

Modern Slavery Statement FY 2021



EXPERIENCE
BETTER



DLG
SHAPE

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Introduction

SHAPE Australia Holdings Pty Limited has a number of related entities, with the main related entity being SHAPE Australia Pty Limited (**SHAPE**). SHAPE is Australia's leading commercial fitout and refurbishment specialist with a national footprint delivering a range of projects that require Australia-wide resources. As an industry leader, SHAPE has a reputation for excellence and innovation that is only possible with cultural maturity. SHAPE's local knowledge affords the business vast scope to deliver national projects in any metropolitan or regional location.

Structure & Operations

SHAPE Australia Holdings Pty Limited is the reporting entity, with the related entities detailed below governed by this statement.

SHAPE Australia Holdings Pty Limited ABN: 93 008 656 264

SHAPE Australia Pty Limited ABN: 70 003 861 765

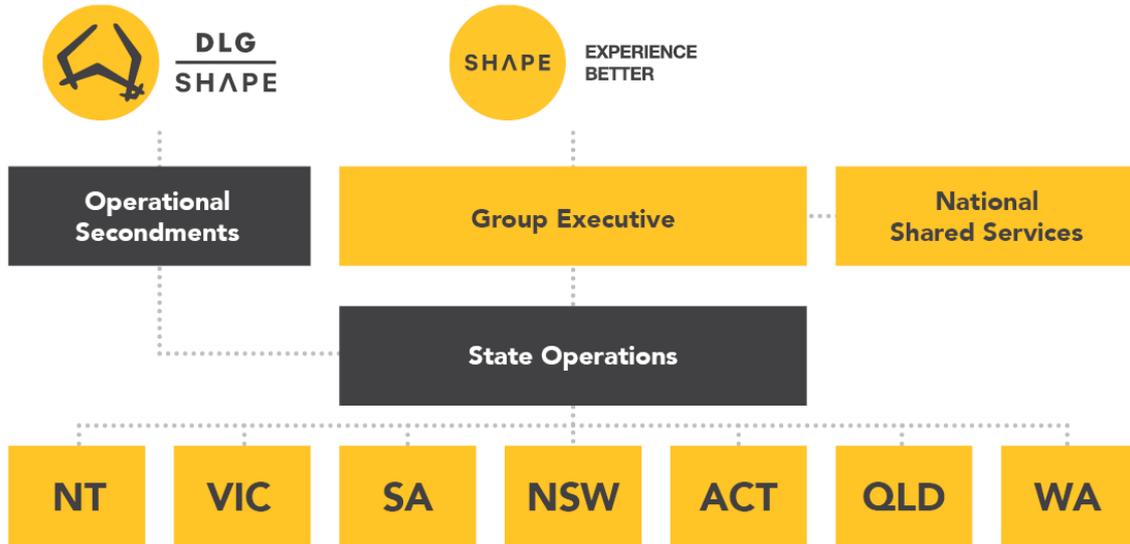
SHAPE Australia (Qld) Pty Limited ABN: 69 126 087 910

DLG SHAPE Pty Limited ABN: 49 627 386 387

DLG SHAPE (Qld) Pty Limited ABN: 35 614 247 228

ORGANISATIONAL STRUCTURE

SHAPE is a national business, with SHAPE Australia (Qld) Pty Limited being created to align to Queensland legislative requirements. DLG SHAPE Pty Limited is an Indigenous Australian majority owned business, with 51% ownership by David Liddiard Group Pty Ltd (DLG) and 49% ownership by SHAPE Australia Holdings Pty Limited. In addition, DLG SHAPE (Qld) Pty Limited was created to align with Queensland legislative requirements.



OPERATIONAL LOCATIONS



SHAPE has a national footprint delivering a range of projects Australia-wide. The office locations are restricted to mainland Australia, with most projects delivered within metropolitan locations and the remaining projects delivered in regional locations. Tasmanian projects are resourced from mainland operations.

OUR PEOPLE

SHAPE's most important asset is its people and as such, we seek to employ and retain people who understand and support our great culture. To find the right people, SHAPE has well-structured and governed employment and staff retention processes.

Supply Chain

PROCUREMENT

We value our subcontractors and supply chain as part of our team and recognise that positive subcontractor and supply chain relationships are vital to successfully winning and delivering projects.

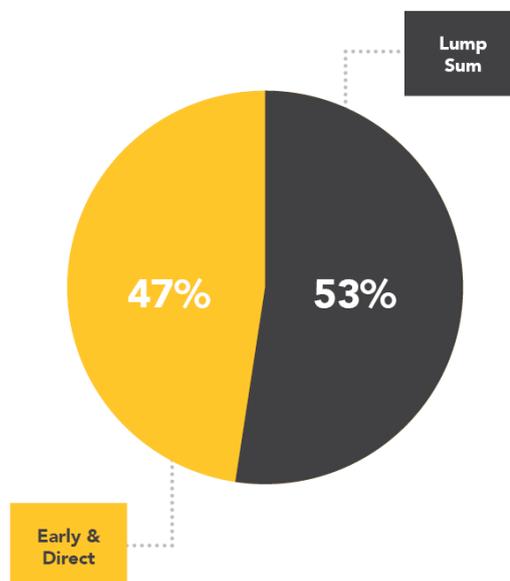
SHAPE's procurement can be described under two categories - Operational Procurement and Corporate Procurement.

OPERATIONAL PROCUREMENT

Over 90% of SHAPE's procurement is operational procurement, delivering project solutions for our clients through two core types of contracts.

1. Lump Sum contracts provide little control of the development of the design, specification, subsequent selection of materials and manufacturers to be utilised within the delivery of the project scope.
2. Early & Direct contracts offer a level of control of the development of the design, specification, selection of materials and manufacturers. Project consultants are engaged who conduct risk assessments and exercise due diligence when developing the project documentation. All project specifications are to be produced by the consultants under the expectation that all works, and materials meet Australian Standards and legislative requirements.

Contract Types



CORPORATE PROCUREMENT

The remaining 10% of SHAPE's procurement is corporate procurement to support the operations of the business, covering a diverse portfolio of consumables, operational spaces, services, and equipment.

Risks of Modern Slavery

SUPPLY CHAIN OVERVIEW

The risk of modern slavery existing within the business’s operations and supply chains is low considering:

- We are an Australian business operating solely within Australia.
- SHAPE and many of our service providers are Australian businesses operating as Australian Building and Construction Commission (ABCC) / Building Code 2016 compliant contractors.

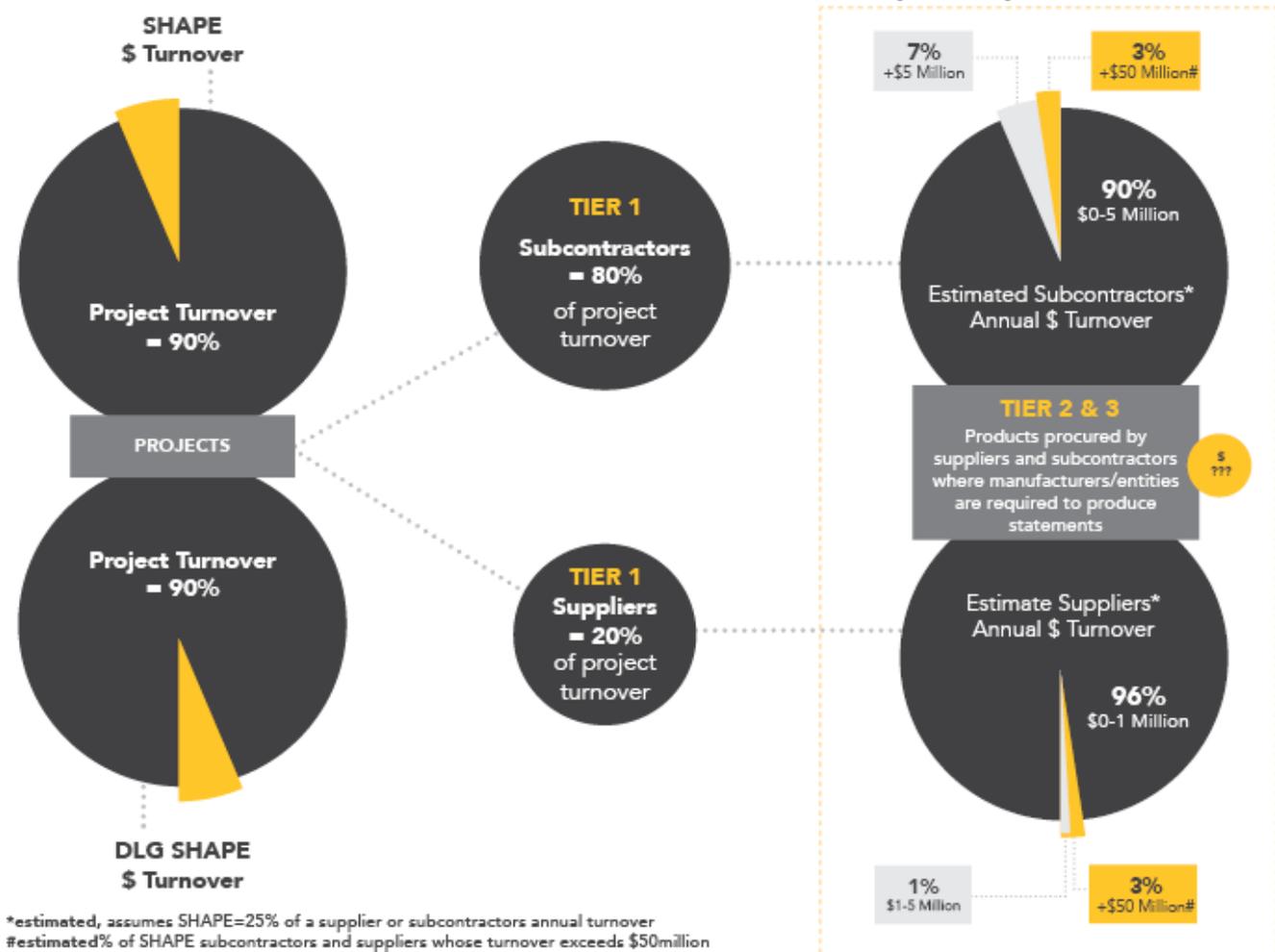
The majority of SHAPE’s procurement (over 90%) is project based and predominately delivered through our subcontractors who are typically Australian registered businesses. Other aspects of project procurement are completed directly with manufacturers, distributors, suppliers, or consultants who are also typically Australian registered businesses.

In the rare instances where SHAPE or its service providers are directed to procure from an overseas entity, there is a due diligence and risk management process in place to ensure the procurement is compliant with Australian Standards and legal requirements.

The business has completed analysis and risk assessment of its supply chain and commenced the socialisation and education process with our people and supply chain in relation to our obligations with regards to modern slavery.

SHAPE’s broad supply chain overview is mapped out as follows:

Project Supply Chain Overview



PROJECT PROCUREMENT

The risk of modern slavery in direct procurement activities may be realised in the following situations:

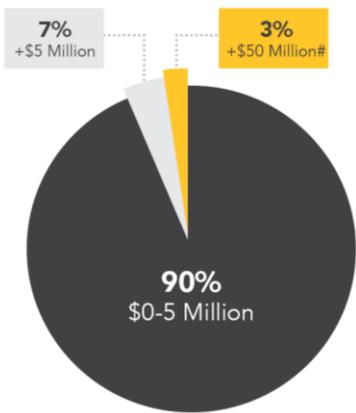
- If a subcontractor elects to undertake employment practices that are not compliant with Australian legislation.
- Where the labour utilised by a subcontractor or supplier is temporary, transitional, or operating on a work visa.

Direct project procurement elements that are considered as “at risk” are mapped out as follows:

Project Procurement Overview

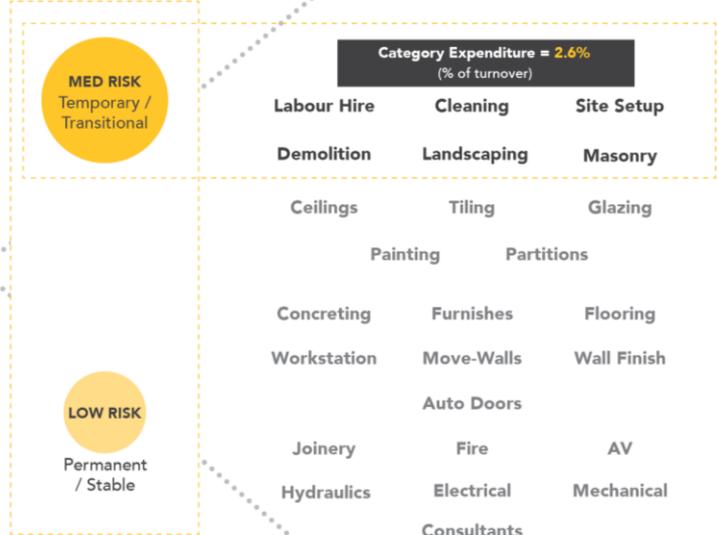
Tier 1 - Direct Procurement

Estimated Subcontractor Annual \$ Turnover*



Examination of tier 1 supply chain required to produce statements

Trade Labour Type & Risk Profile



High Labour Content / Low Skill

Category Expenditure = 2.6% (% of turnover)

- Labour Hire
- Cleaning
- Site Setup
- Demolition
- Landscaping
- Masonry
- Ceilings
- Tiling
- Glazing
- Painting
- Partitions
- Concreting
- Furnishes
- Flooring
- Workstation
- Move-Walls
- Wall Finish
- Auto Doors
- Joinery
- Fire
- AV
- Hydraulics
- Electrical
- Mechanical
- Consultants

Med Labour Content / High Skill



*estimated, assumes SHAPE=25% of a supplier or subcontractors annual turnover
 #estimated% of SHAPE subcontractors and suppliers whose turnover exceeds \$50million

The risk of modern slavery in indirect procurement activities may be realised in the following situations:

- When the degrees of separation between the business and the manufacture of materials and products is lengthened.

As such the business has elected to focus on its tier one supply chain where its visibility and influence is greatest.

Indirect project procurement elements that are considered as “at risk” are mapped out as follows:

Tier 2&3 - Indirect Procurement

TIER 2 & 3 EXAMINATION

The likelihood of risk is driven from the overseas supply chain and the manufacturing of products and construction materials, along with the extraction of raw materials

HIGH RISK

Gypsum, metal, textiles and timber products

LOW RISK

Plastic, glass, flooring, curtains, blinds, kitchen products, cement, sand and stone

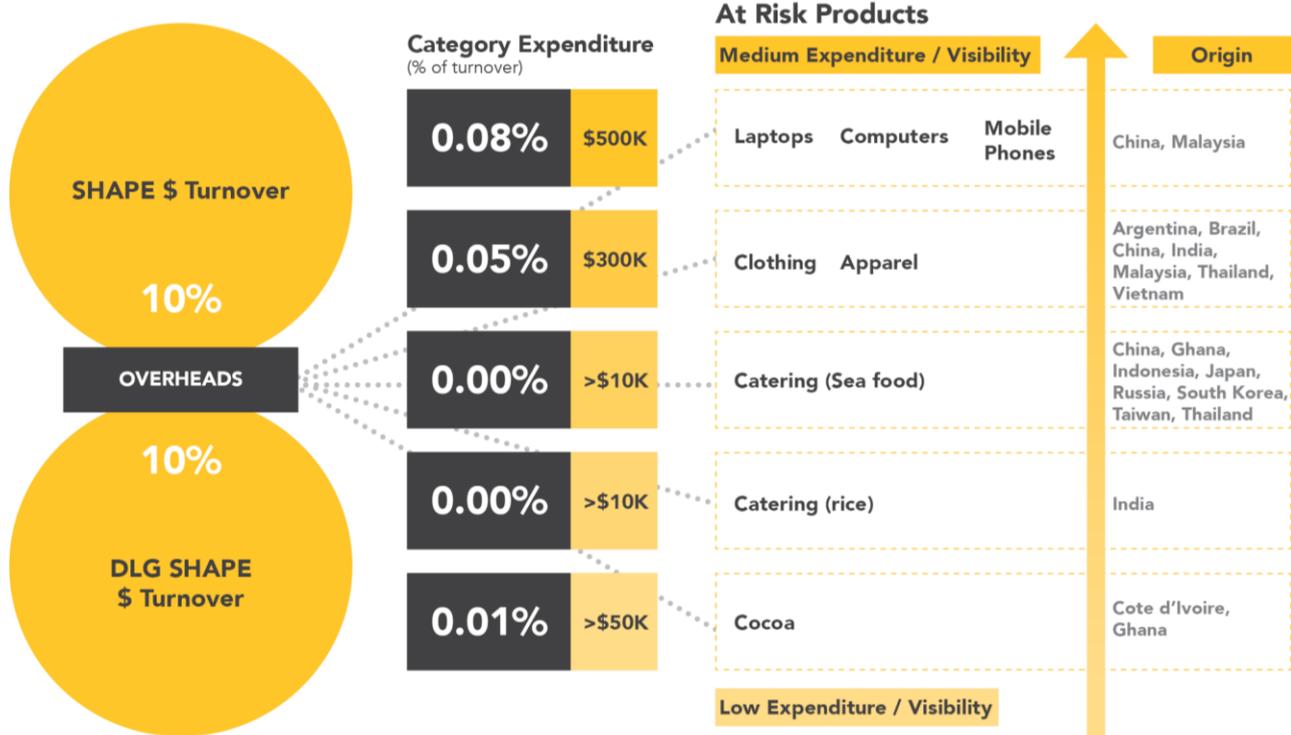
Trade Labour Type & Risk Profile



CORPORATE PROCUREMENT

Corporate procurement relates to typical business requirements, with the following elements considered as “at risk”:

Corporate Procurement Risk Overview



OPERATIONS

SHAPE business operations predominantly take place within Australian borders. Through our employment processes we ensure that all employees are legally employed and receive wages and entitlements in accordance with the relevant Australian legislation and awards.

To a lesser extent the business outsources select administration functions to employees (currently only 2 employees) located in the Philippines. We ensure that our outsourced employees are contracted, remunerated, and obtain their full legal entitlements as governed by the local laws through the utilisation of an ethically pre-qualified agency.

OUR PEOPLE & CULTURE

SHAPE prides itself on being people first. Offering a supportive culture with a strong commitment to providing better experiences for our people, contractors, clients and community.

Part of SHAPES vision is to create a great place to work, by providing an environment where individuality is celebrated, and people feel valued and cared for. It's not a "one-size-fits-all" approach at SHAPE, it's a "one-size-fits-you". Where everyone has an individual career plan which sets out their development goals, to define where they want to take their career and their flexibility plan, to ensure work can fit around their personal goals.

We're committed to making SHAPE a great place to work, through providing a flexible and supportive workplace to help our people strike the right balance between work and life responsibilities. Our staff satisfaction and engagement surveys show that our people are happy, and our industry-leading benefits support this.

We offer our employees flexible working conditions, paid parental leave, paid work/life balance leave, childcare assistance, mindfulness sessions, health benefits, Employee Assistance Program and more.

Culture and Engagement surveys are run each quarter, with an aim to find out what's great at SHAPE and what needs to be improved. These results are shared, and our leaders develop structured action plans for change.

SHAPES Reconciliation Action Plan, and a Diversity, Equity and Inclusion Action Plan, have a strong focus on respect, fairness and equal opportunities. Our action plans support our culture of care and individuality. This is reflected in our engagement survey results, showing that 9.5 out of 10 People at SHAPE agree with the statement 'I am treated fairly regardless of my age, race, gender, religion, sexual preference, etc'.

Through the Community+ program, SHAPE support a range of organisations that do incredible work to give back to those in need, and our people don't need any encouragement to get involved.

With the introduction of Modern Slavery Awareness training, we are further educating our people to have a greater understanding of their community, equity, and inclusion.

Assessing and Addressing Modern Slavery Risks

SHAPE has assessed the potential for modern slavery to exist within its supply chain with consideration for the areas of influence where the business can provide a positive impact.

SHAPE retains a pragmatic approach in its response to the Modern Slavery legislation - SHAPE's greatest area of visibility and influence is within its first-tier supply chain and this is where the focus has been placed in the development of policy and process to influence change.

The business continues to communicate with our supply chain regarding their requirement to operate in a manner that reduces the risk of modern slavery by:

- Aligning subcontracts to Australian Standards
- Primarily engaging Australian Registered Businesses
- Outlining subcontractor and supplier obligations within formal terms and conditions
- Directly and indirectly procuring Australian Designer Specified Materials and Products
- Directly and indirectly procuring Australian Standard Materials and Products
- A supply chain effectiveness review process
- Maintaining long-term supply chain relationships

The business assesses the effectiveness of these actions on a project-by-project basis which continually influences improvement regarding future tenders and project performance.

The business has also developed internal processes to further reduce the risk of modern slavery, such as:

- A prequalification process for key risk and influence categories
- Supplier and consultant obligations in relation to Modern Slavery are included within formal terms and conditions
- A Performance Requirements of Building Materials Procedure, including a high-risk procurement checklist
- Supply Chain Procurement Guidelines
- Internal education and training programs for our people on the risk of Modern Slavery
- Publication of and training in an Anti-Bribery & Corruption Policy
- A Recruitment Guide
- Inclusion of Ethical Procurement information within our Site-Specific Induction template (which is delivered to all subcontractors and visitors on our construction projects)
- External access to our Whistleblower Protection Policy and independent reporting process via the SHAPE website.

The effectiveness of these processes is monitored and reviewed on an annual basis, in alignment with our ISO 9001 certified Quality Management System.

SHAPE's objective is to facilitate increased visibility of the risk of Modern Slavery in the second and third tiers of our supply chain.

SHAPE will develop additional strategies to reduce the risk of Modern Slavery by:

- Reviewing and assessing fellow industry-published statements, and
- Ongoing assessment of fellow industry tier 1 supply chain partners with published statements.

SHAPE's pragmatic approach to addressing the risk of Modern Slavery is reliant on strong supply chain relationships and our influence on the practices of our supply chain partners. SHAPE understands that in order to make universal changes to all tiers of the supply chain, a total industry approach will be required, and SHAPE encourages and invites all industry participants to rise to this challenge.

Assessment of Effectiveness

The business continues to monitor several qualitative indicators, such as the occurrence of:

- Supply chain education/guidance events
- Bid development and project delivery guidance
- Market driven compliance responses

In addition, several quantitative indicators are being monitored and reviewed, such as:

- Employees completing training
- Assessed and completed supply chain prequalification's
- Non-conforming supply chain prequalification's
- Whistleblower Protection Policy reporting events

Developments

The business has improved its awareness and understanding of modern slavery, as demonstrated by the following.

- Development and publication of a Modern Slavery Policy.
- Development and launch of Modern Slavery Awareness Training for all employees.
- Streamlining of Vendor onboarding and verification in tandem with the supply chain prequalification process, inclusive of Modern Slavery Legislation obligations.
- Development of formal supply chain terms and conditions, inclusive of Modern Slavery legislation obligations for both subcontractors and suppliers.
- Development of an internal Modern Slavery operational structure, outlining how SHAPE is meeting its legislative obligations.
 - Policy's
 - Publications
 - Guides
 - Procedures
 - Processes
 - Tools

Consultation Process

The communication and consultation processes that have been developed and communicated ensure all related entities undertake the same training and utilise the same tools.

As SHAPE Australia Pty Limited, SHAPE Australia (Qld) Pty Limited, DLG SHAPE Pty Limited and DLG SHAPE (Qld) Pty Limited utilise the same delivery capabilities and resources, a singular consultation process has been undertaken.

SHAPE created a Modern Slavery working group from within the Corporate Services team (national shared services). To ensure a whole-of-business approach would be considered in the assessment and management of risk, the working group comprised of the following individual roles:

- EHSQ Manager - Policy & Procurement
- Group Manager - People & Culture
- Contracts Manager

Other Relevant Information

SHAPE has utilised a number of external sources to develop its statement and supporting processes, such as the engagement of an external consultancy, ongoing collaboration with industry peers and groups to confirm alignment and consistency and accessing and reviewing multiple online publications.

SHAPE has maintained regular dialogue with key supply partners to ensure they remain informed of the legislative requirements and upcoming supply chain management implications, and to encourage alignment for both reporting and non-reporting entities within its key suppliers.

Approval

This statement was approved by the board of SHAPE Australia Holdings Pty Limited on 20th December 2021.



Peter Marix-Evans
Chief Executive Officer