



ISS FACILITY SERVICES
AUSTRALIA LIMITED

Modern Slavery Statement 2022

PEOPLE MAKE PLACES



Introduction



Introduction from Stuart Rose Chief Executive Officer

This is ISS Facility Services Australia Limited's third Modern Slavery Statement, which outlines the steps we have taken to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chain.

We believe in creating a fair and inclusive society that makes the world work better. With the ambition to be the **Global Company of Belonging**, we take care of, and provide opportunity for our people, helping them to become who they want to be. We do this because we know our people can and do make a difference. ISS helps to protect and maintain places and we help our customers to minimise their impact on the planet by reducing their consumption of energy, carbon and water and cutting their production of waste.

As a global company with a heritage of fairness, equality and inclusion, we know that when we get things right, it enhances lives and makes the world work better. This is what drives us.

ISS adopts the Australian Modern Slavery Act definition of Modern Slavery. Modern slavery is a crime and a gross violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

We are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to prevent modern slavery within our own business and in our supply chains. ISS also understands the key to eradicating this complex issue is to set clear expectations for our people and suppliers, which will alert us to potential involvement in modern slavery and empower us to take steps to address it and to prevent such involvement in the future.

ISS aims to lead our industry by example and positively influence the markets in which we operate. As a global business with 350,000+ employees, we play an important role in society and have a huge opportunity to drive positive business and societal outcomes.

ISS A/S was an early adopter of the United Nations Global Compact and we have embedded these commitments in our organisation around the following structure:



People: Safe working conditions and human rights



Planet: Reducing our impact on the environment and climate



Prosperity: Compliance with sound business standards

ISS is proud of the steps we have already taken to combat slavery and we recognise that extending this focus deeper into our supply chain will help to reduce the incidence of modern slavery, not only in Australia but globally.

ISS Structure, Operations and Supply Chain

Across the world, ISS is a leading workplace experience and facility management company. In partnership with customers, ISS drives the engagement and well-being of our people, minimises the impact on the environment, and protects and maintains property.

Throughout Australia and New Zealand we deliver a wide range of services across five core market segments including Health, Resources, Public Administration, Transport and Infrastructure and Office, Production and Specialised Services, covering a wide geography and servicing diverse customers. In every aspect of our business we are united with our approach to enhancing the workplace experience and connecting people and places to make the world work better.

OUR STRUCTURE

Our business is comprised of a number of companies associated with our core market segments. This statement covers:

ISS Facility Services Australia Limited (ABN 87 001 827 041) which is the parent company and includes our Public Administration segment.

ISS Integrated Services Pty Limited (12 001 806 097) which includes our Energy and Resources segment.

ISS Health Services Pty Limited (98 109 689 223) which includes our Health care segment.

ISS Security Pty Limited (14 001 375 186) which includes our Transport and Infrastructure segment.

ISS Facility Management Services Pty Limited (52 008 516 765) which includes our office, production and specialised services segment.

ISS Facility Services Ltd (NZBN 9429040643021) which includes our operations in New Zealand.



ISS Governance

Our commitment to addressing modern slavery has led to the formation of the ISS Modern Slavery Working Group, which has responsibility for overseeing the organisation's response to combating modern slavery risks. The ISS Country Leadership Team have endorsed this statement and ISS' Modern Slavery Policy. The Country Leadership Team reviews emerging risks and opportunities, leads stakeholder engagement and facilitates the sharing of best practice throughout the organisation.

In addition, our divisional management teams have responsibility for identifying, managing and overseeing any material modern slavery risks in accordance with the ISS Risk Management Framework.

ISS Supply Chain

We recognise that the support of our suppliers is intrinsic to eliminating slavery and we have put in place a robust assessment and audit system for our supply chain.

Our commitment to human rights is outlined in the Modern Slavery Policy, the ISS Group Corporate Responsibility Policy, the ISS Global People Standards, and the ISS Global Supplier Code of Conduct, all of which are shared with our suppliers and subcontractors.

OUR SUPPLIERS AND SUBCONTRACTORS

All products and services carry the risk of modern slavery in their supply chains. ISS Supply Chain has identified some products and services that carry a higher level of modern slavery risk such as electronics (specifically phones and laptops), cleaning subcontractors and international food and consumable supplies. ISS supplies are sourced from a range of locations with the largest volume of products sourced from Australia, Bangladesh, Cambodia, China, India, Indonesia, Pakistan and Vietnam.

ISS does not own the factories where products are manufactured but engages third-party distributors to source and purchase products. Our supply chains include providers of goods and subcontracted services to enable the business to deliver single service, bundled services and total integrated facilities management to a range of public and private sector clients. Our approach is to work closely with our suppliers in the management of modern slavery risks, in particular the heightened risk of sourcing particular products from certain countries.

These suppliers are managed internationally by ISS A/S, nationally by ISS or locally by our client facing operational teams, using tools which reflect the professional procurement processes in use.



For all significant suppliers, ISS considers factors such as ethical sourcing, labour practices, values alignment and existing customer base, as well as commercial matters like price, quality, quantity and lead time.



ISS Due Diligence Processes

ISS works with partners and stakeholders that share our common goals – to adhere to ethical business conduct standards.

ISS has adopted a risk-based approach to modern slavery due diligence. We have in place systems to identify and assess potential risk areas in our supply chains, mitigate the risk of modern slavery occurring in our supply chains, monitor potential risk areas in our supply chains and protect whistle blowers.

As part of our initiative to identify and mitigate risk we have carried out a risk-based assessment on our supply chain to identify areas where ISS should focus our efforts:

- ISS has implemented a preferred supplier rationalisation program to ensure we are working closely with our preferred business partners consolidating our approved suppliers and ensuring appropriate contractual arrangements are in place.
- ISS has launched a new Supplier Assurance solution globally in January 2023. The new solution, known as CoupaRisk will replace our existing ISS ProcurePass software and outsourced support organisation, Achilles.
- A 'No vetting, no business' policy has been introduced. All suppliers will have to complete the vetting process in CoupaRisk and be approved by our Supplier Assurance team before they can carry out work for ISS and our customers.
- Supplier registration to CoupaRisk consists of two potential stages – Basic Vetting & Enhanced Vetting. All suppliers are required to complete Basic Vetting regardless of risk level. A supplier assessed as medium and high risk will also be required to complete Enhanced Vetting. Enhanced Vetting consists of 23 'Risk Domain' questionnaires.
- ISS assesses suppliers using a risk scoring matrix.

- ISS Standard Purchase Order Terms & Conditions and Supply & Service Agreements cover compliance with all current legislation and include specific reference to the Modern Slavery Act 2018 and its requirements. As part of ISS's ongoing supplier management activities, each year we request a subset of our valued suppliers to undertake an audit engagement regarding responsible sourcing principles outlined in our supplier code of conduct and compliance to key contractual obligations.

SUPPLIER ADHERENCE TO OUR VALUES

To ensure all those in our supply chain and contractors comply with our ethical values we take steps to verify, evaluate and address risks of slavery and human trafficking in our supply chain.

ISS Supplier Code of Conduct contains ISS's key principles and requirements to our suppliers and subcontractors with respect to responsible environmental, social, governance, including compliance and ethical practices. All ISS suppliers and subcontractors must comply with this Code and ISS requires all suppliers to communicate the obligations set out herein and ensure compliance with the Code throughout their organisations and supply chains.

Our on-boarding questionnaire requires suppliers to acknowledge and agree to comply with the requirements of ISS Supplier Code of Conduct. These policies are regularly monitored, reviewed and communicated to our suppliers. In addition, our supplier terms and conditions of business contain provisions requiring suppliers to comply with all current legislation, including the Modern Slavery Act.

Our Policies on Modern Slavery



Our Modern Slavery Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our supply chains.

The Policy applies to all employees and is underpinned by our core values of entrepreneurship, quality, respect, honesty and unity, which are firmly embedded in our culture. This is also underpinned by the ISS Global Policies on Corporate Responsibility, Code of Conduct and Global People Standards.

We have a suite of other HR policies and guides for our managers and supervisors across our business, which equip them to manage and mitigate human slavery risks. These include our: Pre-Employment Screening Policy, Recruitment Policy and Speak Up/Whistleblowing Policy which offers a phone or internet-based service for anonymous complaints.

ISS is committed to supporting and respecting human rights throughout our workforce and supply chain and is a signatory to the United Nations Global Compact.

Where ISS is made aware of modern slavery practices in our operations or supply chain, ISS investigate all claims and if valid, resolve the issue in accordance with applicable policies.



Risks of modern slavery practices in ISS' operations and supply chains

IDENTIFYING RISKS

Modern slavery has the potential to exist in our operations and supply chain through a variety of circumstances, including forced labour, child labour, debt bondage and human trafficking.

The cleaning and facilities management industries are considered high risk for instances of modern slavery.

To reduce the risk of vulnerable group exploitation, our services are primarily self-delivered in Australia, which has a low prevalence of modern slavery (Global Slavery Index 2018) and a strong regulatory environment.

In 2021, ISS adopted the United Nations Women's Empowerment Principles. This represents ISS' commitment to progressing gender equality, including pay parity, in the workplace, community and industries we service.

ISS was a founding member of the Cleaning Accountability Framework (CAF) and is one of only three prequalified contractors in the cleaning industry with a certified 3 Star Standard.

CAF is an independent multi-stakeholder body that aims to improve working conditions for cleaners through a supply chain accountability mechanism – CAF Building Certification. CAF works with supply chain stakeholders at a building to identify, investigate and remedy labour rights violations and implement the conditions for decent work within that supply chain.

As part of the assessment of working conditions against the CAF 3 Star Standard, CAF's assessment includes a process to diagnose the presence of slavery-like practices through worker engagement. A CAF Star rating is awarded when the conditions for decent work are implemented.

We believe there is minimal risk of causing, contributing or being directly linked to instances of modern slavery within our operations.

To date, we have conducted analysis of our supply chain and identified a number of categories where there is the potential for us to cause, contribute or be directly linked to modern slavery.

CLEANING



Cleaning is often identified as being at a higher risk of modern slavery, including in Australia, due to low-skilled, low-paid, manual work and the high prevalence of short-term, seasonal and migrant workers and subcontractors.

A respect for human rights is at the heart of ISS and our philosophy of "People Make Places". We take very seriously our responsibility to play our part to eradicate all forms of modern slavery and human trafficking, including exploitation, forced labour, child labour and servitude.

Illegal working often leads to exploitative behaviour and can have an adverse impact on the employment of people who are lawfully in Australia. All workers in Australia have the same rights and protections at work, regardless of citizenship or visa status. As a responsible, ethical business, we recognise that our success depends upon on an engaged and productive workforce that is well looked after.

The ISS ethical standards relating to our workforce are enshrined in our ISS Code of Conduct.

FOOD AND BEVERAGE SUPPLIES



Procurement of high risk products, particularly from emerging economies, are at an increased risk of modern slavery. We are continually working with suppliers within our procurement control environment, to determine if modern slavery risks have been appropriately addressed.

UNIFORMS & PPE

Uniforms, branded clothing and Protective Personal Equipment (PPE) are often sourced from countries with higher risks of modern slavery where government oversight and due diligence processes are less stringent than those in Australia.

These supply chains are often complex and difficult to monitor beyond the first tier. There is a risk that raw materials such as cotton for shirts, or plastic for buttons may be sourced from businesses where employees have been subjected to modern slavery.

CONSULTATION AND APPROVAL PROCESS

In performing the actions described throughout this Statement, consultation included engagement with ISS's Modern Slavery Working Group, various levels of management

and business unit representatives with oversight of suppliers and subsidiaries assessed as potentially more highly exposed to risks of modern slavery practices.

We will further expand our consultation with customers, partners & suppliers over the coming year.

Our Country Leadership Team has been involved in the compilation and endorsement of this Statement. The Statement was approved and signed by the Chief Executive Officer.

ASSESSING EFFECTIVENESS

All ISS procurement staff have undertaken modern slavery awareness training and all new supplier agreements include modern slavery clauses and checklists. With the implementation of the Coupa Supplier Portal, ISS has further improved our supplier compliance and have greater control over our supply chain. Suppliers are currently transitioning to our new Coupa Supplier Portal and we are targeting for this to be completed by December 2023. ISS Procurement is also accelerating the Preferred Supplier & Supplier Rationalisation Program.

Suppliers registered with SEDEX were identified as part of a consolidation of suppliers to ensure greater compliance and effectiveness of controls.

FUTURE ACTIONS



We recognise that eradicating modern slavery requires dedication to make a positive difference to people's lives, in line with our purpose.

Looking ahead, we plan to progress the following actions this year and beyond:

Building Our Capabilities

- Expanding our use of data to identify and target high risk suppliers.
- Develop and deliver a broader training and awareness program for our people to increase their understanding and knowledge of modern slavery risks in our operations and supply chain.
- Continued maturing of our supply chain risk assurance mechanisms including strengthening of our supplier contractual provisions for adherence with modern slavery laws
- Embed opportunities to streamline processes and templates, and enhancement of onboarding and monitoring processes
- Increased collaboration within our networks, customers and supply chain, to strengthen our response to modern slavery.
- Engage with more suppliers in the highest risk profile groupings to more deeply assess exposure to modern slavery practices.

ISS UNIFORM CASE STUDY

ISS works closely with our uniform provider, *Andrew's Corporate Clothing (ACC)* to manage modern slavery risk. Within Australia, Andrew's Corporate Clothing's supply chain has been accredited by Ethical Clothing Australia which evaluates both wages of employees and OHS conditions of the factory premises.

Andrew's Corporate Clothing employs several factories internationally for the manufacture of a number of garments. Each international manufacturer must meet SA8000 standards for workplace practices which cover 8 main areas important to social accountability in the workforce. This includes forced labour, working hours, remuneration, and health and safety.

Andrew's Corporate Clothing manufacturing partners must execute a Supply Agreement which includes Ethical Supply standards. Manufacturing partners are audited by third parties under the Business Social Compliance Initiative (BSCI) and Sedex ethical trade supply chain management audits.

Andrew's Corporate Clothing is also listed in Victorian government Ethical Supplier Register.

This year's Modern Slavery Statement

This statement relates to the activities of ISS and its subsidiaries. It has been prepared by our Modern Slavery Working Group and was approved by the board of ISS on 29 June 2023.

All references to our, we, us, ISS refer to ISS Facility Services Australia Limited and its subsidiaries.

Questions or concerns

We value all feedback. Please forward any comments on this statement or requests for additional information to enquiries@au.issworld.com



CEO
Stuart Rose

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