

MODERN SLAVERY POLICY



Our commitment

At ADCO, we oppose modern slavery in all its forms. We understand that being part of the construction industry, there may be a higher risk and prevalence of modern slavery in our supply chain, both locally and globally. This is an issue we take seriously and we know that combatting modern slavery cannot be achieved by one organisation alone. We are committed to operating at the highest ethical standards, and in doing so, encourage our supply partners to do the same. We aim to ensure that our employees and suppliers are aware of ADCO's position on modern slavery and we provide information and guidance to our employees and supply partners on how to recognise and deal with modern slavery issues.

Application of this policy

This policy applies to all Board members, management, staff and contractors engaged and undertaking work on behalf of ADCO, wherever they may be located (collectively referred to as personnel in this policy), in ADCO's operations, activities and all dealings with third parties including private organisations, individuals or any representatives of such persons. Compliance with this policy is the responsibility of all personnel (irrespective of an individual's particular role or responsibilities). ADCO expects all suppliers to uphold the same standards, including in our suppliers' dealings with their suppliers, and ADCO commits to working in partnership with all suppliers to implement this policy.

What is Modern Slavery?

Modern slavery is the use of coercion, threats or deception to exploit victims and undermine their freedom, including:

- Slavery, including slavery resulting from a debt or contract made by the victims;
- Servitude, where victims provide labour or services, including sexual services and they are not free to stop working or leave their workplace and/or are significantly deprived of personal freedom due to coercion, threats or deception;
- Debt bondage, where individuals have large debts to their employer, for example, excessive recruitment fees, and they are not able to leave employment until the fee is paid and it is impossible to repay those fees;
- Forced labour, where people are forced to provide labour or services against their will due to coercion, threats or deception;
- Deceptive recruiting, where a victim is deceived as to whether they will be exploited through a form of modern slavery;

- Forced marriage, where coercion, threats or deception are used or where the victim does not understand the nature and effect of the marriage ceremony and so the victims marry without their free or full consent;
- Human trafficking, which is the recruitment, transportation, transfer, harbouring or receipt of people, through coercion, threat or deception, for exploitation;
- The worst forms of child labour, for example, exploiting children through slavery activities, using or procuring a child for sexual activities and illicit activities, and engaging children in work which is likely to harm their "health, safety or morals"; and
- Offences relating to use of children for production of child abuse material and to the production, dissemination or possession of child abuse material.

Modern slavery is a term used to describe serious exploitation. It does not include practices like substandard working conditions or underpayment of workers, though these practices are also harmful and may be present in some situations of modern slavery.

Ethical standards for ADCO and its personnel

ADCO endeavours to ensure that ADCO and its personnel comply with all modern slavery legislation in its operations, activities and supply chains, endeavouring to ensure:

- Employment is freely chosen;
- Child labour is not used;
- A living wage is paid to all individuals;
- Individuals are not required to work excessive hours;
- Entities promote a no tolerance discrimination policy; and
- There is freedom of association and collective bargaining.

The principle of ethical behaviour also governs the conduct of all our procurement activities. All personnel who procure goods, services, consultancy and capital work must comply with our standards of integrity, probity, professional conduct and ethical behaviour including:

- to deal fairly, impartially and consistently with all suppliers;
- to maintain the confidentiality of confidential and sensitive information obtained as part of the procurement process;

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- to formally declare any actual, potential or perceived conflicts of interest prior to the commitment of the procurement activity and abstain from any procurement activity where it has been deemed that an actual potential or perceived conflict of interest exists; to examine and consider the integrity of the potential supplier, including the original source (where possible) of the product and whether there is the risk of any harmful labour practices or human exploitation (of any kind) based on the industry, location of the supplier or other factors; and
- to ensure that the procurement function is documented in such a way as to be able to reasonably demonstrate that decisions and purchases were made in accordance with the procurement policies, and all other ADCO policies and applicable laws.

Ethical standards for suppliers

ADCO's approach to Modern Slavery and ethical business standards, including our expectations as set out in this policy, must be communicated in writing to all suppliers at the outset of our business relationship with them.

ADCO mandates that all suppliers comply with the following requirements:

- Suppliers must not employ children under the legal age of employment in any country or local jurisdiction. If the minimum age of employment is not defined, it will be 15 years of age. Workers under the age of 18 must only perform work in accordance with legal requirements (e.g. with regards to working time, wages and working conditions) and subject to any requirement regarding education or training.
- Suppliers must not use any form of forced, bonded or involuntary labour. All labour must be voluntary. Workers must be allowed to maintain control over their identification documents (e.g. passports, work permits or any other personal legal documents). The supplier must ensure that workers do not pay fees or make any payment or incur any loans or other liabilities connected to obtaining employment throughout the hiring process and the employment period. If the worker is forced to pay such a fee, the Supplier will refund the worker the amount. The supplier must be responsible for payment of all fees and expenses (e.g. licences and levies) relating to workers, where legally required.
- Punishment and/or mental or physical coercion are prohibited. Disciplinary policies and procedures must be clearly defined and communicated to workers.

- Suppliers must ensure that employment contracts and conditions are provided in terms and in a language clearly understood by the workers. Suppliers must comply with all applicable laws and mandatory industry standards regarding maximum working hours, overtime, fatigue management/days of rest, wages and benefits. Suppliers must pay workers in a timely manner and clearly convey the basis on which workers are being paid.
- Deductions from wages as a disciplinary measure must not be allowed, if not legally permitted and even where legally permitted, should be minimised.
- The workers of the supplier must be free to join or not to join a union/employee representation of their choice, free from threat or intimidation. Suppliers recognise and respect the right to collectively bargain in accordance with applicable laws.
- Suppliers must promote an inclusive work environment that values the diversity of their workers. The supplier must not discriminate or tolerate discrimination with respect to gender, race, religion, age, disability, sexual orientation, national origin, pregnancy, parental status, political belief, trade union activity, gender identity, sex characteristics, family responsibility or any other characteristic protected under applicable laws.
- ADCO expects all suppliers to strive to implement the standards of occupational health and safety at a high level by applying a health and safety management approach appropriate to business. Suppliers must comply with applicable occupational health and safety regulations and provide a work environment that is safe and conducive to good health, in order to preserve the health of workers, safeguard third parties and prevent accidents, injuries and work-related illness. This includes regular workplace risk assessments and the implementation of adequate hazard control and precautionary measures. Workers are to be adequately educated and trained in health and safety issues.
- Suppliers must ensure their procurement and sourcing practices are ethical and in accordance with human rights and law. Suppliers are required to develop due diligence policies and management systems in order to identify relevant risks in its supply chains and undertake regular due diligence on the goods and materials in their supply chains to determine whether goods and materials are sourced from high risk areas associated with child or forced labour, human rights violations and conflict, or are associated with health and safety risks and environmental risks. Suppliers must take appropriate steps to mitigate and manage any identified risks.

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- The principle of ethical sourcing and procurement behaviour required from our suppliers extends to and incorporates standards of integrity, probity, professional conduct and ethical behaviour set out in ADCO's Supplier Code of Conduct, including in relation to:
 - Legal and Ethical Standards
 - Work, Health and Safety
 - Sustainable Development
 - Compensation and Working Hours
 - Freedom of Association
 - Diversity, Discrimination and Harassment
 - Privacy and Confidentiality
 - Conflicts of Interest
 - Anti-Corruption

Training and communication

Training on modern slavery forms part of the induction process for all new personnel. All existing personnel will be provided refresher modern slavery training at appropriate intervals in support of this policy.

Compliance

The Board is responsible for ensuring this policy complies with ADCO's legal and ethical obligations, and that all those within our control comply with it. Each of our State Managers has primary and day-to-day responsibility for implementing this policy, and the Head of Risk and Compliance has responsibility for monitoring its use and effectiveness.

Management at all levels is responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate training on it at appropriate intervals. ADCO supports and encourages personnel to raise genuine grievances about modern slavery matters, whether identified by, or affecting them, in the workplace. All personnel and representatives of suppliers may report to their manager any instances that suggest:

That there is a potential or actual risk of modern slavery occurring in the supply chain, activities or recruitment function of ADCO or its suppliers; and

That suppliers or third-party contractors engaged by ADCO are engaging in potential or actual modern slavery.

This policy, and ADCO's internal control systems and procedures, will be subject to regular reviews to provide assurance that they are effective in countering Modern Slavery.

ADCO may amend or vary this policy, in its absolute discretion from time to time.

Breaches of this policy

If you believe that a breach of this policy may have occurred, you should report the matter to our State Manager.

All suppliers must notify our State Manager of any breaches (including any pending charges) of any laws related to modern slavery as part of their commitment to full and frank disclosure for the protection of our business, our people, our clients and the community.

If at any time you:

- have any questions about the application of this policy; or
- need guidance or assistance in a particular case,
- you should in the first instance consult our State Manager or Head of Risk and Compliance.

ADCO seeks to ensure that its personnel can raise concerns without fear that their future employment prospects will be adversely affected.

If you wish to report a concern in relation to Modern Slavery, including any conduct that may be a or result in a breach of this policy, you may raise it with our State Manager or Head of Risk and Compliance. Contact details are available on the ADCO website:

www.adcoconstruct.com.au

Please also refer to ADCO's Whistleblower Policy for further detail on conduct that is reportable (and how to report) under that policy.

Guidelines

As a guide, set out in Schedule 1 are some practical guidelines to assist personnel in complying with this policy.

This list is indicative only and does not address all potential circumstances to which this policy may apply.

Our contact

If you have any queries about this policy, please contact the relevant State Manager.

A blue ink signature of Neil Harding.

Neil Harding
Managing Director

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Schedule 1 – Modern Slavery Guidelines

Set out below are a number of guidelines to assist personnel in complying with this policy. The list is not intended to be exhaustive and is for illustrative purposes only.

Always:

- Conduct appropriate due diligence throughout the lifecycle of the engagement with a supplier to address the risks of modern slavery in connection with supply.
- Communicate ADCO's modern slavery requirements for suppliers and Supplier Code of Conduct and ensure that, where appropriate, suppliers are required to confirm their compliance with the Modern Slavery Act 2018 (Cth), this policy and the Supplier Code of Conduct.
- Seek to anticipate and plan in advance for new or potential circumstances where modern slavery or risk of modern slavery may occur, for example, via the introduction of new products, services or suppliers.
- Acknowledge the necessity to prevent, and address risks of, modern slavery in ADCO's business operations and supply chains when setting key performance indicators (KPIs) and do not penalise individuals and teams for failing to meet KPIs as a result of such compliance. For example, make sure KPIs do not promote a focus on securing the lowest possible costs and rapid delivery times from suppliers as this may inadvertently contribute to modern slavery risks.
- Regularly review supplier's compliance with the requirements of this policy and the Supplier Code of Conduct.
- Immediately report any indications of modern slavery or any concerns you have about risks of modern slavery, in ADCO's operations and supply chain.
- Ensure all actions taken in the response to any instances of modern slavery are in the best interests of the suspected victim or victims.

Never:

- Engage in practices of modern slavery such as using forced, compulsory or involuntary labour.
- Do anything to enable someone else, including a supplier, agent or representative of ADCO to engage in or facilitate practices of modern slavery.
- Allow detrimental treatment (dismissal, disciplinary action, threats or unfavourable treatment connected with raising a concern) as a result of an employee reporting, in good faith, a suspicion that modern slavery may be taking place in any part of ADCO or its supply chains.
- Attempt to resolve a situation of modern slavery yourself.

Be cautious of:

- Processes that promote a 'tick box' approach to compliance in lieu of continuous improvement in the management of modern slavery risks.
- High risk procurement and recruitment practices, such as engagement with indirect suppliers, employment agencies and sub-contracting arrangements.
- High risk indicators of modern slavery in connection with supply, including but not limited to:
 - the industry (i.e. frequent use of unskilled, short-term or temporary labour);
 - the product or service (i.e. materials reported to involve a risk of labour exploitation);
 - geography (i.e. goods are made or labour is sourced in a country where there is a risk of labour exploitation); and
 - the entity (i.e. an entity has been previously reported as noncompliant with labour standards).

Background information about existing or potential suppliers and their representatives that may indicate the prevalence of improper practices, such as information from international organisations and NGOs regarding human rights and unethical business practices and information related to their reputation, beneficial ownership and qualifications.