

An aerial photograph showing a city skyline in the background, a large body of water in the middle ground, and a race track complex in the foreground. The race track has several long, parallel lanes and is surrounded by various buildings, parking lots, and green spaces. The city skyline consists of numerous skyscrapers of varying heights and designs.

MODERN SLAVERY STATEMENT FY20

2019-2020 AUSTRALIAN FINANCIAL YEAR

AUSTRALIAN
GRAND PRIX
CORPORATION

CRITERION 1

IDENTIFY THE REPORTING ENTITY



This modern slavery statement (**Statement**) is made by the Australian Grand Prix Corporation (ABN 86 947 927 465) (**AGPC**), registered office at Level 5, 616 St Kilda Road, Melbourne VIC 3004. Any references to “we”, “it”, “us”, “our” or the “organisation” are references to AGPC.

AGPC is a single reporting entity for the purposes of the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**) and this Statement is submitted and published for the Australian Financial Year ending 30 June 2020, in line with section 13 of the Modern Slavery Act.

This Statement addresses each of the seven mandatory criteria for reporting set out in section 16 of the Modern Slavery Act and details AGPC's current approach and future commitments for assessing and addressing the risk of Modern Slavery in our business and supply chains.

CRITERION 2

DESCRIBE THE STRUCTURE, OPERATIONS AND
SUPPLY CHAINS OF THE REPORTING ENTITY



STRUCTURE

AGPC is a statutory authority established pursuant to the *Australian Grands Prix Act 1994 (Vic)* (as amended) (**AGP Act**), subject to the direction and control of the Minister administering the AGP Act, the Minister for Tourism, Sport and Major Events, The Honourable Martin Pakula, MP.

AGPC's mission is to create value for the state of Victoria, advanced by the following strategic objectives:

- Build a powerful organisation and culture
- Secure the future of our events
- Connect people to business, brands and our sport
- Understand our customers and attract new audiences
- Inspire the future by driving technology and innovation
- Diversify and increase revenues to ensure our success

AGPC is supported by the efforts of our 65 employees.¹ In the lead up to the Formula 1[®] Australian Grand Prix in 2020, this number increased to the employment of 192 staff.

Our past and ongoing successes are guided by our organisation's values – integrity, innovation, quality, customer, accountability and teamwork.

In line with the sports that we promote, we look forward to continuing to inspire the future, showcase Victoria and empower our people. We look forward to increased sustainability and sharing our journey to positively impact the reduction of modern slavery practices in our supply chain.

OPERATIONS

AGPC is the local promoter responsible for staging two iconic international events that showcase the best of Melbourne and regional Victoria to the world – the Formula 1[®] Australian Grand Prix at Albert Park and the Australian Motorcycle Grand Prix at Phillip Island.

Unfortunately, due to the COVID-19 pandemic, the Formula 1[®] Rolex Australian Grand Prix 2020 was cancelled after just one day of activity. The 2020 Australian Motorcycle Grand Prix, that was scheduled to be held from 23-25 October, was also cancelled.

SUPPLY CHAIN

AGPC procures goods and services that are essential to our operations and the successful delivery of our world-class events. As AGPC undertakes a temporary motor racing circuit build for each Formula 1[®] event, it contracts a number of suppliers to enable successful event delivery (inclusive of the construction, race operation and post-race activity phases).

¹ AGPC data as at 24 March 2021.

Examples of goods and services that form the core business operations include:

- **Hospitality and catering:** This includes the procurement of food and beverage suppliers and related goods at both events
- **Venue management:** This includes security and cleaning contractors
- **Infrastructure construction:** This includes track and race infrastructure related construction e.g. grandstands, marquees, temporary facilities, civil works, plumbing
- **Event services:** This includes activations, displays, motorsport content and entertainment, forming part of a dynamic live event
- **Information and communications technology (ICT):** This includes computer hardware and software (including Software as a Service and Platform as a Service), cloud services, network infrastructure, internet and telecommunications services
- **Retail services:** This includes fit-out providers, staff uniforms and branded apparel/merchandise and courier and postal services
- **Office facilities management:** This includes the services we use to maintain our offices, including leasing, maintenance and cleaning
- **Professional services:** This includes the provision of external consultancy, legal, financial advisory, marketing, media buying and public relations services

AGPC's event delivery suppliers are based in Australia, with the majority of goods and services obtained from Victorian suppliers. This is in line with our support of the requirements of the *Local Jobs First Act 2003* (Vic). We believe that our commitment to improve opportunities for local suppliers reduces the risk of sourcing goods from overseas suppliers that may be in 'high risk countries' (as that term is referred to in the Global Slavery Index).²

Key event-critical suppliers are engaged on a long-term contractual basis to deliver maximum value to both parties. In the alternative, based on the goods and services requirements per event, AGPC engages event suppliers on a short-term project basis. It has ongoing relationships with a number of its event suppliers, often having utilised the services of the same event-suppliers over many years. This helps us to maintain confidence and have visibility over their operations. This is further added to by the fact that a number of AGPC's key suppliers, that meet the consolidated revenue target required by the Modern Slavery Act, are expected to prepare a statement demonstrating their efforts to reduce modern slavery risks.

² <https://www.globallslaveryindex.org/2018/data/maps/#prevalence>

CRITERION 3

DESCRIBE THE RISKS OF MODERN SLAVERY PRACTICES IN THE OPERATIONS AND SUPPLY CHAINS OF THE REPORTING ENTITY AND ANY ENTITIES IT OWNS OR CONTROLS



In this section we identify the 'risks of modern slavery practices', which identifies the potential for AGPC to cause, contribute to, or be directly linked to modern slavery through our operations and supply chains.

We acknowledge that the Modern Slavery Act identifies serious exploitation as trafficking in persons, slavery, servitude, forced labour, forced marriage, debt bondage, the worst forms of child labour and deceptive recruiting for labour or services.

AGPC has conducted an initial scoping exercise to assess its risk profile in relation to modern slavery risks that may be prevalent in its supply chain. The methodology for our risk assessment considered the following:

- Industry sector
- Types of products and services
- Entities
- Geographical location

AGPC has primary visibility over its internal operations and the operations of our first-tier suppliers. We consider the risk of modern slavery practices in our direct supply chains to be low.

Given the industry sectors, we have identified the following risk areas that warrant prioritised review and due diligence:

- Construction-related services
- Security services
- Merchandise supply
- Cleaning services
- Catering/hospitality services

Our future commitment is to explore our second and subsequent tiers in more detail. We recognise that in some instances we have limited visibility of an entity's model of business in a second or subsequent tier and will conduct a gap analysis based on the priority risk areas identified above to provoke greater visibility.

CRITERION 4

DESCRIBE THE ACTIONS TAKEN BY THE REPORTING ENTITY AND ANY ENTITY THAT THE REPORTING ENTITY OWNS OR CONTROLS, TO ASSESS AND ADDRESS THOSE RISKS, INCLUDING DUE DILIGENCE AND REMEDIATION PROCESSES



AGPC's response to modern slavery risks and human rights issues prior to and after the Modern Slavery Act came into effect provides us with confidence that we are on the right track toward anti-modern slavery behaviours. With the foundation set, we are prepared to tackle the ongoing body of work in this area with rigour and the support and collaboration of our suppliers and stakeholders.

Below we identify ongoing practices and actions taken by AGPC to assess and address the risks of modern slavery in our operations and supply chains:

POLICIES, PROCEDURES AND STANDARDS

AGPC's suite of policies and procedures promote and support respect for human rights and mandate compliance with Australian laws and regulations. They also act as effective remediation strategies. The most relevant organisational policies that minimise the risk of AGPC contributing to modern slavery practices are set out below:

- **Code of Conduct for Victorian Public Sector Employees:** This Code of Conduct sets out the standards of behaviour expected of Victorian Public Sector Employees in the performance of their employment obligations and duties.
- **Equal Employment Opportunity, Bullying, Harassment and Discrimination Policy:** This policy outlines our commitment to establishing and maintaining a workplace that provides for equal employment opportunities and is free from all forms of bullying, harassment and discrimination. It also provides a grievance procedure for persons affected by unacceptable behaviours in the workplace.
- **Grievances Complaints and Appeals Policy:** AGPC employees have the right to work in a safe environment and to be treated with dignity and respect. This policy provides the process through which employees can have a workplace complaint appropriately assessed. This policy also applies to board members, committee members and contractors of AGPC.
- **Health and Wellbeing Policy:** The welfare of our workforce is important to us. This policy outlines the commitment of AGPC to supporting and developing a workplace conducive to continued development of its employees' health and wellbeing. This policy highlights a range of health and wellbeing initiatives undertaken by AGPC and available to all staff.
- **Public Interest Disclosure Policy:** This policy is part of Victoria's integrity framework and replaces the former whistleblowers legislation and protection. It provides for employees to make a public interest disclosure in accordance with the *Public Interest Disclosures Act 2012 (Vic)* and thereby confidentially report potentially improper or illegal conduct without fear of retribution. This policy would extend to reporting concerns of modern slavery and human rights violations.
- **Risk Management Policy:** AGPC has a Risk Management Policy that provides a structural framework to effectively manage the risks in AGPC's activities. Categories that are captured in the framework to inform AGPC's decision-making on risks include health, safety and environment and governance, legal

and compliance. The key objectives of this policy are to maximise opportunities and minimise adversity, to achieve improved outcomes and outputs based on informed decision-making and organisational resilience.

- **Remuneration and Recognition Policy:** This policy sets out AGPC's commitment to fairly and equitably remunerating staff for its contribution to the strategy and operations of AGPC.
- **Child Employment Guidelines:** AGPC has developed a set of internal guidelines to educate and promote awareness around child employment, with particular focus on advertising and entertainment related work.

PROCUREMENT

In order for AGPC to identify modern slavery risks in our supply chains, we conduct risk-based due diligence on third parties prior to entering into new contractual arrangements or exercising options to extend an incumbent supplier. This process is underpinned by AGPC's internal Procurement and Probity policy.

The purpose of this policy is to define AGPC's procurement and how the AGPC demonstrates probity for all commercial engagements, whilst pursuing best value outcomes for the Victorian Government and public interest, consistent with the *Financial Management Act 1994* (Vic) and the Standing Directions made thereunder.

Through procurement at AGPC, we create expectations on business transactions with us from the outset. Our tender documentation asks that tenderers provide quality assurances across all facets of their business. Examples of information we request in our tender response form are:

- Disclosure of any legal proceedings (actual or threatened) against the tenderer (or any of its entities);
- Whether the tenderer intends to sub-contract a component of the contract to a manufacturer or supplier and what the selection and onboarding process entails for its sub-contractors;
- Explanation and breakdown of the fee proposed; and
- Auditing systems and processes to monitor their own performance.

AGPC also recognises procurement as an opportunity to generate social value and change across regional and metropolitan Victoria. We are in the process of developing our social procurement strategy, in line with the Victorian Government Social Procurement Framework, to include social value and sustainability requirements in our procurement process.

CONTRACTUAL OBLIGATIONS

In 2018, as part of AGPC's due diligence, we facilitated a review of our standard contracts and terms and conditions and included a **Personnel Payment, Modern Slavery and Human Rights Compliance** clause in all AGPC contracts, requiring that:

- Contractors warrant that they will commit to good practices in relation to their workforce and personnel, including without limitation, paying any person for work performed at or in any way connected with the Formula 1® Australian Grand Prix and/or Australian Motorcycle Grand Prix at or above award rates and ensure payment is in line with applicable laws.
- Any and all sub-contracting of the supplier's obligations must be first approved by AGPC in writing. If AGPC agrees to sub-contracting, the supplier must ensure that sub-contractor takes out and maintains the same insurances with the same levels of cover. Further, the supplier is obligated to ensure that its sub-contractor is compliant with all legal requirements and awards for payment in connection with the services.
- Contractors identify a risk mitigation structure and plan for its operations and supply chain.
- Contractors ensure it requests or otherwise has safety equipment for the performance of their services/ supply. Further, all contractors must complete an induction covering this point, prior to being permitted onsite at the event.

Other contractual terms in our standard terms and conditions that protect against modern slavery practices include:

- **Training and Accreditation:**
 - From a health and safety perspective, the supplier must provide employees involved in the services with all information, instruction, training, and supervision necessary to enable them to properly and safely perform the services; and
 - From a credentials and induction perspective, AGPC may attach conditions to credentials that permit access to the event site as it sees fit and it is a special condition that all event site staff engaged at any stage of the build/dismantle or during the event period, attend and complete a venue induction course prior to commencing on-site operations.
- **Industrial Relations:**
 - AGPC's 'employee relations' provision, among other requirements, places an obligation on the supplier to comply with the relevant industry award, enterprise agreement or workplace law in respect of its employees' entitlements. This clause will be extended to prohibit 'Sham Contracting', as another protective tool against modern slavery risks.

In 2015, our F1® promoter's agreement was renegotiated to include compliance with human rights principles. The relevant clause places obligations on both parties to undertake that:

- It will not employ forced labour (including child labour);
- When making employment decisions, such employment decisions are based on principle of equal opportunity and fair treatment and are non-discriminatory; and
- Any sub-contractors engaged comply with the same terms and standards as the principal contractor.

AGPC advises F1®, the International Promoter and Commercial Rights Holder of the FIA Formula One World Championship, yearly on any legislative or regulatory changes that are anticipated to come into force or have come into effect, that may affect the F1® event. This is known as, the 'Annual Local Laws Declaration'. AGPC utilises this opportunity to summarise any legislation or regulations applicable to the event and thereby strengthens the education and compliance of international event participants.

Below are practical examples of how the Annual Local Laws Declaration has achieved international compliance with Australian laws and regulations:

- AGPC communicated to F1® the controls around the employment of children (under 15 years of age) in the entertainment and advertising industry. This involved an overview of the *Child Employment Act 2003* (Vic) and the requirement to obtain permits before employing children in promotion of the event.
- AGPC notified F1® of the establishment of the labour hire licensing laws under the *Labour Hire Licensing Act 2018* (Vic), labelling it an offence for a 'Host' business to use workers from an unlicensed 'Provider' or to fail to report an unlicensed Provider.

STAKEHOLDER COMMUNICATION AND CONTRACTOR ONBOARDING

AGPC is committed to proactive engagement with our employees, contractors and suppliers to increase transparency and to protect against the risk of modern slavery occurring within our supply chains. To that end, AGPC has facilitated communication with suppliers and stakeholders regarding the inception of the Modern Slavery Act and the requirements therein.

AGPC reports annually to F1® on its mitigation of modern slavery risks and how AGPC exercises due diligence in its supply chain. We note that F1® also have a publicly available Statement.³

³ <https://www.formula1.com/en/toolbar/modern-slavery-statement.html>

Prior to each event, staff and suppliers are required to undertake a mandatory site induction and complete online event onboarding. Some notable safeguards in the training are:

- On site construction work hours are strictly 7am to 5pm Monday to Friday;
- PPE needs to be compliant with Australian Standards; and
- Only licenced or competent persons can operate plant and equipment on site and licences/certifications must be provided during this process.

The above points highlight that work performed on-site at event is permitted by highly skilled and licensed contractors and assists in eliminating modern slavery risks, particularly around underpayment and the use of base skilled labour.

RECRUITMENT STRATEGIES

AGPC acknowledges the dangers inherent in misleading and deceptive recruitment practices. The majority of recruiting by AGPC occurs in-house, and not by external agencies. In instances where we are seeking candidates at a senior executive level or candidates with technical or specialist skills, we may engage the assistance of a reputable recruitment agency. However, the standard we expect in recruitment does not waiver. We expect appointed agencies to operate under high ethical standards in a legally compliant and professional manner and to have completed all relevant checks prior to supplying us with temporary or long-term workers. Irrespective of whether recruitment is conducted internally or externally, AGPC will always verify that employees are legally entitled to work in Australia and have passed all background checks.

CRITERION 5

DESCRIBE HOW THE REPORTING ENTITY ASSESSES
THE EFFECTIVENESS OF SUCH ACTIONS



AUDITING

All contractors engaged directly by AGPC are required to formally meet with AGPC annually to report on their compliance with the Modern Slavery Act. Though we have not directly observed any increase in modern slavery risks attributable to the COVID-19 pandemic, we note that our supplier's operations have been impacted by the unprecedented challenges COVID-19 placed on the events industry.

STAFF TRAINING AND EDUCATION

The AGPC Legal and Strategy department facilitates rotating staff training and capability development, through which staff are trained in emerging legal issues. In previous years we have focused on child employment legislation, data and privacy and contract management.

Face-to-face training (where possible) will be implemented for all full-time staff to identify modern slavery and human trafficking risks to which they may be exposed during the course of their employment. This will be formally rolled out in 2021 with key focus areas being:

- Educating staff on modern slavery risks;
- Empowering staff to ask the right questions during the procurement process; and
- Active engagement with current and future suppliers, other international promoters and the global commercial rights holders to deepen our understanding of their supply chains and any associated risks.

CRITERION 6

DESCRIBE THE PROCESS OF CONSULTATION WITH ANY ENTITIES THE REPORTING ENTITY OWNS OR CONTROLS



'Criterion 6' is not applicable to AGPC's operations.

CRITERION 7

INCLUDE ANY OTHER INFORMATION THAT THE REPORTING ENTITY CONSIDERS RELEVANT



MOVING FORWARD

AGPC undertakes to constantly improve our awareness and knowledge of modern slavery risks in our supply chains. We will quantify outcomes achieved in subsequent reporting periods and embark on the following:

- Capturing modern slavery and mitigation measures in our **enterprise risk heat map** reported to our Board;
- Inserting a **modern slavery questionnaire** in our tenderer response form for completion during our procurement process;
- **Collaborating and liaising with our stakeholders** to enhance the understanding of our expectations and drive compliance to best practice levels;
- Continued attendance at relevant modern slavery and human rights **information sessions and discussions** to advance our knowledge and collaborate with others to leverage meaningful change in this space;
- **Updating policies**, as required, to ensure a minimum standard of ethical behaviour required in the provision of goods and services; and
- Development of a **modern slavery attestation** for contracted suppliers, sponsors and commercial partners (current or prospective).

ENDORSEMENT

In accordance with section 13(2) of the Modern Slavery Act, this statement was approved by the members of the board of the Australian Grand Prix Corporation on 24 August 2021.



Mr. Paul Little AO
Chairman
Australian Grand Prix Corporation



Mr. Andrew Westacott
Chief Executive Officer
Australian Grand Prix Corporation

AUSTRALIAN
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