



Modern Slavery Statement

1 July 2021 – 30 June 2022

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**UNIVERSITIES:
ANU Physics &
Engineering (ACT)**

INTRODUCTION

Founded in 1979, Hindmarsh offers specialised construction solutions, with a focus on complex construction projects.

Hindmarsh has a vision of creating leading communities, sustainable buildings and social infrastructure for the future. Hindmarsh delivers projects for a wide range of clients throughout Australia, with a commitment to safety, high quality, integrity, innovation and team work.

For a portfolio of Hindmarsh's work, please visit our website: www.hindmarsh.com.au

Hindmarsh takes its role seriously as an industry leader on ecologically sustainable development, investing in initiatives to improve sustainability and waste management on all its building and development projects.

Hindmarsh is a member of the Green Building Council of Australia and has a strong building portfolio of 5 and 6 Star energy efficient developments. Further, Hindmarsh has an employee wide charity program and actively supports cultural life in Australia.

Hindmarsh Values



Integrity

Maintaining strong ethics, valuing honesty and cementing our reputation for transparency and accountability.



Safety

Creating a healthy and safe working environment for employees, clients and communities.



Innovation

We are progressive and break new ground, finding better ways and being resourceful. We think differently and take calculated risks.



Teamwork

Building friendship and trust, pulling together and helping each other out.



Quality

Going the extra mile and taking pride in our work to deliver the best possible results.

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THIS STATEMENT

This is Hindmarsh's third modern slavery statement pursuant to the Modern Slavery Act 2018 (Cth) and is for the reporting period of 1 July 2021 to 30 June 2022.

The last year has seen a number of encouraging developments in the fight against modern slavery in Australia and globally, including the enactment of the Modern Slavery Act (2018) (NSW) and the Commonwealth review of the Modern Slavery Act 2018 (Cth), which is due to be completed by 31 March 2023.

Notwithstanding these measures, sadly modern slavery appears to be increasing, with the International Labour Organization estimating that the number of people in slavery increased by 2.7 million between 2016 and 2021, with this growth having accelerated since the onset of COVID-19.¹

Hindmarsh remains firmly committed in the fight to eradicate modern slavery worldwide. In this regard, we are pleased to set out in this our third statement, the actions we have taken, the progress made and what we intend to implement to address risks of modern slavery practices in our organisation and supply chains.

This statement was approved by the Board of Hindmarsh Construction Australia Pty Ltd and its subsidiary HCA Queensland Pty Ltd.



John Hindmarsh

Director

Date: 22 December 2022



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¹ International Labour Organization Global Estimates of Modern Slavery Report, September 2022

CRITERIA 1: REPORTING ENTITY

Reporting Entities: Hindmarsh Construction Australia Pty Ltd ACN 126 578 176 (HCA)
HCA Queensland Pty Ltd ACN 629 849 814 (HCAQ)

Head Office: Level 1, 41/65 Constitution Avenue, Campbell ACT 2612

Website: hindmarsh.com.au



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CRITERIA 2: STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Structure

Reporting entities for the purposes of this statement are HCA and HCAQ.

- HCA – is a private company operating in the Australian Capital Territory, New South Wales and South Australia. HCA is a construction company.
- HCAQ – is a wholly owned subsidiary of HCA and operates in Queensland. HCAQ is a construction company.

Other entities in the Hindmarsh group are not reporting entities for the purposes of this statement or are not of operational relevance.

Operations

Hindmarsh delivers top quality business-to-business and community-focused solutions for its clients. With a commitment to safety, high quality, integrity, innovation and teamwork, Hindmarsh delivers to a wide range of clients throughout Australia.

HCA and HCAQ specialise in project and construction management for local, national and international clients.

Hindmarsh's work expands over different sectors, including:

- Commercial and residential high-rise;
- Infrastructure;
- Education;
- Industrial;
- Sporting;
- Health; and
- Government.

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Locations

Hindmarsh operates predominantly across the eastern seaboard of Australia, locations as follows:



HCA and HCAQ has over 180 employees, with a common director overseeing the entities. The same director and executive leadership team oversee the entities, with the same policies and procedures applying to both entities.

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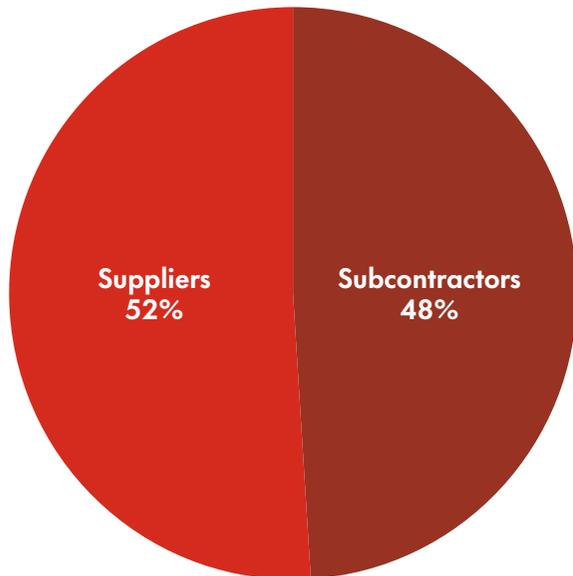
Supplier Relationships and Supply Chains

In order to deliver the services for our clients, Hindmarsh's supply chain is dominated by the contracted supply and installation of construction related materials, plant and equipment, and services. In the reporting period HCA and HCAQ engaged 1,601 suppliers, consultants and subcontractors, with:

- 52% of these being suppliers; and
- 48% comprising subcontractors.

A total of 20 of these suppliers and subcontractors made up 38% of all spend.

Supply Chain Composition by Volume



Operations

Given the project nature of Hindmarsh's operations, subcontractors remain a key component of our project delivery to our clients. As with previous years, generally, Hindmarsh's suppliers are engaged on a project basis, with Hindmarsh having a preferred panel of suppliers to ensure consistency and continuity. Longer term suppliers are typically for goods and services for administrative purposes.

Hindmarsh's supply chains cover a wide range of third parties, with differing levels of complexity. Contributing factors to complexity include the types of projects, lifecycle of projects and the sectors that Hindmarsh services and operates.

A summary of our supply chains (whether via direct suppliers or subcontractors) are as follows:

- Labour Hire and Trades;
- Construction Materials;
- Waste;
- Information Technology;
- Complex Services; and
- Professionals providing design & engineering services.

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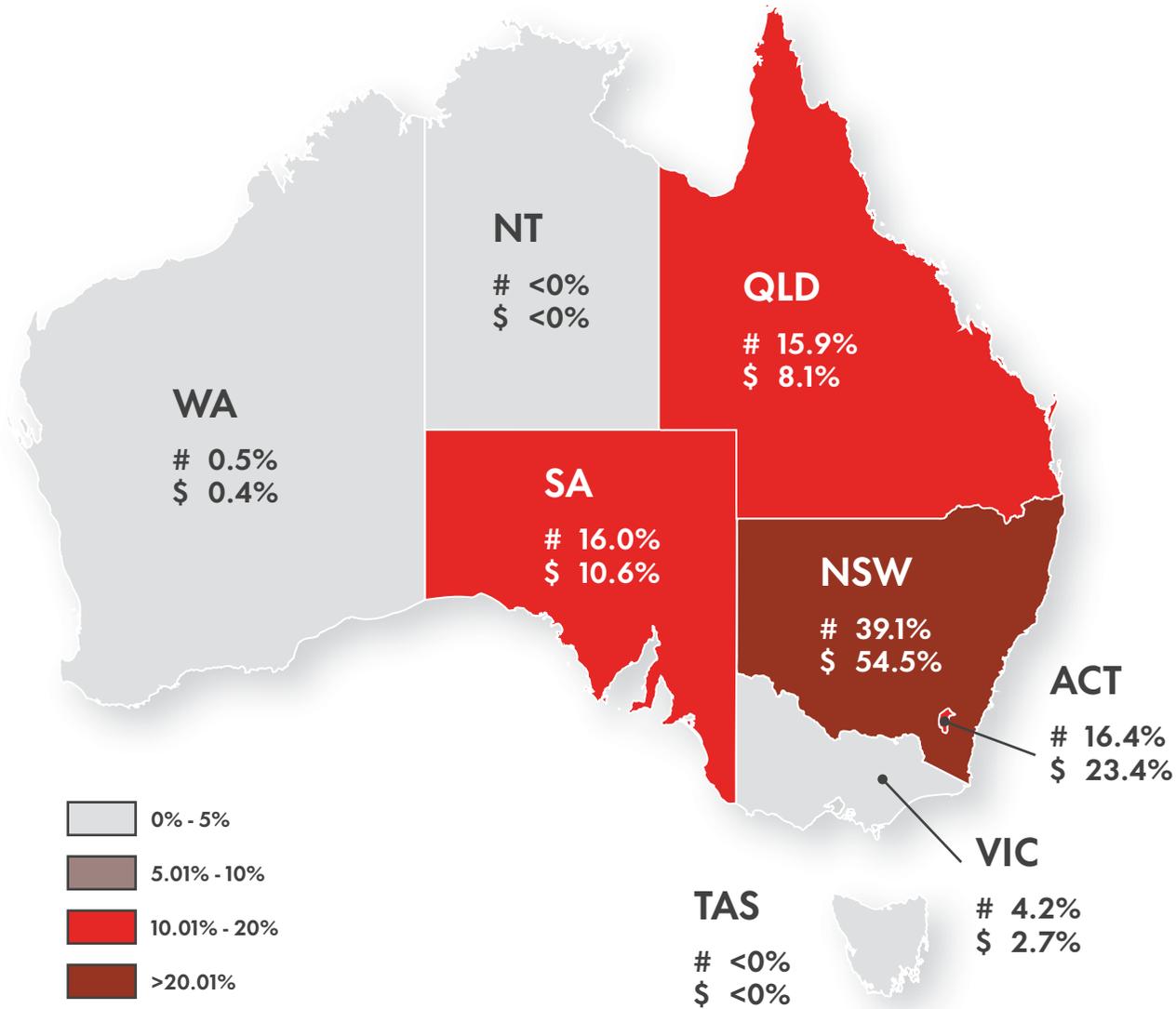
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Locations of our Tier 1 Suppliers - by Volume (#) and Spend (\$)



*Hindmarsh engages two (2) international suppliers based in the United States and Sri Lanka.

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CRITERIA 3: RISKS OF MODERN SLAVERY

Hindmarsh is inherently aware that the construction industry presents higher risks for modern slavery practices. There are several factors that contribute to the higher presentation of risks including multi-layered, complex supply chains, limited visibility deep into supply chains and heightened risks with raw materials.

Further, in construction supply chains there are often relatively unskilled roles, the work may be dangerous, and working hours might be long. Construction delivery deadlines have the potential to compromise safe working practices. Raw materials from other countries, for example, particular bricks, timber and glass, are highly susceptible to human rights violations including child and forced labour.

In considering the risks of modern slavery and in accordance with UN Guiding Principles, Hindmarsh considers whether it may cause, contribute to, or be directly linked to modern slavery practices. We also consider potential risks in our operations and supply chains.

Operations

All Hindmarsh employees and contractors are based in Australia and paid in accordance with applicable Australian laws and regulations. Further, Hindmarsh has a strong corporate governance framework which includes a Whistleblower Policy.

The Hindmarsh Whistleblower Policy provides reporting mechanisms including the ability to report anonymously. Furthermore, Hindmarsh's procurement practices involve a layered approval process, which serves to reduce the risk of Hindmarsh contributing to modern slavery.

Given the above, the risk of modern slavery practices within the operations of Hindmarsh is considered to be low.

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Supply Chains

Various factors can contribute to modern slavery risks and practices, including sector and industry risks, product and services risks, geographical risks and entity risks. All these factors must be considered when analysing risks of modern slavery.

For Hindmarsh, risks of modern slavery may be heightened in third parties that are connected to us via our business relationships. Particular risks are more likely to present deeper in our supply chains where we have less visibility. For the purposes of this statement, our process has been to analyse with our Tier 1 suppliers, with the view to extend our analysis deeper into our supply chains as our compliance framework progresses.

Hindmarsh is particularly focused on identifying modern slavery risks in its supply chains that involve material sourced from:

- overseas regions that have a heightened risk or history of modern slavery;
- domestic industries that can attract unskilled and migrant workers, such as cleaning, security and labour hire; and
- commodities that have a higher risk of modern slavery, including solar panels and bricks.

As an example of the risks associated with certain commodities that have a higher risk of the involvement of modern slavery practices, polysilicon is used in solar panels and recent estimates suggest that the Xinjiang region in China is the source up to half of the world's solar grade polysilicon.² Given the prevalence of modern slavery in the Xinjiang region of China, Hindmarsh recognises that the supply chains of solar panels present material modern slavery risks. Further, since the commencement of the Uyghur Forced Labour Prevention Act (US), US Customs has seized 1,053 shipments of solar equipment from China on the basis of forced labour concerns.³

Additional supply chain related modern slavery risks arose during the reporting period in connection with supply chain delays, created by external factors such as COVID-19 and the war in Ukraine. Hindmarsh recognises that unforeseen delays such as these can cause entities to put pressure on suppliers to meet deliverables and can potentially lead to extreme working conditions or exploitation of workers.

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² Centre for Strategic & International Studies, 7 June 2021: Addressing Forced Labor Concerns in Polysilicon Produced in Xinjiang | Center for Strategic and International Studies (csis.org)

³ Reuters: Exclusive: U.S. blocks more than 1,000 solar shipments over Chinese slave labor concerns, 12 November 2022: Exclusive: U.S. blocks more than 1,000 solar shipments over Chinese slave labor concerns | Reuters

In the reporting period analysis continued as to whether Hindmarsh could contribute to modern slavery practices. The outcome of analysis confirmed that Hindmarsh does not knowingly contribute to modern slavery risks therefore any contribution would be inadvertent.



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CRITERIA 4:

ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

The actions taken by Hindmarsh to identify and address the risks of modern slavery during the reporting period can be summarised as follows:

Governance

Hindmarsh's Modern Slavery Working Group (Working Group), comprising key roles including the General Manager - Finance, National Commercial Manager, General Counsel and Legal & Company Secretariat regularly met, developed and coordinated initiatives and reviews to address modern slavery risks, including the measures outlined below.

Operations

Additionally, Hindmarsh has a robust framework in place at work sites regarding monitoring work hours and how workers 'clock on and off'. This framework demonstrates and reinforces good governance and actions taken to reduce risks of worker exploitation.

Contracting

Hindmarsh's standard subcontract, consultancy and supply contracts were reviewed during the period and strengthened in light of increasing awareness of modern slavery requirements by suppliers, consultants and subcontractors.

This included introducing the requirement for subcontractors to provide a Modern Slavery Risk Management Report to Hindmarsh on a quarterly basis, with Hindmarsh's operational processes updated to include reminders and further steps where this Modern Slavery Risk Management Report is not provided.

Supplier & Subcontractor Screening

Hindmarsh regularly screens all new suppliers and subcontractors using global analytics software, including by committing to undertake due diligence and screening of key suppliers and subcontractors prior to awarding large subcontract packages, in order to identify whether any have adverse modern slavery or other Environmental, Social, and Governance (ESG) related findings by authorities.

While no suppliers or subcontractors received adverse modern slavery findings, where other adverse ESG related findings have been identified by these searches, the Working Group has considered and determined appropriate arrangements with respect to the relevant supplier or subcontractor, which include assessing the nature of the supplier or subcontractor's engagement and ensuring regular reporting by the relevant supplier or subcontractor.

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Ongoing Training

We continued to undertake training of all new employees to ensure ongoing awareness of Hindmarsh's expectations and requirement with respect to identifying and addressing modern slavery risks in its supply chains.

Training covered the following matters:

- What modern slavery is;
- How to identify modern slavery;
- Risk areas for Hindmarsh;
- Key process changes;
- Requirements for due diligence; and
- Hindmarsh's modern slavery strategy.

Tender Evaluation

A detailed review of Hindmarsh's tender documents was completed, with questions introduced into tender documentation regarding modern slavery, with tender evaluation criteria developed for modern slavery compliance and assistance with enabling Hindmarsh to comply with its modern slavery requirements.

Third Party Guidance

To assist us with implementing a strong ESG Framework, Hindmarsh engaged third party lawyers to provide advice and guidance. This guidance also ensures Hindmarsh meets key milestones and objectives and provides us with objectivity.

Policies and Codes

To further strengthen Hindmarsh's modern slavery framework, Hindmarsh developed the following policies, procedures and codes:

- **Ethical Sourcing Policy** – sets out the minimum requirements Hindmarsh expects its suppliers to maintain and measures to achieve compliance with this Policy as well as with international labour standards and any applicable laws;
- **Anti-Bribery and Corruption Policy** – sets out our expected standards of behaviour and address and protect Hindmarsh from bribery and corruption risks; and
- **Supplier Risk Matrix** – assist with characterising the risk associated with our suppliers. The matrix outlines high level factors that could indicate further risk and require further due diligence.

These policies, as well as Hindmarsh's Modern Slavery Policy and Supplier Code of Conduct underpin existing policies, procedures and codes including Hindmarsh's Procurement Policy, Whistleblower Policy and Code of Conduct.

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CRITERIA 5: EFFECTIVENESS OF ACTIONS

In the reporting period particular emphasis was placed on reviewing previous actions, continuing to build on the existing operational framework and implementing initiatives previously identified to improve modern slavery.

A key to a mature and effective compliance framework is measuring its effectiveness by means such as testing and auditing. As part of this compliance framework, an annual audit is in the process of being implemented, measuring key factors including:

- compliance with policies and procedures such as the Hindmarsh Modern Slavery Policy;
- reviewing the number of third parties such as suppliers and subcontractors who had due diligence conducted;
- benchmarking Hindmarsh itself and key third parties connected to us;
- auditing a supply chain; and
- reviewing the number of employees to complete modern slavery training.

Auditing of this nature will then in turn influence key performance indicators, together with gaps and areas of our framework that require improvement.

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CRITERIA 6: CONSULTATION

HCA and HCAQ are governed by the same director and executive leadership, policies and procedures. On this basis, consultation between the entities was extensive, with key stakeholders being engaged and consulted. Further, the Hindmarsh Modern Slavery Working Group was established with executives across HCA and HCAQ who contributed to the actions described in this statement as well as the development of this statement. The same contracts apply to both entities and the same personnel review supplier tender submissions and risk.

The Board provides general oversight and the Modern Slavery Working Group reports to the CEO who is responsible to the director.

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LOOKING FORWARD

Over the next reporting period, Hindmarsh will continue to build upon the progress made to date and engage its stakeholder groups to seek opportunities for improved awareness, due diligence and cooperation amongst all parties.



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