



**MODERN SLAVERY
STATEMENT 2020**



MEGT MODERN SLAVERY STATEMENT

MEGT will not tolerate any forms of modern slavery in our operations and supply chain. We are fully committed to operating responsibly, establishing and adhering to the highest ethical standards across the MEGT business. This Modern Slavery Statement is made in accordance with the Australian Modern Slavery Act 2018 and is relevant to the reporting period ending 30 June 2020. It describes the steps and approach taken during the financial year to identify and minimise the risk of modern slavery across the organization and its supply chain.

The MEGT Group Structure

MEGT (Australia) Ltd, ABN 85 006 266 280, registered office at 29 Ringwood Street, Ringwood Vic 3134 (**MEGT**). MEGT is a not-for-profit public company limited by guarantee which was established to be, and continues to be, a charity.

The other entities associated with MEGT are:

- Australian Business Colleges Pty Ltd.
- Australian Training Consultancy Pty Ltd.

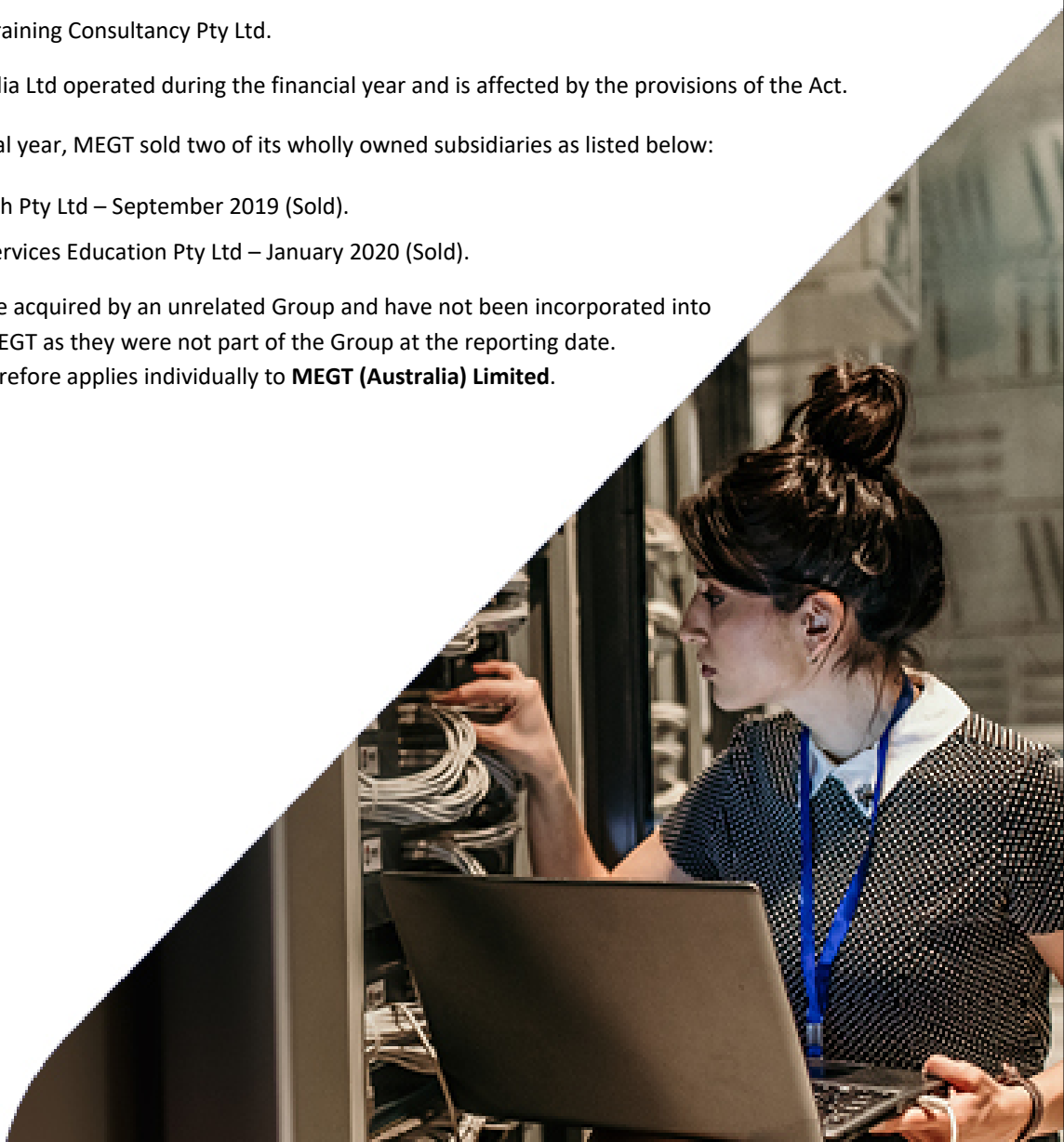
Only MEGT Australia Ltd operated during the financial year and is affected by the provisions of the Act.

During the Financial year, MEGT sold two of its wholly owned subsidiaries as listed below:

- Ability English Pty Ltd – September 2019 (Sold).
- Children’s Services Education Pty Ltd – January 2020 (Sold).

These entities were acquired by an unrelated Group and have not been incorporated into the reporting of MEGT as they were not part of the Group at the reporting date.

The Statement therefore applies individually to **MEGT (Australia) Limited**.

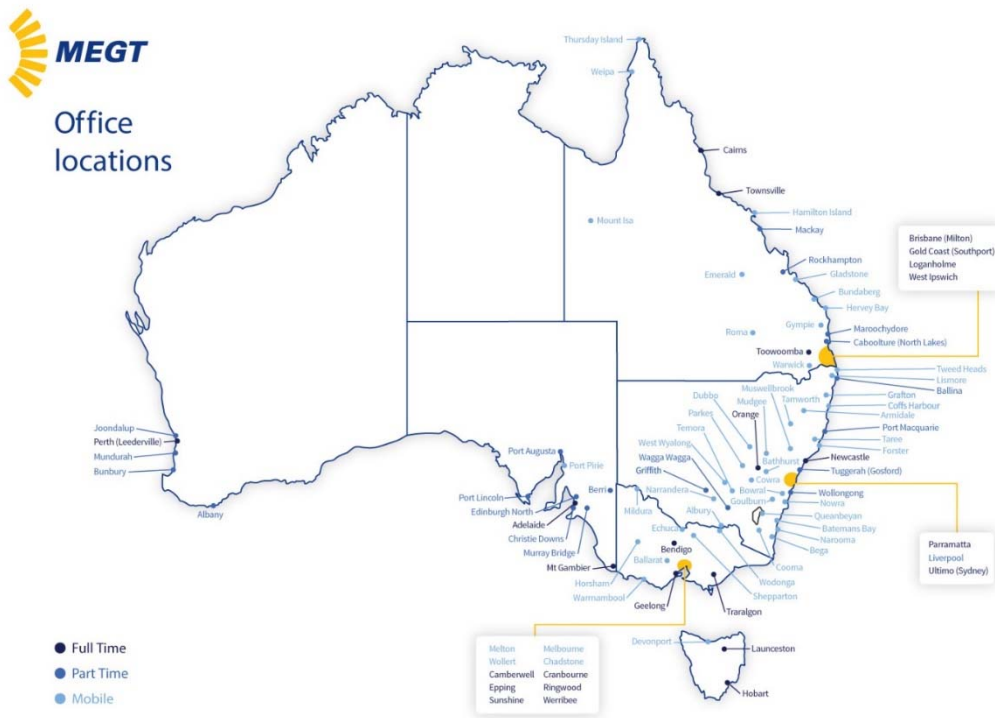


ABOUT MEGT

MEGT is a not-for-profit organisation which has been supporting employers, apprentices, trainees, job seekers and students for almost 40 years.

Initially founded in 1982 as the Outer Eastern Apprenticeship Scheme, by 1999 MEGT (Melbourne Eastern Group Training) had commenced operations in New South Wales. We now operate from our head office in Ringwood, Victoria and 60 offices across the country, along with a team of local apprenticeship experts who are dedicated to meeting the needs of the communities in which they live and the businesses which operate there.

Our core service is to empower local communities to help improve their career and development opportunities. We are committed to providing quality Apprenticeship support, employment, training and education solutions for all Australians. Our local apprenticeship experts work across every state in Australia, helping businesses, apprentices and trainees get the most from the Australian Apprenticeships program.



WHAT WE DO

Recruitment and Management Services (RMS)

Our Recruitment and Management Services (RMS) division operates under a GTO (Group training Organisation) model and provides expertise in all aspects of apprentice and trainee management, including:

- Apprentice/trainee sourcing and recruitment.
- Employer Work Health & Safety assessments, recommendations and support.
- Site-specific inductions and safety training, dedicated field staff.

Apprenticeship Network Provider (ANP)

We are an Apprenticeship Network Provider (ANP) contracted by the Federal Government to provide Australian Apprenticeship Support Network (AASN) services. Our ANP Division provides pre-apprenticeship/traineeship gateway services, signs up the apprentice to the program, maintains contact during the program, mentors those at risk and finally provides services at completion.

Employment Services

Our Employment Services Division provides job seekers with a range of programs and qualifications pathways across several industries. All are designed to either kickstart a job seekers' career, or to help provide access to more skills training and qualifications in their chosen field.

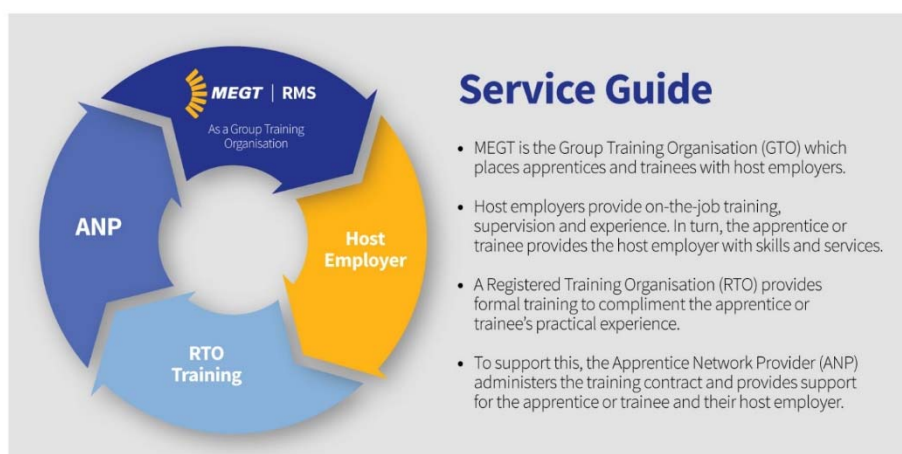
Employment Services programs include those in the information technology, cyber security, construction and aged care sectors, and programs designed to assist disadvantaged groups to enter or re-enter the workforce.

Group Training Services

As a registered Group Training Organisation (GTO), we know the value and productivity that apprentices and trainees can add to your workforce. We offer a 'whole-of-business' approach, including:

- Workforce planning, skills gap analyses and budgeting.
- Identification of opportunities for apprentices or trainees to join your team.
- Sourcing, screening and onboarding, payroll, administration and reporting.
- Ongoing management of work performance, health and safety and training requirements.

Our Group Training Services are a simple and low-risk solution to hiring and managing. We remain the apprentice or trainee's legal employer, whilst the Host Employer provides day-to-day work, supervision, and workplace job training and development



MEGT's Governance

The MEGT board is comprised of 6 members with all being independent Non- Executive Directors. The Board is responsible for setting the strategic direction of MEGT and ensuring that management recognizes and complies with its legal and social obligations. The Board has established three committees to monitor and fulfil its obligations:

- Remuneration and Governance Committee.
- Finance and Audit Committee.
- Risk and Strategy Committee.

The role of managing our responsibility towards modern slavery has been assigned to the Senior Management and Executive team and is formally directed by the Risk Management Committee for oversight. This will allow the identification, risk management and assessment to be continually developed and improved.

MEGT operates in an ethical and transparent manner, investing in staff development, strong quality assurance and risk management frameworks. Organisationally, we review safety, quality and performance of our services through risk-based analyses to continuously improve.

MEGT has received accreditation for ISO9001 and ISO27001, both of which are underpinned by risk-based methodologies. We promote our risk-based approach through:

- Organization-wide audit and review cycles.
- Regularly sourcing and reviewing stakeholder feedback.
- Monitoring Industry and Government policy and legislation.
- Senior management oversight of risk management processes.

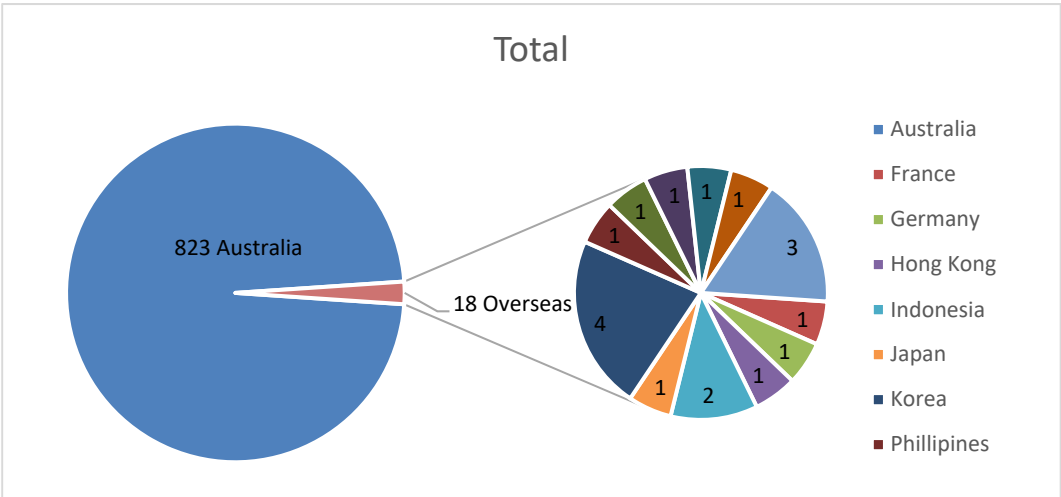
The Risk Management Committee (RMC) which meets monthly, is responsible for identification and management of risks and monitoring adherence to risk management policies and procedures. We operate divisional risk management profiles which are reviewed and updated quarterly, with results aggregated and tabled for the Risk and Strategy Committee and Board consideration. Progress against approved risk management plans are reviewed quarterly to monitor the effectiveness of risk management across the organisation.

MEGT's Operations and Supply chain

As of 30 June 2020, MEGT employed 418 staff, 6 Directors, 4 Contractors and 13 Trainees (Total 441). There were also circa 750 labour hired apprentices/trainees in the RMS (Group Training) Division.

In 2020 we procured goods and services from 841 contracted suppliers with 98% being Australian based. ***(Please note, from January 2020, a majority of our direct supply chain from overseas ceased as the Division acquiring these services was sold.)***

Number of suppliers by country of origin



Our supply chain arrangements include supplies from the following key areas:

- **Corporate and operational procurements:** Including goods and services procured to enable the daily running of the organisation and delivery of services, such as property and occupancy costs, motor vehicles, Information technology, uniforms, cleaning and tools of trade for our Apprentices and Trainees and other office related expenses.
- **Capital spend:** For Motor Vehicles, Leasehold fit outs, Furniture and Fittings and other IT related CAPEX.

A summary of the type of supplies are listed below as a percentage of total spend;

Type of Supply	Percentage
Property and Occupancy costs	20.1%
Office Expenses, Phone & Internet	15.9%
Motor Vehicles and Related expenses	13.1%
IT Hardware, Software, Support and Subscriptions	13.1%
Consultancy, legal and Accounting fees	11.3%
Advertising & Promotions	8.5%
Training, Conferences and recruitment	6.4%
Insurance	5.2%
Travelling & Accommodation	1.8%
Equip & Bld Mtce Costs	1.7%
Other	1.3%
Membership Fees	1.1%
Protective Clothing	0.6%

Identifying Modern Slavery Risks

During 2020, we carried out a high-level risk assessment of suppliers engaged throughout the organisation using the guidance from the Department of Home Affairs and the underlying principles as set out by United Nations Human Rights Office of the High Commission and OECD.

MEGT’s Operations

MEGT has identified the risk of modern slavery in the operation as **Very Low**.

MEGT invests in a professional People and Culture department which strives to create and provide working conditions that not only meet minimum standards but exceed them.

MEGT promotes a culture that fosters equality, diversity, unity, understanding and respect for all. This principles in which we operate are set out in the various policies and practices which are exemplified below:

1. We work under specific Industry Awards and Enterprise Agreements which meet the National Employment Standards set out by Fair Work.
2. The Australian Human Rights principles of dignity, equality and mutual respect are embedded in our:
 - a. Code of Conduct.
 - b. Equal Opportunity and Diversity Policy.
 - c. Anti-Bullying Policy and Procedure.
 - d. Recruitment and Selection Policy and Procedure.
 - e. Unacceptable Workplace Behavior Guidelines.
3. We protect the working conditions of our staff through the Work Health and Safety Policy.
4. We place a significant focus on Diversity through the various policies listed:
 - a. Equal Opportunity and Diversity policy.
 - b. Reconciliation Action Plan.
 - c. Indigenous Australians policy.
5. MEGT is compliant with gender reporting under the Workplace gender Equality Act.
6. MEGT is an active member of the Australian Network on Disability.

As part of the Remuneration and Governance Charter, MEGT regularly conducts external reviews of the Employee Awards, Enterprise Agreements and Employment contracts to ensure we are meeting our obligations.

MEGT's Supply Chain

We procure goods and services from a large number of suppliers to effectively run our operation. MEGT is a service based organisation and does not procure raw materials or inventory for resale.

We have used the following risk factors to inform our risk analysis:

Geographic Risk – A significant number of our suppliers are located in Australia. In our view, these suppliers have a lower risk of modern slavery occurring in their own operations as they are governed by Australian Laws and regulations and operate within a society where modern slavery practices are condemned.

During the year, the Education division of MEGT used suppliers with direct international affiliates to source overseas students. Although, there is a reduced risk due to the nature of industry (Professional Services), according to the Global Slavery Index.org publication, we acknowledge there are inherent risks of modern slavery in some of the countries we have conducted business with, specifically in the following areas:

- Migrant labor exploitation.
- Excessive overtime.
- Forced labor.

With the divestment of the Education Group business units we see these risks as abated.

Product, Services and Industry risk –. On the basis that our organisational relationships include hundreds of entities in our supply chain (including entities we do not have a direct contractual relationship with), there are risks that MEGT's engagements are connected to modern slavery through the activities of our supplier's own supply chains. For example, at many of our premises we engage contractors to provide facility services such as cleaning and maintenance. It is a common business practice for outsourcing, subcontracting arrangements or

labor hire to occur in these low skilled industries. It becomes increasingly difficult to control when MEGT does not have a clear line of site over who is supplying the end service.

Using the Global Slavery index Vulnerability model, we have also identified that various suppliers source products from high risk countries. These high-risk countries are more likely to contribute to modern slavery practices.

Some examples of these high-risk supplies in our organization are:

- Construction and building materials used in office fit outs and office equipment.
- Technology including hardware and software.
- Catering and food related products such as tea or coffee.
- Textile related goods such as protective wear and uniforms (our staff uniform supplier has Platinum WRAP Certification for humane and ethical manufacturing).
- Motor Vehicle purchases.

Actions taken to address key identified Modern Slavery risks

We are committed to acting ethically and with integrity in all our business relationships. This involves taking reasonable steps to ensure modern slavery does not exist in our business or supply chains.

We expect our suppliers to share our commitment to act lawfully and ethically to ensure modern slavery is at the forefront when engaging with new and existing suppliers.

Our focus in the first year of reporting was to educate ourselves, raise awareness of the issues and identify high risk suppliers. We deliver effective control of our supply chain relationships and management of these issues by limiting our 'delegation of authority' of supplier engagement to Executives and Senior Management only.

Below is an illustration of our approach



1. Building our understanding and capability

The organisation researched and examined the key issues associated with modern slavery. Our first line of defence was to ensure we had a well informed and capable team making decisions on the engagement of and relationships with our supply chain. It was decided to extend the education of this issue to the general workforce to increase awareness and cast a wider net across the organisation to identify instances where modern slavery may exist. MEGT has sourced an interactive training program about modern slavery on our digital learning management platform, to build the required knowledge and raise a consistent level of awareness in our team.

The training modules below focus on the following key areas:

- Define and raise awareness of the complex issues associated with modern slavery.
- Identifying the types of modern slavery that exists in society.
- Identify and discuss the geographical and industry specific impacts of modern slavery.
- Identify risk factors across sectors and assist staff to address the risks.
- Train staff to identify signs of people suffering from modern slavery.
- Outline of the consequences of modern slavery to an organization.
- Overview of the Modern Slavery ACT 2018 and reporting requirement.

2. Improving our policies and procedures

We have previously highlighted various internal policies and procedures MEGT has in place to ensure we address our Corporate Social and Legal responsibilities. Our policies are regularly updated to incorporate emerging issues such as modern slavery. Through our training, Code of conduct, equal opportunity and diversity policies, we demonstrate a strong commitment to emerging issues and continually set a high standard of values that our staff are expected to exhibit.

3. Engagement with our Suppliers

We feel the strength we have in combatting the risks of modern slavery lies within the internal controls we have in place:

- A small team of Executives and Senior Management (only) have authority to commit the organization to new engagements. They are skilled in the areas of negotiations and being able to diligently identify risks including the potential of modern slavery.
- MEGT has history dating back to 1982 and has developed long lasting supplier relationships as a result. The longevity of our business has enabled intimate and transparent relationships with suppliers and this by virtue enables the identification of unlawful behaviors.
- We do not deal in cash. Our dealing with all suppliers is transparent and we only pay by means of electronic transfer on receipt of a proper tax invoice. This has the impact of alleviating unlawful commercial conduct especially when some companies receive and pay employees in cash and there is a potential for exploitation under these arrangements.
- We will introduce a supplier questionnaire to be used when engaging with low to high risk suppliers which will not only enhance a collaborative relationship with the supplier, but also embed an education process between our business and the supplier to improve confidence they are assessing their own supply chains for the potential of modern slavery events.

4. Remediation process

A formal remediation policy is to be introduced in 2021. However, the following steps are in place in the event action needs to be taken to rectify modern slavery:

- Events of reported modern slavery to be escalated to the Executive team and reported to the Chair of the Board.
- A corrective action plan to be developed on a case by case basis.
- The ceasing of all Contracts, if the Supplier is deemed to act in severe negligence of their obligations under the Modern Slavery Act.

Assessing the effectiveness of actions being taken.

Continual reviews and assessments of the effectiveness of our policies, codes, standards and procedures relating to modern slavery will form part of the agenda for the Risk Management Committee. The Risk Management Committee will report and provide recommendations for action and change to the Executive Management team for their consideration and approval to be implemented into the business.

Looking ahead

MEGT are committed as a whole business, from the Board of Directors, Executive Management and our employees, in implementing the actions and processes for the continual improvement what is required to deal with modern slavery risks in our operations and supply chain.

MEGT is against modern slavery and is committed to tackling modern slavery in its operations and supply chain.

The MEGT Modern Slavery Statement (2020) has been approved by the Board of Directors of MEGT (Australia) Ltd.

Signed by the Chairman of MEGT (Australia) Ltd



William Barry O'Gorman