

MODERN SLAVERY STATEMENT

For Reporting Period 1 July 2021
to 30 June 2022



FOREWORD

This Modern Slavery Statement is the third joint statement issued by ADCO and covers the reporting period 1 July 2021 to 30 June 2022. This statement has been prepared by ADCO's Modern Slavery Working Group in accordance with the requirements of the Modern Slavery Act 2018 (Cth) and explains the actions taken by ADCO to assess and address modern slavery risks in our operations and supply chain. This statement was approved by the Board on 29 November 2022.

All enquiries or feedback on this statement should be directed to Neil Harding, Managing Director.

At ADCO, we recognise and 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. 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.

During this reporting period, we have continued to build on the foundation work we undertook in the first two reporting periods which included the development of our own Modern Slavery Policy, updating our contracts and tender procedures to incorporate modern slavery requirements, establishing a Modern Slavery Working Group to review the effectiveness of our approach, mapping our supply chain and providing Modern Slavery Training to all staff. We recognise that there is always more which can be achieved to raise awareness and combat modern slavery and we have outlined our goals for the next reporting period in this statement.

I thank our employees and our supply partners for their ongoing support and co-operation in joining with us to reduce the risks of modern slavery in our industry and beyond.



Neil Harding
MANAGING DIRECTOR



OUR BUSINESS

ADCO is an Australian, family-owned group of construction companies with a national business comprising five offices throughout Australia. ADCO employs over 600 people nationally.

Our construction activities extend across retail, education, commercial, government, defence, rail infrastructure, health and aged care, leisure, aquatic and community markets. Our projects are delivered via early contractor involvement, design and construct, managing contractor, and traditional construction methods of procurement.

The ADCO story began back in 1972. In the years since then, we've grown to be a multi-billion-dollar construction business guided by an unwavering commitment to quality, our clients and our people. These foundations have seen us become one of the top private companies in Australia with a blue-chip client list and an award winning portfolio of almost 4,000 successfully completed projects from early work packages to \$300+ million projects.

We aspire to be the 'Builder of Choice' for our clients, to be good industry partners to our consultants, contractors and suppliers, and to exercise high standards of corporate social responsibility in the wider community. We also support a culture of safety and respect for workers through robust human resources systems, including employee onboarding and induction, regular reviews of employment agreements, salary arrangements and workplace policies.

We implement an online human resources platform to facilitate a structured and consistent approach to onboarding of all staff across our business, with new starters having the opportunity to familiarise themselves with ADCO's internal processes and management systems before commencement.

New staff are also assigned an ADCO Peer to support them during their first six (6) months of employment. The system also tracks training performed by each employee, which connects with our National Training Program that now includes modern slavery training as a mandatory element.



We are also committed to providing an inclusive and diverse workplace where all employees and workers feel supported and are treated equitably, fairly and with respect, regardless of their background or gender. During the reporting period we have seen an increase in the number of:

- part-time employees who require additional flexibility in their working arrangements;
- women employed by ADCO, with over 20% of our direct workforce now represented by women; and
- employees who associate with being Aboriginal or Torres Strait Islander.

ADCO is proud to be a member of the Diversity Council of Australia which allows our staff to access resources to help create a supportive workplace for all.

We are firmly committed to the high-quality delivery of our projects, to fulfilling our clients' aspirations and goals and to the development of our people.

GOVERNANCE AND STRUCTURE

ADCO comprises the following primary entities, with each entity registered in Australia and governed by a board of directors:

- RJH Holdings Pty Limited ACN 001 203 256, the sole shareholder of ADCO Constructions Pty Ltd;
- ADCO Constructions Pty Ltd ACN 001 044 391, our building and construction business which undertakes projects in Queensland, New South Wales and Western Australia;
- ADCO Group Pty Limited ACN 094 531 272, our building and construction business which undertakes projects in Victoria, New South Wales, the Australian Capital Territory and which is a subsidiary of ADCO Constructions Pty Ltd; and
- ADCO Developments Pty Ltd ABN 81 001 203 292, a private development business and subsidiary of RJH Holdings Pty Limited.

This joint statement is issued by ADCO Constructions Pty Ltd and covers RJH Holdings Pty Limited, ADCO Constructions Pty Ltd and ADCO Group Pty Limited. References in this statement to ADCO are references to the three reporting entities and the entities they own and control. The reporting entities have a board of directors chaired by Judith Brinsmead, with strategic support provided by additional external advisory board members.

The national construction business is delivered through ADCO Constructions Pty Ltd and ADCO Group Pty Limited and is led by our Managing Director, Neil Harding, supported by an executive leadership team and State-based business unit leaders. RJH Holdings Pty Limited provides corporate support, however, the majority of day-to-day operations are carried out by ADCO Constructions Pty Ltd and its subsidiary ADCO Group Pty Limited. Importantly, the majority of ADCO's supply chain is managed by these two entities.



OUR SUPPLY CHAIN

ADCO has a large employee base of more than 600 direct employees, fulfilling varied roles such as bid managers, estimators, design managers, construction managers, project managers, contract administrators, project engineers, site managers, site foremen, safety managers, and construction workers, together with support staff in legal, financial, risk and compliance, information technology and administrative roles.

As our business is principally concerned with the design and delivery of construction projects, we also engage a large number of subcontractors, suppliers and service providers (“**supply partners**”) to design and deliver the physical works required for our projects. ADCO procures, directly and indirectly, a variety of goods and services from our supply partners. The majority of this work is undertaken directly on our construction sites. During this reporting period, we recorded more than 4 million hours worked on our sites, including by our supply partners.

We also recognise, of course, that our true supply chain is much broader than the work which occurs on our construction sites. It extends to the manufacture of materials and products off-site, including products and materials which may originate from overseas.

Supply Chain Breakdown

Our immediate and direct supply chain for project delivery is typically procured in two streams, being “**Subcontract Works**” and “**Goods and Services Supply**”.

Subcontract works represents the largest part of our supply chain, typically accounting for approximately

85% of supply partner procurement on our construction projects. Works undertaken by subcontractors are delivered on a “supply and installation” basis, meaning that the works undertaken involve both the supply of materials or goods and their installation on-site with site-based labour. Both the material supply and the labour components are provided by the subcontractor. Subcontract works may also include elements of off-site pre-fabrication utilizing off-site labour (e.g. factory pre-fabrication of joinery, structural steel, glazing systems, or other specialist work). Whilst the labour and material components vary according to the individual subcontract trade, a 60% : 40% split (labour : material) is typical.

Goods and services supply refers to goods and services procured by ADCO on a “supply only” basis. This includes, for example, goods or materials purchased directly by ADCO for incorporation into the works (e.g. concrete supply, reinforcement supply, FF&E, white goods, or other specialist equipment). It also includes the hire of certain plant and equipment and the provision of consultancy services, such as design and engineering services. Goods and services supply accounts for approximately 15% of our supply partner procurement on our construction projects.

The nature and scope of the subcontract works, and goods and services most frequently procured by ADCO within the two streams of our supply chain are set out in the tables on the next page.



Subcontract Works – Supply and Installation

Description of Subcontract Works

Civil works, including excavation and roadworks, and associated raw materials

Piling works, shoring and foundation systems, including concrete and reinforcement

Structural concrete works, including formwork, steel reinforcement, insitu concrete and precast concrete

Brickwork and masonry

Structural steel and architectural metalwork

Roofing, including steel roof sheeting and insulation

Façade cladding systems, including light steel framing, aluminium panelling, fibre cement panelling, aluminium louvres

Façade glazing systems, including aluminium framing and glazing and curtain walling systems

Internal partitions, ceilings and linings, including light steel framing, timber framing, plasterboard linings, lightweight ceiling grids, pre-finished ceiling tiles, acoustic linings and pinboards

Timber doors and metal door frames

Carpentry and joinery, including cabinetry and office workstations

Building Services including electrical, mechanical, hydraulic, fire, security, audio visual, lifts, escalators and travelators, including all wiring, components, pipework, fixtures and fittings, and specialist equipment and technology

Goods and Services – Supply Only

Reinforcement steel and concrete supply

Furniture, fixtures, and equipment (FF&E)

Door and specialist hardware supply

Plant and equipment hire, including site fencing, site accommodation, small plant and equipment, and mobile crane hire

Environmental Services, including removal and recycling of building construction waste

Consultant Services, including design, engineering, and other construction consultant services

Authority Services, including fee-based services provided by local authorities

In addition to the above, ADCO also procures additional goods and services to facilitate the overall operation of our business, including the following:

- **Information and communications technology (ICT):** This includes computer hardware and software, cloud services, virtual data room services, virtual document exchange services, printers, audio/visual equipment and services, and mobile phones;
- **Corporate services:** The services that we use to maintain our offices, including leasing, office maintenance services, utilities, cleaning and security;
- **Hospitality and catering:** We procure hospitality and catering services for onsite and offsite events;
- **Other professional services:** In addition to project specific design and engineering, our professional services include taxation, external legal services, insurance, banking and financial services, consulting, professional and personal development, and welfare training programs;
- **Site and office consumables:** General site and office consumables for staff use, including stationery, amenities and kitchen area consumables;
- **Safety and other branded attire:** Personal protective equipment, including work boots, hard hats, safety glasses, hearing protection, gloves, work pants and shirts, high visibility vests and clothing; and
- **Branded merchandise:** Special event branded merchandise and attire.

Sources of Supply

ADCO procures the majority of our supply from domestic Australian based supply partners.

We do not have any operations in any of the 10 high risk countries¹ identified in the 2018 Global Slavery Index (Index) as having the highest prevalence of modern slavery. We are not aware of any operations held by our supply partners in those countries. We also do not operate in any of the 10 countries² identified in the Index as having the largest estimated absolute numbers of people in modern slavery (which account for 60% of people living in modern slavery).

We recognise however, as is common in the Australian construction industry, that some goods we procure, including some which are provided by our subcontractors on a supply and install basis, are sourced from overseas, including from Asia (particularly China) and from Europe.

It is not uncommon, for example, to see subcontractor imports from China, including steel-based products and façade systems, such as structural steel and aluminium framed and glazed façade systems. Some stone-based products may also be imported from China, along with various other manufactured goods. Imports from Europe, particularly Spain, Germany and Italy, include products such as vertical transport services (e.g. lifts, escalators), specialist electrical componentry and equipment, and some building finishes elements such as wall and floor tiles.

ADCO has not had any reported incidents of modern slavery in our own operations. We are aware nonetheless that this is an ongoing risk that must be managed. While we have stringent controls and procedures already in place, we have in this reporting period commenced further investigations into targeted areas of our business operations and supply chain, as outlined in our Actions Taken, to better understand how modern slavery risk might exist, particularly downstream in the production of goods and materials, and how that risk can be identified and managed.

¹ North Korea, Eritrea, Burundi, Central African Republic, Afghanistan, Mauritania, South Sudan, Pakistan, Cambodia, and Iran.

² North Korea, Pakistan, Iran, India, China, Nigeria, Indonesia, Democratic Republic of the Congo, Russia, and the Philippines.



RISKS IN OUR OPERATIONS AND SUPPLY CHAIN

ADCO considers that the following risk factors need to be considered in the context of our supply chain:

- **Category of service:** We have identified sectors and industries within our operations and supply chain that may have a higher prevalence and/or greater risk of modern slavery practices because of their characteristics, products, and processes. These include services provided by migrant workers, transient or casual labour, low skill workers or labour hire contractors. For instance, certain fit-out and finishing trades which experience peaks and troughs in their labour force and/or where language communication barriers exist, provision of cleaning services, and shipping and freight services may have a higher risk of modern slavery practices, even in Australia.
- **Category of product:** We have identified risks associated with services or products because of the way that the service or product is produced, provided, or used. These include construction materials we occasionally procure directly from China, such as façade glazing systems and structural steel.
- **Country of origin:** We have considered the risks posed by countries with poor governance, weak rule of law, or that are vulnerable to conflict, including the 10 high risk countries identified in the Index as having the highest prevalence of modern slavery. ADCO has not procured any materials, goods, or services directly from those regions in the current reporting period. However, as noted, we are conscious that the Australian construction industry relies heavily upon imports from overseas including from Asia and Europe. Among our key actions in the current reporting period has been the development and trial of a supply partner survey tool to better determine the country of origin for goods procured by our supply partners, whether sourced directly from overseas or through local Australian based distribution chains.
- **Specific entity risks:** We have also considered whether there are any specific risks associated with a particular entity due to their poor human rights and labour practices record or poor governance structures. We have found no specific entity risks in that review.

We have identified these risk factors using information published by the Walk Free Foundation (the Global Slavery Index 2018) and the International Labour Organization (Report: Global Estimates of Modern Slavery: Forced Labour and Forced Marriage). These risk factors have, and will continue to, affect the risk methodology that we apply in our business.



During our previous two reporting periods we mapped our supply chain by identifying our top 300 subcontractors and top 300 goods and service providers by spend in each of our four primary operational states: Queensland, Victoria, New South Wales and Western Australia. We have undertaken a similar process for the current reporting period to conclude a 3 year mapping of our supply chain, as set out below:

Supply Partners by Spend - 3 Year Mapping

	FY 2019/2020		FY 2020/2021		FY 2021/2022	
Subcontract Works	\$609.5M	91%	\$620.9M	85%	\$811.9M	90%
Goods and Services	\$60.3M	9%	\$108.8M	15%	\$90.3M	10%
Total Supply	\$669.8M		\$729.7M		\$902.2M	

In each of the two prior reporting periods, we further refined and targeted our supply chain mapping to focus more directly on subcontract works exceeding \$200K and goods and services supply exceeding \$100K.

These financial thresholds allowed us to focus on our medium-large scale subcontractor and supplier base within our supply partner map.

Supply Partner Mapping

Utilising data gathered in the FY 2020/2021 reporting period, the refined and targeted supply partner review captured over **500 individual subcontractors** and **220 suppliers of goods and services**.

Investigations were undertaken into the nature of employment arrangements in place across the targeted subcontractor group, which included consideration of:

- the nature and value of works undertaken;
- whether workers were engaged under an enterprise agreement approved by the Fair Work Commission (FWC);
- whether the entity is a domestic Australian based entity;
- whether the entity had any known operations in countries identified as having a high prevalence of modern slavery, or largest absolute numbers of people in modern slavery;
- whether the entity relies upon direct importation of goods or materials from such countries; and
- any specific risks associated with a particular entity due to poor human rights and labour practices record or poor governance structures.

The data collected provided us with the following detailed supply partner mapping of our direct supply chain by nature of works and employment conditions (i.e. percentage covered by an enterprise agreement approved by FWC). Importantly, the majority of our supply partners, year on year, are repeat supply partners well known to the business, allowing us to rely confidently on our past mapping to shape our future actions.

Nature of Subcontract Works	Value	% of Total	% EA Cover ⁴
Excavation and Civil Works	\$68.0M	11.9%	68%
Building Services	\$187.9M	32.9%	81%
Concrete Structures	\$83.0M	14.5%	80%
Brickwork and Masonry	\$7.2M	1.3%	58%
Structural Steel and Metalwork	\$38.3M	6.7%	60%
Façade Cladding and Glazing Systems	\$24.5M	4.3%	56%
Roofing	\$21.9M	3.8%	67%
Ceilings, Partitions and Linings	\$36.6M	6.4%	78%
Carpentry and Joinery	\$19.5M	3.4%	59%
Carpet and Vinyl	\$4.9M	0.9%	55%
Tiling and Paving	\$8.7M	1.5%	47%
Painting	\$3.6M	0.6%	45%
Traffic Control, Labour Hire and Cleaning	\$7.4M	1.3%	73%
Tower Cranes	\$4.6M	0.8%	71%
Scaffolding	\$2.7M	0.5%	31%
Landscaping	\$13.1M	2.3%	30%
Other	\$38.7M	6.8%	47%
Total Supply	\$570.7M	100%	70%

The above mapping demonstrates that a majority of all subcontract trade groups employ their site-based workers under an enterprise agreement approved by FWC with the overall average coverage reaching 70%.

The 'top 3' trade groups by value, Excavation and Civil Works, Building Services and Concrete Structures, accounting for almost \$340M (60%) of the total spend, averaged 78% enterprise agreement coverage.

Other significant and labour-intensive trades were also shown to have high levels of enterprise agreement coverage, including Ceilings, Partitions and Linings at 78% and Traffic Control, Labour Hire and Cleaning at 73%.

Each entity considered in our supply partner mapping was a domestic Australian based entity. No entity was identified as having any direct operations in countries recognised as having a high prevalence of modern slavery, or largest absolute numbers of people in modern slavery.

Finally, our previous analysis of our subcontract works stream did not raised any specific concerns associated with a particular entity due to poor human rights and labour practices record or poor governance structures.

As with the subcontract works supply stream, we conducted similar mapping for our goods and service provider stream. This excluded the enterprise agreement component, which is less prevalent due to the nature of employment arrangements in that stream. The mapping which emerged is set out below:

Nature of Goods or Services	Value	% of Total
Consultant Services	\$26.0M	28.3%
Reinforcement Supply	\$15.6M	17.0%
Concrete Supply	\$13.2M	14.3%
FF&E Supply	\$7.6M	8.3%
Authority Services	\$5.9M	6.5%
Plant, Equipment and Shed Hire	\$8.9M	9.7%
Environmental Services	\$3.3M	3.6%
Hardware Supply	\$3.4M	3.8%
Electrical Equipment Supply	\$1.2M	1.4%
Specialist Equipment Supply	\$0.2M	0.2%
Other	\$6.3M	6.9%
Total Supply	\$91.6M	100%

More than 28% of the total spend related to professional services, mostly design and engineering services, provided by professionally qualified consultants. A further 31% was attributed to locally procured concrete and steel bar reinforcement supplied by well-established Australian based companies.

Other areas included fee-based services provided by Authorities (6.5%) and the direct hire of plant and equipment (9.7%), usually provided on a dry-hire basis from recognised locally based plant hire providers.

All direct supply of goods procured by ADCO, including FF&E, Hardware, Electrical Equipment and Specialist Equipment was also through domestic Australian based suppliers or distributors.

Our conclusion in relation to goods and services supply is that the nature of goods and services procured and the employment arrangements typically in place present a low risk of modern slavery.

Supply Chain Risk Summary

Our supply chain mapping conducted in both FY 2019/2020 and FY 2020/2021 demonstrated that ADCO's risk of modern slavery in its own operations and within our immediate direct supply chain, based on geography, is relatively low. ADCO's repeat business supply partners are almost exclusively domestic Australian based companies and primarily involve professional trades carrying out building and construction activities under recognised and well-regulated employment conditions.

Importantly, the nature of our business operations, our geographical footprint and supply partner relationships have not changed significantly in FY 2021/2022, with our operating model founded strongly on repeat business suppliers. We have therefore used the foundational data and supply partner mapping carried out in our first two reporting periods to shape our Actions Taken in the current reporting period.

Despite our suppliers being predominantly based in Australia, we recognise that other risks may arise because of the way the products we procure from our direct supply partners are produced or supplied through earlier phases of the supply chain. We also acknowledge the need for more direct consultation with our supply partners to better evaluate the risk in our supply chain and in theirs.



ACTIONS TAKEN

The key actions undertaken by ADCO in the current reporting period are outlined below.

Expansion of Modern Slavery Working Group

ADCO recognised the need to commit additional resources and broaden the consultation, capability and diversity within our Modern Slavery Working Group (MSWG).

The MSWG was increased from a core group of 6 staff from legal, risk and compliance, and commercial roles, to a wider group of 13 staff extending to new commercial procurement roles, financial roles and IT expertise. The restructured group brought greater diversity of thought and skillset to our modern slavery actions.

The frequency of MSWG meetings were increased to monthly in the period from January to June 2022 as the group worked collaboratively to develop, pilot and launch our Modern Slavery Supplier Questionnaire.

Each member of the restructured MSWG undertook refresher modern slavery training during the reporting period.

Training for New Employees

In addition to the refresher training undertaken by the MSWG, a tailored Webex training program developed in our second reporting period was rolled out to all new employees who joined the company during the latest reporting period. This now constitutes mandatory training for all staff and is embedded in our National Training Plan which is designed to support learning, personal development and maintain industry standards.

The training module is customized specifically for ADCO employees so that they gain an in-depth understanding

of not only the requirements outlined in the Modern Slavery Act 2018 (Cth) but also:

- what constitutes modern slavery;
- the extent and impact of modern slavery in Australia and globally;
- the different types of modern slavery risks and the prevalence of these risks having regard to the industry in which ADCO operates, including geographic risk, the nature of the products or services we acquire, and the risks associated with a specific entity from whom we source products and/or services;
- how ADCO is responding to these risks in its own operations and supply chain;
- how ADCO employees can exercise leverage to reduce the risk of modern slavery; and
- the process within ADCO to allow employees to raise concerns confidentially, in line with our Whistleblower and Modern Slavery Policies.

During the reporting period, 218 new employees undertook modern slavery training. This is in addition to the 389 employees who undertook training during our second reporting period, bringing the total number of employees trained in modern slavery to 615.

The training has been well-received by staff, with many offering feedback and ideas for improvement in ADCO's internal processes to assist with early risk identification, indicating that the issue of modern slavery is acknowledged as a key risk when assessing and evaluating potential supply partners.

Supplier Onboarding

ADCO's current onboarding of potential supply partners requires them to respond to specific questions concerning modern slavery compliance as part of our Trade Partner Tender Evaluation Report. This includes:

- acknowledging and agreeing to the modern slavery provisions in ADCO's contract documentation;
- warranting that they do not and will not utilise modern slavery either directly or within their supply chain;
- acknowledging that they are not aware of any modern slavery risks in their operations or supply chain;
- agreeing to notify ADCO if they become aware of, or suspect the use of, modern slavery in their supply chain; and
- agreeing to participate in a modern slavery audit.

These provisions complement the steps taken by ADCO in previous reporting periods to incorporate modern slavery requirements, our Modern Slavery Policy, and our Supplier Code of Conduct in all supplier procurement packages. They also provided us with the foundation to



build and launch our tailored Modern Slavery Supplier Questionnaire in the current reporting period.

Risk Review and Modern Slavery Supplier Questionnaire

In this reporting period, our MSWG undertook a risk review of our supply partner mapping which emerged in our previous two reporting periods.

Specifically using the tables set out above (Supply Partner Mapping) the MSWG considered the modern slavery risk associated with each of the Subcontract Works categories and Goods and Services categories which make-up ADCO's supply chain.

The purpose of this review was to identify and target areas of our supply chain which may be at higher risk of modern slavery and which would be subject to a Modern Slavery Supplier Questionnaire on a trial basis in the current reporting period and on a continuing basis in subsequent reporting periods.

Factors considered in the risk review included:

- the proportion of ADCO's overall supply chain represented by the supply;
- whether the use of sub-subcontractors is prevalent within the supply;
- complexity within the supply partners' own supply chain;
- the extent to which the supply partner is likely to rely upon overseas procurement or imported products;
- visibility of the supply partners' local domestic based workforce, including with regard to off-site fabrication;
- the extent to which the supply partner is likely to rely upon a transient or casual workforce; and
- any other geographic, product or specific entity risks.

Subcontract Works Supply Stream

Based on the risk review of our Subcontract Works supply stream, our MSWG identified the following 10 categories of supply that would be subject to a Modern Slavery Supplier Questionnaire to be undertaken at the point of procurement, and at repeat intervals not exceeding 24 months:

- Building Services
- Concrete Structures
- Structural Steel and Metalwork
- Facades and Glazing
- Ceilings and Partitions
- Carpentry and Joinery
- Carpet and Vinyl
- Tiling and Paving
- Painting
- Traffic Control, Labour Hire and Cleaning

Other categories of supply may also be subject to a Questionnaire where a particular geographic, product or specific entity risk is identified.

Goods and Services Supply Stream

Based on the risk review of our Goods and Services supply stream, our MSWG determined that the Goods and Services supply stream presents a very low risk of modern slavery such that this stream does not require a Modern Slavery Supplier Questionnaire.

We refer to our Supply Partner Mapping, above, including that the nature of the goods and services procured includes professional services (mostly design and engineering services), fee based services provided by Authorities, locally procured concrete and steel bar reinforcement supplied by well-established Australian based companies, and goods and services generally characterized by employment arrangements which present a low risk of modern slavery.

Our MSWG will continue to monitor our risk position in relation to our Goods and Services Supply Stream in future reporting periods.

Developing and Piloting our Modern Slavery Supplier Questionnaire

During the reporting period our MSWG developed a tailored Modern Slavery Supplier Questionnaire aligned to the risk review undertaken against our supply partner mapping.

The Questionnaire includes 25 questions over the following subject areas:

- (1) Your Organization Details
- (2) Modern Slavery Risks within your Organization
 - Modern Slavery Act Governance Framework
 - Employment Conditions
 - Child Labour and Migrant Workers
 - Grievance and Redress Mechanisms
- (3) Supply Chain Management

In addition, some answers trigger a follow-up question which must also be answered. Questions provide for the supplier to upload supporting information. All questions allow the supplier to add comments to expand on the answers provided.

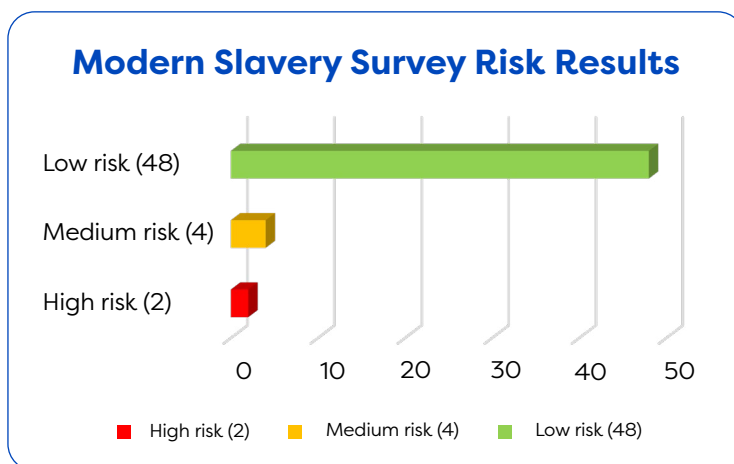
The Questionnaire is designed to be completed by the supplier within 25 – 30 minutes. It is hosted on our third-party supplier assessment platform, CENTRL MSA360. An automated weighted risk score mechanism is built into the assessment, with differing risk weighting applied to various answers, and adopting the following overall risk grading scale:

Weighted Score		
Risk Grade	From	To
High Risk	0%	30%
Medium Risk	30%	70%
Low Risk	70%	100%

Results which return a Medium Risk or High Risk score are reviewed by our MSWG to determine the precise area of concern and actions required in response.

During the reporting period we invited an initial pilot group of 80 existing supply partners to complete the Modern Slavery Supplier Questionnaire to validate its functionality, user friendliness, risk weightings and grading scale.

The trial with our pilot group of supply partners returned 54 responses (68%) with the following results:



Each of the Medium Risk and High Risk results were reviewed by the MSWG.

In relation to the two High Risk results it was found that:

- the supply partner in each instance had misinterpreted (and therefore incorrectly answered) a question which carried a significant high risk weighting. When a final assessment was undertaken and the errors corrected, both supply partners returned a Low Risk result.

In relation to the four Medium Risk results it was found that:

- in three instances the supply partner had misinterpreted (and therefore incorrectly answered) a question which impacted its risk weighting. When a final assessment was undertaken and the errors corrected, each supply partner returned a Low Risk result;
- in parallel, one of the above supply partners' was also impacted by its disclosure of professional drafting services and quantity surveying services procured in the Philippines. Having regard to the professional nature of those services, the risk score was adjusted to a Low Risk result in the final assessment; and
- in one instance, the supply partners' risk rating was impacted by its disclosure of professional drafting services procured in India. Again, having regard to the professional nature of those services, the risk score was adjusted in the final assessment to a Low Risk result.

All supply partners who participated in the trial therefore returned a Low Risk rating after final assessment. This outcome is consistent with the risk findings which emerged across our supply chain during our first two reporting periods.

The Modern Slavery Supplier Questionnaire will now be implemented more broadly across our supply chain in the next reporting period.



ASSESSING EFFECTIVENESS

The focus of our first two reporting periods was to develop a framework to monitor the effectiveness of our actions in detecting and mitigating risks of modern slavery in our operations and supply chain. We are continuing to advance our monitoring and assessment procedures across the business and through our supply chain. Primarily through the work of our Modern Slavery Working Group, we will measure our performance against several key performance indicators, including:

- conducting an annual review of the risk assessment methodology;
- applying the risk methodology to our key suppliers on an annual basis;
- monitoring the number of personnel who have undertaken modern slavery training; and
- monitoring the number of suspected or identified modern slavery incidents in order to undertake the required remediation.

With the use of more sophisticated measurement tools and platforms as outlined above, we will continue to strengthen our awareness, visibility and depth of understanding of our supply chain so that we can enhance our improvement actions over the years to come.



CONSULTATION

ADCO Constructions Pty Ltd is responsible for ADCO's broader modern slavery and human trafficking initiatives, policies and procedures.

As the reporting entity with the greatest ability to influence the supply chain, ADCO Constructions Pty Ltd has prepared this joint statement with the support of our Modern Slavery Working Group. This group is comprised of directors and representatives from legal, IT, corporate governance, risk and compliance, finance and commercial procurement teams across the reporting entities. Members of the group have regularly engaged with our various business units, senior management, boards of directors, and key advisors to ensure each of our reporting entities were appropriately consulted.

With the implementation of our Modern Slavery Supplier Questionnaire we are achieving a greater depth of consultation with our supply partners and a better understanding of modern slavery risks within their supply chain and ours.



FUTURE ACTIONS

We are pleased to report that each of our key future actions identified for the FY 2021/2022 reporting period were achieved, however, we note that the auditing of key supplier partners was limited to those selected to participate in the pilot of our Modern Slavery Supplier Questionnaire through the CENTRL MSA 360 platform.

We recognise also the continuing impact of the COVID-19 pandemic on many businesses and supply partners during the reporting period, particularly in the first half of FY 2021/2022. As we now move beyond the pandemic, we see improved opportunity to further advance our achievements in FY 2022/2023. We remain committed to continuous improvement in this area and acknowledge that this is an evolving process. In FY 2022/2023, we will focus on:

- rolling-out our Modern Slavery Supplier Questionnaire to a larger cross-section of our supply chain at the point of procurement, aligned to the risk assessment undertaken during FY 2021/2022;
- reviewing the results which emerge from our Modern Slavery Supplier Questionnaire to provide a more comprehensive assessment of our supply chain and to better understand and assess the downstream modern slavery risks of our supply

partners;

- investigating instances where supply partners present as a medium or high risk to determine whether remedial action is required;
- further reviewing and evaluating specific services within our own business which represent high risk areas for modern slavery, including for example, hired or transient labour, cleaning services, site security, traffic control, catering suppliers, and suppliers of ADCO branded uniforms and merchandise;
- improving modern slavery awareness on our construction sites and with our supply partners through awareness campaigns and improved reporting mechanisms; and
- reviewing and implementing additional key performance indicators to measure the effectiveness of our actions.

We look forward to reporting on our progress in these focus areas in our next statement.

APPROVAL OF STATEMENT

This joint statement is issued by **ADCO Constructions Pty Ltd** (ACN 001 044 391) and covers **RJH Holdings Pty Limited** (ACN 001 203 256), **ADCO Constructions Pty Ltd** and **ADCO Group Pty Limited** (ACN 094 531 272), each being a “reporting entity” for the purposes of the Modern Slavery Act 2018 (Cth). References in this statement to “ADCO” are references to the reporting entities and the entities they own and control.

This statement has been approved by the Board of each of the reporting entities on 29 November 2022. Each Board has authorised Judith Brinsmead to sign this statement in her capacity as Chairman of the Board of each reporting entity.



Judith Brinsmead AM
CHAIRMAN

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