



Modern slavery and human trafficking statement

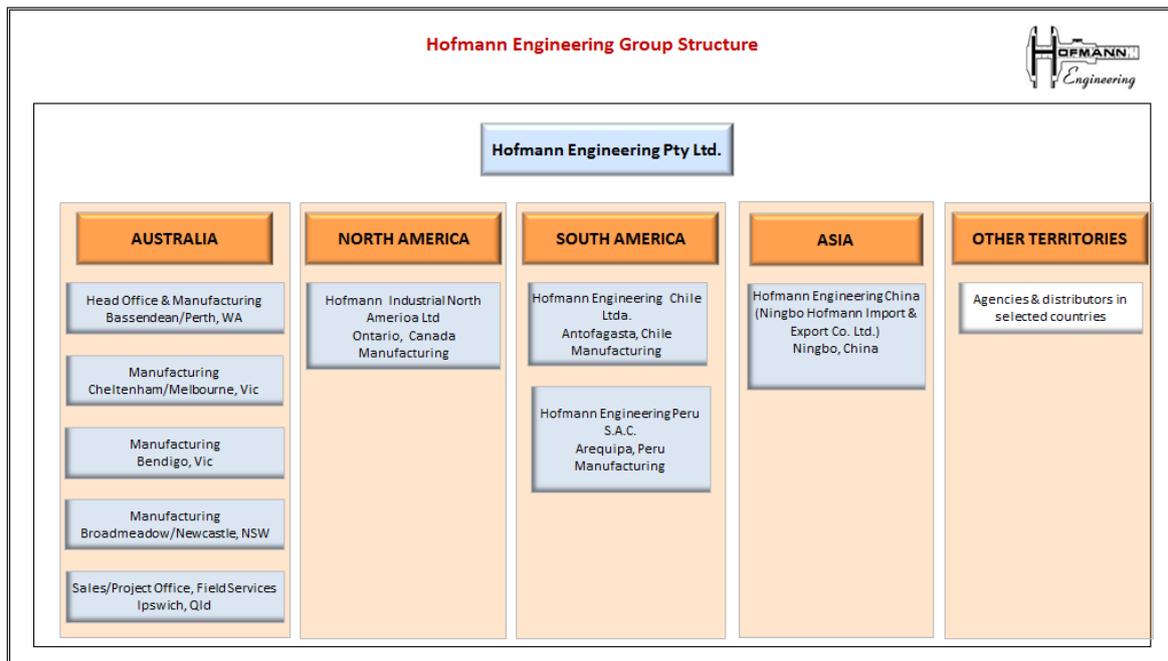
1. Introductory Statement

This statement outlines the actions of Hofmann Engineering Pty Ltd and its controlled entities (collectively “The Hofmann Group”) to understand and implement actions to minimise the risk of modern slavery and human trafficking in our operations and supply chain during the year ended 30 June 2021. This statement is intended to comply with the requirements of the Australian Government’s Modern Slavery Act 2018.

2. Structure, operations and Supply Chain

The Structure, operations and supply chain of the Hofmann Group remain as described in the Statement for the year ended 30 June 2020.

The Hofmann Group’s head office is in Western Australia. It operates out of 5 locations in Australia and has subsidiary companies located in Canada, Peru, Chile and China. The Hofmann Group has Agents and Distributors located in selected international territories.



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The Hofmann Group has a complex supply chain. The group directly sources significant quantities of goods and services ranging from stationary to precision machine tool parts. While our operations are complex, The Hofmann Group aims to ensure that human rights are respected and Modern Slavery is not tolerated within our operations and supply chain.

We have a centralised purchasing function which controls the procurement of externally provided process, products and services and is responsible for the selection and assessment of suppliers. Suppliers that are nominated by the customer (special process or source control parts) are still subject to the same evaluation process as other suppliers.

As part of the supplier selection process, suppliers are required to complete and sign Assessment forms. These forms include code of conduct sections including compliance with our modern slavery and human trafficking laws. Suppliers are also subject to audit either through telephone/video conference or in person discussion at the supplier's premises. Our Supplier selection process also provides that if the supplier is a smaller business and does not have their own documented policies then they need to abide by the Hofmann Engineering Group's Supplier Code of Conduct.

3. **Risks and Actions taken to assess and address the risks of modern slavery**

The Hofmann Group view Modern Slavery as a non-financial risk that is not easily measurable using conventional tools and KPI reporting methods. It is important to our business that we lead by example and demonstrate that we have set and operate to the highest possible standards to act ethically and responsibly at all times and accordingly expect the same from our suppliers and trading partners.

Our customers around the world, and across numerous industries, are increasingly seeking assurance that supply chains do not have any links to human rights abuses. This reflects the philosophy of the Hofmann Group.

In our 2020 Statement we reported an intention to redraft our standard Terms and Conditions of Purchase to ensure compliance with Modern Slavery Laws was specifically referred to. This has been completed and our suppliers have been supportive of the inclusion.

Our Purchasing Department communicates our expectations to all suppliers. To ensure effective communication we require suppliers to sign an acceptance and acknowledgement of our Supplier Code of Conduct which includes Australian and internationally accepted standards on labour and human rights that reflect the values of the Australian Government's Modern Slavery Act 2018.

Our Purchasing Department performs systemised supplier reviews during prequalification, tendering, renewal of contract terms and routine supplier audits. Part of this process includes an assessment of supplier policies and practices regarding modern slavery and human trafficking. To date no issues of Modern Slavery have been identified, however, if an unacceptable level of risk was to be identified, the first step would be to work with the supplier to determine appropriate corrective action. If the issues could not be resolved, alternate suppliers would be considered along with any regulatory reporting requirements.

4. How to assess the effectiveness of Actions taken to assess and address the risks of modern slavery

The keystone to our modern slavery actions is our Purchasing Department. The purchasing team are trained in supplier assessments and due diligence which incorporate an assessment of the risks of modern slavery and human trafficking. Records are maintained of all supplier assessments carried out. These assessments are performed at tendering or prequalification phase for new suppliers and for existing suppliers carried out when terms are renegotiated or as part of regular routine supplier monitoring.

To date the assessment program shows no supplier as presenting a risk.

5. Consultation process with entities within the Hofmann Group

The Hofmann Group structure is detailed at paragraph 2

The Hofmann Group aims to take a supportive and collaborative approach to combatting modern slavery. We strive to ensure our subsidiaries are aware of the actions needed to identify, assess and address the risks of modern slavery. The process has involved:

- Informing the General Manager of each subsidiary of the Hofmann Groups policy on modern slavery
- The Modern Slavery and Human trafficking statement 2021 has been written on the letter heads of our subsidiaries and signed by a Director and the General Manager of each subsidiary.
- Ensuring the Hofmann Groups policies, including those dealing with modern slavery and human trafficking, are accessible and available to all employees. This is achieved by making them available on the Hofmann Group's Intranet and ERP system with is shared by all entities.

A handwritten signature in black ink, appearing to read 'Erich J Hofmann'.

Erich J Hofmann - Managing Director

This statement for the Hofmann Group was approved by the Board of Hofmann Engineering Pty Ltd as the parent entity on 17 December 2021

A handwritten signature in black ink, appearing to read 'Erich J Hofmann'.

Erich J Hofmann - Managing Director

17 December 2021