	Spread through the report

5. Annexure (Approval and signature)

MODERN SLAVERY ACT 2018 (CTH) – STATEMENT ANNEXURE

Principal Governing Body Approval

This modern slavery statement was approved by the *principal governing body* of

Douglas Construction & Engineering

as defined by the *Modern Slavery Act 2018 (Cth)*¹ (“the Act”) on 12/29/2023

Signature of Responsible Member

This modern slavery statement is signed by a *responsible member* of

Douglas Construction & Engineering

as defined by the Act²:



Alex Douglas (Sole Director)

Mandatory criteria

Please indicate the page number/s of your statement that addresses each of the mandatory criteria in section 16 of the Act:

Mandatory criteria	Page number/s
a) Identify the reporting entity.	1
b) Describe the reporting entity’s structure, operations and supply chains.	3
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	5
d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	8
e) Describe how the reporting entity assesses the effectiveness of these actions.	8
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).*	3
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.**	

* If your entity does not own or control any other entities and you are not submitting a joint statement, please include the statement ‘Do not own or control any other entities’ instead of a page number.

** You are not required to include information for this criterion if you consider your responses to the other six criteria are sufficient.

- Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed body within the entity, or a prescribed member or members of the entity.
- Section 4 of the Act defines a responsible member as: (a) an individual member of the entity’s principal governing body who is authorised to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trustee—that trustee; or (c) if the entity is a corporation sole—the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the *Corporations Act 2001*—the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed member of the entity.

The logo features the word "DOUGLAS" in a bold, white, sans-serif font. To the left of the letter "D" is a yellow square containing a white right-pointing triangle, resembling a play button icon.

CONSTRUCTION & ENGINEERING

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A decorative yellow line that starts as a horizontal line on the left, then angles downwards to the right, and finally becomes horizontal again towards the right edge of the page.

Brilliance in every build.