

## Introduction

This statement is provided by Southern Cross Electrical Engineering Limited (“SCEE”) pursuant to the requirements of the Modern Slavery Act 2018 (“the Act”) to report on the actions taken to assess and address modern slavery risk exposures in its operations and supply chain during the financial year ended 30 June 2020 (“the period”).

The Act defines modern slavery as including eight types of serious exploitation:

- trafficking in persons;
- slavery;
- servitude;
- forced marriage;
- forced labour;
- debt bondage;
- deceptive recruiting for labour or services; and
- the worst forms of child labour

SCEE is not aware of any instances of modern slavery within its operations or supply chain during the period.

## Reporting Entity

The reporting entity is Southern Cross Electrical Engineering Limited (ABN 92 009 307 046) and its controlled entities. Details of the controlled entities during the period can be found in SCEE’s 2020 Annual Report.

References to SCEE, the group, our and we should be taken to refer to all entities under SCEE’s control.

## Our Commitment to Protecting Human Rights

SCEE has adopted a Human Rights Policy which sets out our commitment to protect and uphold fundamental human rights at all our operations and projects by conducting ourselves and our business with due care in accordance with relevant laws and regulations. Our activities will be guided by the International Bill of Rights and the UN Guiding Principles on Business and Human Rights.

Our commitments under the policy include:

- respecting that all employees have a right to reasonable work conditions and remuneration;
- not using forced, compulsory or child labour;
- respecting the diverse cultures and heritages of local communities;
- respecting the rights of indigenous peoples;
- not tolerating harassment or adverse discrimination; and
- requiring that relevant personnel, receive appropriate human rights and cultural training and guidance.

Our Human Rights Policy is supported by our Code of Conduct and Diversity Policy.

SCEE also has a Whistleblower Policy which encourages the reporting of any actual or suspected unethical, unlawful or undesirable conduct and provides a mechanism to ensure that such matters are dealt with appropriately while offering protection to the individuals reporting the misconduct.

Copies of these policies can be found on our website at [www.scee.com.au](http://www.scee.com.au).

## Summary of Operations

SCEE is an ASX listed electrical, instrumentation, communication and maintenance services group recognised for our industry leading capabilities. The group includes the SCEE, Heyday and Datatel businesses.

Headquartered in Perth the group has offices across Australia. For the year ended 30 June 2020 SCEE had revenues of over \$400m and approximately 1000 employees.

During the period all of our projects were within Australia in our three core sectors of Infrastructure, Commercial and Resources. All our Clients are Australian Registered Businesses and therefore also subject to Australian modern Slavery legislation, albeit some are subsidiaries of non-Australian enterprises.

Projects were delivered primarily through a direct employment model with employees being engaged under enterprise agreements or relevant modern awards as applicable. In some instances the direct workforce was supplemented by local labour hire engaged at market rates.

Certain project scope was subcontracted by SCEE to third parties. All subcontractors used by SCEE during the period were Australian based businesses and were engaged on industry standard terms and conditions.

SCEE's supply chains include the manufacture and supply of the products it uses in delivering its projects such as cables, switchboards, fixtures and fittings. The vast majority of products used during the period were procured directly from Australian wholesalers.

The group utilises overseas service providers to engage employees to deliver certain of the groups administrative and support functions.

SCEE has previously operated internationally and retains overseas subsidiary entities which are all now dormant with no operations or employees during the reporting period.

## Risk Identification and Mitigation

A review of SCEE's exposure to modern slavery risks during the period has been undertaken. This included consultation and engagement with group executives and with the appropriate level of management in SCEE's controlled entities including representatives from human resources, procurement, contracts and commercial.

The risk across the group was assessed as low given the geography, industry and sectors in which we worked during the period. Areas where it was identified that a higher risk could exist, or be perceived to exist, are discussed below along with the steps that have been taken to mitigate this risk where appropriate.

While we typically procure the products used on our projects from Australian wholesalers, some of these products are manufactured overseas. No specific assurances were requested from our suppliers during the period with regards to modern slavery legislative compliance requirements, however we are currently in the process of updating purchasing and subcontracting templates to address this going forward. We note that none of the main products commonly procured for SCEE's projects are included in the Walk Free Foundation 2018 Global Slavery Index's list of products imported into G20 countries with an identified risk of forced labour.

In utilising subcontractors to perform parts of our project scope we may not always have full visibility of the subcontractors supply chain. However, our revised purchasing and subcontracting templates will give us the facility to undertake audits for modern slavery compliance where it is deemed required or appropriate.

The overseas service providers referred to in the Summary of Operations section above are located in the Philippines. Prior to engaging with these service providers the group performed appropriate levels of due diligence including site visits to the office locations. Employees engaged by the service providers are done so at the direction of SCEE and remuneration is benchmarked regularly to ensure it is set at appropriate levels. Employees have a direct line of reporting to functional managers in SCEE and there are regular communications with both the employees and the service providers, including periodic visits by SCEE management to the Philippine offices.

To assist with the identification and mitigation of risk going forward, modern slavery awareness training will be undertaken within the organisation during the roll out of the revised purchasing and subcontracting templates.

## Assessment of Effectiveness

We view the modern slavery risk exposures in our current operations as low and believe that the steps taken to assess and address these exposures as set out in the previous section have been appropriate for the business at this time.

We are committed to a process of ongoing improvement as the business continues to grow and evolve. To that end, subsequent to the period end we have undertaken an exercise, with the assistance of external consultants, to benchmark our current approach against best practice.

This has allowed us to tailor our key focus areas for the 2021 financial year to include:

- Enhancing supply chain due diligence processes to facilitate appropriate consideration of modern slavery risks prior to engagement of suppliers;
- Utilising purchasing and subcontracting templates which address human rights and modern slavery commitments when engaging with suppliers and subcontractors;
- Introducing modern slavery awareness training for relevant employees;
- Enhancing our Whistleblower Policy to expressly address modern slavery and human rights grievances; and
- Remaining up to date with developments in industry and international best practice.

## Approval

The Board of Southern Cross Electrical Engineering Limited has approved this statement on behalf of the group on 18 December 2020.



Derek Parkin  
Chairman