

Higgins Coatings Pty Ltd Modern Slavery Statement

FY 2023-2024

1. Introduction

With a large geographical footprint and a diverse clientele base, Higgins Coatings provides customers with commercial painting and maintenance services. Higgins Coatings is committed to the highest standards of ethical conduct and compliance with all applicable laws, including the Modern Slavery Act 2018 (Cth). As part of our commitment to protecting human rights, Higgins Coatings are dedicated to ensuring that our operations and supply chains are free from modern slavery practices.

This statement is prepared by Higgins Coatings (referred to as Higgins in this document) in accordance with the Modern Slavery Act 2018 (Cth). This is Higgins' Year 2 Modern Slavery Statement, covering the period from 01/07/2023 to 30/06/2024, outlining actions taken to address modern slavery risks identified in our initial statement and the ongoing efforts to strengthen our practices further.

2. Commitment

Higgins continues to oppose all forms of modern slavery and is committed to operating its business lawfully, ethically and in respect of human rights. Higgins' commitment includes identifying, assessing and addressing modern slavery risks both within our operations and throughout our supply chain. Higgins respects and supports the human rights and freedoms of workers within our operations and throughout our supply chain.

3. Reporting Entity and Structure

This annual Modern Slavery Statement has been prepared for Higgins Coatings, ACN 009 342 572, located at 1/297 Ingles Street, Port Melbourne VIC 3207.

Higgins Coatings continues to be owned by parent company Swanwick Holdings Pty Ltd. Higgins is a family owned private company incorporated in Australia and has its headquarters in Melbourne.

Higgins operates in all states and territories in Australia, operating from 22 branches. As of 30 June 2024, Higgins employed 480 personnel (472 the previous year).

4. Supply Chain

During the reporting period there have not been any changes in the overall Higgins supply chain process or structure since the first statement.

Higgins continues not to manufacture paint, paint materials or equipment. Instead, it procures paint, consumable items, some machinery and hires some special access equipment on a project by project basis from suppliers. Higgins then provides the employees to complete painting works. Speciality goods and services sourced from suppliers include paint, painting

consumables and equipment, hire of machinery and height access equipment (for example, scaffold, Elevated Work Platforms). Larger spend items have a national procurement arrangement in place with suppliers, which assists in controlling spending with approved suppliers.

Goods are also procured to support business operations including stationary, PPE, clothing, merchandise, IT and communication hardware.

100% of purchases with suppliers during FY23-24 were sourced directly from Australian based businesses, with a mixture of larger suppliers being Australian and overseas owned.

5. Modern Slavery Risks

5.1 Risks in Operations

Higgins has again assessed the risk of modern slavery in its operations as being low to negligible. This assessment was based on:

- 100% of Higgins workforce is employed directly by Higgins in accordance with Australian laws, applicable modern awards and enterprise agreements.
- Higgins has a dedicated team of HR professionals to ensure compliance to Australian ER/IR laws, including a team of 2 full time employees who are screening and checking all employees and contractors.
- None of the workforce is engaged through labour hire providers.

5.2 Risks in the Supply Chain

During FY23-24, Higgins identified the top 5 key and regular suppliers of goods, services and equipment by quantity and spend. These were:

- Dulux Group
- Haymes Paints
- United Access and Forklifts
- Cargo Crew Clothing Supplies
- Dell – IT/Electronic equipment and related hardware/software

These suppliers were then reviewed to identify which ones may be identified as being “high risk” with reference to the Walk Free Foundation’s Global Slavery Index.

Following the review, 4 of the 5 suppliers were deemed to be in the low to medium risk category, while Dell was identified as potentially being a “medium risk”.

Dell was identified as a medium risk because it manufactures electronic components in China & Malaysia, specifically for laptops, computers and related hardware/software. It is a large international corporation with various practices in place to reduce modern slavery risks. Higgins has reviewed the Dell’s 2024 Modern Slavery statement, which is very comprehensive and demonstrates its actions to reduce modern slavery risks, however, Higgins does not have full visibility into their supply chain and any potential modern day slavery practices.

6. Assessment of Risks and Actions Taken

6.1 During the reporting period, Higgins has taken actions that were outlined in the first report as well as undertaking on going reviews of compliance related practices, based on the

risks identified and assessed in the year 1 Report. These assessments and actions taken during the reporting period include:

6.2 Governance Structure and Compliance Framework

During the reporting period, Higgins have built upon the foundations set in our initial Modern Slavery Statement. We have established a governance framework that includes the following components:

- Inclusion of Modern Slavery compliance as a requirement in our procurement policies and procedures, especially in relation to tender questions to ask key suppliers and their responses.
- Updating our ESG policy to include a Modern Slavery clause
- Our Supply Chain Sustainability Procurement Policy has been updated to incorporate specific compliance measures with the Modern Slavery Act. This includes stricter clauses to address potential risks and promote ethical sourcing.
- Reporting to the senior management team on any formal complaints, breaches or potential breaches of modern slavery related activities
- All Higgins employees and contractors have access to a dedicated external Whistleblower company to voice concerns. Any disclosure will be treated confidentially and without fear of retaliation. It is by receiving and evaluating feedback and maintaining a culture of compliance that Higgins can assess the effectiveness of its practices and procedures

6.3 Reviewing contractual documentation

Higgins has reviewed its standard Heads of Agreement contract document, which contractors are required to sign and comply with. This includes specific references to complying with all Australian Laws Acts and Regulations, which includes the Modern Slavery Act (Cth) 2018.

6.4 Training

Higgins senior management have undertaken training on modern slavery and human trafficking and this training. We intend to roll this training out to all other staff in 2025 when we implement a new Learning Management System.

The National Procurement Manager has undertaken a Ethical Sourcing & Modern Slavery Awareness Training course at Wollongong University

6.5 Feedback from Staff

In November each year Higgins conducts its annual staff survey to obtain feedback on a wide range of topics. This is an anonymous survey sent electronically to all employees and key contractors.

In November 2024, Higgins included the following question in the survey:

‘Management I deal with are honest and ethical in their business practices.’

88% of Respondents rated the response on a Likert scale as 'Always True'. 1.6% rated the response as 'Often Untrue' and 10% rated the response, 'Sometimes true/sometimes untrue.' Senior management were happy with these scores, indicating a high degree of ethical practices overall, however, this high score should not lead to complacency or lack of ongoing auditing of practices.

6.6 Communication

In January 2024 Higgins advised all staff that it had published its year 1 Modern Slavery Statement on its website. Refer to [Higgins Coatings | Safety & Sustainability Statement](#)

6.7 Supplier & Contractor Engagement and On Going Compliance

• Review of Supplier Assessment Process

- We have integrated Modern Slavery compliance into our supplier assessment, pre-qualification, and approval processes. This review ensures that considerations related to modern slavery are a critical part of our decision-making framework.
- We have asked several of our key suppliers to complete Modern Slavery compliance questionnaires, allowing us to gain insight into their supply chains and evaluate their risk mitigation processes.

• Review of Contractor Assessment Process

- To ensure a thorough checking of contractor's credentials and compliance, initially when engaged and on an ongoing basis, Higgins has employed 2 full time workers during the reporting period.

7. Assessing the effectiveness of actions being taken to assess and address modern slavery risks

7.1 Higgins will look at a range of ways to assess the effectiveness of its actions, including:

- Establishing a process to regularly review and monitor the actions taken. This is conducted quarterly in consultation with the National Procurement manager.
- Conducting internal audits with new suppliers and contractors
- Conducting review of the supplier prequalification/tender criteria checklist and compliance in following it
- Working with key suppliers to check how they are progressing any actions they have put in place to address modern slavery risks.

7.2 KPIs

Higgins believes it is important to assess the effectiveness of our actions in both qualitative and quantitative ways. During the reporting period Higgins developed and tracked the following KPIs.

KPI	2023-2024 Results	Comments
Implementation of modern slavery policies or processes	completed	
No. of Whistleblower disclosures during period	0	
The number of modern slavery complaints received by another grievance mechanism	0	
The number of modern slavery training and awareness-raising programs delivered	2	Senior management team awareness training Procurement Manager completed awareness training course from Wollongong University
The number of heads of contracts that include modern slavery clauses	All	

8. Consultation process with any entities the reporting entity owns or control

Higgins has consulted with management and procurement staff to complete this statement. As per clause 6.5, Higgins has been able to gain some feedback from all staff on overall ethical practices, which includes modern slavery related practices.

We have also had meetings with some key suppliers about their progress and actions taken by them in relation to Modern Slavery, so Higgins can learn from them.

9. Any other relevant information

Nil.

10. Looking Forward

Over the next reporting period, Higgins Coatings will continue to assess ways to reduce the risks of modern slavery and continue to improve on actions already in place. This will include:

- Investigate SEDEX resources, including Radar, to assist in data gathering, evaluation and benchmarking
- Continue to review and Update our Supply Chain Sustainability Procurement policy to include Modern Slavery Act compliance practices
- Provide awareness training to employees on Human Rights and Modern Slavery Policy, including the warning signs of modern slavery, and Higgins commitments to eradicate it from its supply chain.
- Continue to review of our supplier assessment/prequalification and approval process to ensure aspects of Modern Slavery compliance is incorporated into the decision making process

- Develop an improved 'Individual Supplier Profile' for top 5 key suppliers, which shows the supplier's Modern Slavery risk categorisation, location(s) of operations, location(s) where the supplier produce goods/provide services, location(s) where suppliers source from, as well as suggested risk mitigation actions
- Continue to improve relationships with key suppliers to conduct Modern Slavery compliance audits so we better understand these supplier's supply chains and evaluate their processes and controls to mitigate modern slavery risk.
- Investigate substituting suppliers or products where the modern slavery risk presented by the supplier is assessed as being higher than reasonable or where the supplier is unresponsive to Higgins enquiries or agreed action plans.

11. Future Commitment and Continuous Improvement

Higgins Coatings acknowledges that eradicating modern slavery requires continuous commitment and action. We will persist in refining our processes, enhancing training initiatives, and fostering relationships with our suppliers to ensure compliance with the Modern Slavery Act and to uphold human rights.

12. Conclusion and Board Approval

This Year 2 Modern Slavery Statement reflects our ongoing commitment to combating modern slavery and protecting human rights throughout our operations and supply chains. We recognize that meaningful progress is a continuous journey, and Higgins Coatings remains resolute in our mission to create a supply chain that is ethical, transparent, and free from modern slavery.

This statement is made pursuant to the Act and constitutes Higgins Coatings Modern Slavery Statement in respect of the 2023-24 financial year and is approved by the principal governing body of Higgins Coatings, being its board of directors, on 11 December 2024.

Signature of

A handwritten signature in black ink, appearing to read 'Gerard Higgins', with a long horizontal stroke extending to the right.

Gerard Higgins

Managing Director

16 December 2024