



Modern Slavery Statement 2023





Ausco Modular

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1. INTRODUCTION

This statement is in accordance with the Modern Slavery Act 2018 (Cth) (the Act); it relates to the specific reporting entity, Ausco Holdings Pty Ltd. Ausco Holdings Pty Ltd, headquartered at 63 River Road, Redbank QLD, also owns other companies, including Ausco Acquisitions Pty Ltd, Ausco Asia Pty Ltd, Ausco Finance Limited, Ausco Modular Pty Limited, Ausco Modular Construction Pty Ltd, and New England Trading Pty Ltd (together referred to as Ausco, we, us, or our). This statement covers Ausco's financial year ending 31 December 2022.

Consistent with our commitment to operate our business ethically and comply with all applicable laws and regulations, Ausco is dedicated to continually improving our practices to combat modern slavery in our business and supply chains. We acknowledge that slavery can occur in many forms, as detailed in the Act, including human trafficking, slavery, servitude, forced marriage, forced labor, debt bondage, child labor, and deceptive recruiting. While we have already taken positive steps to comply with the legal requirements to combat various forms of modern slavery, we continue to work with our suppliers and employees to ensure that modern slavery does not take place within our supply chains or our business.

Over this reporting period, we have completed an audit on our supply chains, covering modern slavery issues. The audit is planned to be undertaken every three years. This statement presents the actions we have taken and our ongoing plans to address modern slavery in our operations as well as supply chains.

2. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

Structure:

Ausco Holdings Pty Ltd (Ausco) is a modular building company incorporated in Australia and now operates from our new headquarters at 63 River Rd, Redbank, QLD 4301. In the financial year 2023, our turnover was AUD \$389M, and we opened job opportunities for 461 employees.

Ausco is a wholly-owned subsidiary of BCP V Modular Services Holdings Limited, which operates in 24 countries in Europe and the Asia Pacific. Ausco Holdings Pty Ltd owns and operates through seven entities, including Ausco Acquisitions Pty Ltd, Ausco Asia Pty Ltd, Ausco Finance Limited, Ausco Modular Pty Limited, Ausco Modular Construction Pty Ltd, New England Trading Pty Ltd and New Zealand entity, Portacom New Zealand Limited. The six Australian entities largely operate with common board members, corporate functions, policies and procedures.





Operations:

Our primary operations consist of the hire, manufacture, sale, installation and repair of transportable buildings and the provision of accommodation via “Stayover” to our customers, both government and enterprises in Australia and New Zealand. We provide robust corporate support through our sales, marketing, finance, design, procurement, human resources, legal, risk and compliance teams.

For more detailed information about our operations, please visit: <https://ausco.com.au>.

Supply chain:

Depending on the products or services, we engage with our suppliers through different forms, such as one-off purchases or long-term supply contracts. For this reporting period, Ausco engaged 1,615 suppliers, of which 179 represent 80% of our spend.

Following the conclusion of our ESG audit, we've been able to further understand our supply chain and have identified a number of our suppliers that operate in financial services; mining; construction and property; food, beverage and agriculture or health care which present high risks of modern slavery¹. Although none of our suppliers have their bases in regions categorised as high or medium risk, many of them source materials from region of high risk such as south east Asia (Indonesia and Malaysia) and China.

Most of our goods and services continue to be sourced locally, with vendors and contractors based primarily in Australia. We're proud to report that at least 1% of our first-tier suppliers identify as social enterprises, or are owned by under-represented groups, such as First Nations/indigenous people, women, or people with disabilities. Our aim is to better understand the representation of these groups within our supplier database.

Our vendors and subcontractors continue to broadly cover the following categories of goods and services:

- Materials for buildings, including steel components, walls and panels, insulation, electrical components, plumbing supplies and flooring; and
- Sub-contract services for construction, catering and housekeeping services, specific delivery, installation, disassembly and repair/maintenance work

Through regular audits, supplier engagement, and a commitment to transparency, we continuously strive to mitigate the risk of modern slavery in our supply chain. We remain steadfast in our objective to drive these risks towards eradication, acknowledging the continuous nature of this crucial task.

¹ Australian Council of Superannuation Investors (February 2019) Modern Slavery Risks, Rights and Responsibilities





3. RISK OF MODERN SLAVERY PRACTICES IN OPERATIONS AND SUPPLY CHAIN

Direct business operation:

We have identified and assessed the risk of modern slavery practices in our direct operations. We have a comprehensive system of governance and adhere strictly to national labour legislation and our parent company's policies, including those relating to the employment and onboarding of staff. These policies expressly outline our position against modern slavery and all forms of discrimination or harassment.

Nevertheless, our commitment to eradicating modern slavery means we remain vigilant. Although we perceive the risk in our direct operations to be low, we are careful not to equate 'low risk' with 'no risk'. We continue to assess and address potential areas of risk. To this end, during the reporting period, we have implemented:

- As a result of Ausco's modern slavery commitment, we have driven change across the Modulaire group, resulting in the development of a global modern slavery policy;
- Ongoing training and investigation into further training to be implemented in the 2023 calendar year;
- Due diligence on suppliers that may have operations in high-risk countries;
- Planned for a supplier day to ensure our key suppliers (20% of spend) have similar or better modern slavery practices to ours.

Supply chain:

In our supply chain, the situation is more complex. We have completed an ESG audit, which has helped us identify potential modern slavery risk areas. Despite the majority of our key first-tier suppliers being based in Australia we are aware that modern slavery risks could emerge in the tiers beyond our direct suppliers.

As a result of the survey, Ausco, as part of Modulaire, are updating our Procurement Policy with a new Due Diligence section that requires us to identify countries at high risk of human rights offences, including modern slavery. In addition, a Responsible Sourcing Procedure is being finalised that will allow us to continuously ensure we are only engaging with suppliers that are on a similar or better responsible sourcing journey. This procedure has developed a tool which allows us to rate a supplier based on their human rights (and modern slavery) policies and procedures, including knowledge of their suppliers policies and procedures among other social and environmental aspects. Companies not achieving the standard we expect will only be engaged on a case to case basis when no other suppliers are available. Companies achieving a less than ideal rating will have a maximum of two years to conform while all other companies will be reassessed every three years.

The ESG audit and the above Responsible Sourcing Procedure will allow us to map potential hotspots of modern slavery across our supply chain, considering factors such as geographical locations, industries, goods and services. We are using this data to inform our risk mitigation strategies going forward.

By proactively identifying and addressing these risks, we aim to ensure that our supply chain is as far removed from modern slavery risks as our diligent efforts and robust strategies can achieve.





4. ACTIONS TAKEN TO ADDRESS AND ASSESS RISK

We have continued to build on the base we have developed and the following actions are now considered as business as usual:

- Ongoing planning for supply chain audits on a three year basis, making the survey more user friendly to ensure complete and truthful answers;
- Review all internal operations processes to evaluate and ensure modern slavery compliance;
- All suppliers are provided with our Supplier Code of Conduct and a request that they will notify Ausco if they become aware of any breaches of the Act;
- Continue to have clear key performance indicators (KPIs) to improve our response to modern slavery;
- Socialised our mechanism to allow people to safely report modern slavery risks in our business operations and supply chains through our whistleblower policy; and
- Ensure all new employees undergo modern slavery training and have an improved understanding of the impacts and risks of modern slavery in operations and the supply chain.

5. ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

We have KPIs to measure the effectiveness of our practices in addressing modern slavery within our business operation and across our supply chains. Aligning with our Group's global activities, our actions and KPIs towards combatting modern slavery are regularly reviewed at our Group's Executive Committee and ESG forum to ensure we are on track.

In addition, our parent company – Modulaire Group – is signatory to the United National Global Compact (“UNGC”) (<https://www.unglobalcompact.org/what-is-gc/participants/144802-Modulaire-Group>). The assessment framework and reporting/communications mechanism of UNGC also help us assess the effectiveness of our measures in addressing modern slavery. We report annually for UNGC's Communication on Progress (advanced level qualification) (<https://www.unglobalcompact.org/participation/report/cop/create-and-submit/advanced/465298>).

We evaluated our actions in four following key areas:

1. Governance & Due Diligence
2. Training and Awareness
3. Communications and Whistleblowing
4. Continuous Improvement of Supply Chain Processes





Governance & Due Diligence:

Ausco has a governance framework to monitor and mitigate modern slavery risk. Our governance underpins how we conduct our business and interact with suppliers.

- Our Quality Management System (ISO 9001 certified) consists of policies and procedures related to human resources, health and safety, supplier management and the Supplier Code of Conduct.
- Our Supplier Code of Conduct, ESG & Sustainability Policy and Code of Ethics reflect our commitment to acting ethically and with integrity in all business relationships.
- To ensure that all those in our supply chain and our contractors comply with our values, we require vendors to adhere to our Supplier Code of Conduct, including a commitment not to use slave labour or participate in human trafficking. We seek acknowledgement of adherence at the stage of onboarding our suppliers.
- All of our new suppliers are provided with our Supplier Code of Conduct which covers modern slavery.

To ensure all aspects of the business are onboard, we aim to have our New Zealand operations ISO 9001, ISO 14001 and ISO 45001 certified by the end of 2023.

Training and Awareness:

We believe ongoing training and awareness is key to socialising the concept of Modern Slavery and enabling employees to confidently report any concerns. To this end:

- In FY2022, all new employees completed awareness training on modern slavery.
- We will continue to provide this training to relevant new employees in our organisation.

In addition, we have identified additional training on Modern Slavery that all current and new staff will be required to undertake in 2023. As part of our commitment to the UNSDG's, we will be commemorating Human Rights Day in December 2023. The focus of this day will be Modern Slavery.

Communications and Whistleblowing:

- Ausco nurtures a transparent culture where anyone can raise concerns about our business without any fear of retaliation.
- Ausco Modular have a Whistle-Blower Policy, outlining information on how reports can be made and whistle-blower protections. This is further supported by the Speak-Up Policy of our parent company.

In 2022, no concerns around Modern Slavery were raised through either of these policies.





Continuous Improvement of Supply Chain Processes:

We recognise that modern slavery risk can be a rapidly evolving topic. As detailed above, as an outcome of the supply chain survey undertaken last year, we are developing procedures to ensure we are constantly monitoring our suppliers development and movement in this space.

In addition, we plan to hold an annual supplier day where issues key to our ongoing aim of improving our ESG performance, of which Modern Slavery is part of, are highlighted and buy-in from key suppliers obtained in this journey.

We are also moving forward on obtaining EcoVadis accreditation, although this is only likely to happen in 2024. EcoVadis is the world's largest provider of business sustainability assessment and ratings; its rating methodology focuses on four themes – environment, ethics, labour and human rights, and sustainable procurement.

Moving forward, we will:

- Develop a supply chain sustainability strategy based on gaps and opportunities identified through our ongoing supply chain ESG audit;
- Vetted the vendors that form our supply chain by assessing their locations and their operating sectors;
- Require all new suppliers to complete a pre-contract ESG questionnaire, which assesses their position and risks concerning modern slavery and broader ESG issues;
- Upon renewing contracts with our current suppliers, we will require them to complete the pre-contract questionnaire; and
- Map our risks in modern slavery across our supply chain, concerning geographic locations, industries, goods and services.

6. PROCESS OF CONSULTATION

We have brought this statement to the attention of those in our Australian Procurement team, ESG & Sustainability teams and HR team as well as Group Procurement team. We discussed details of the Modern Slavery Act 2018's reporting requirements and our strategies to address these requirements; and provided them with relevant materials and updates. We have given them the opportunity to provide feedback, raise queries and have such queries answered. We have also involved our Legal and Procurement team (at both Group and Australian levels) in undertaking a further assessment of the risk of non-compliance in our supply chains.

7. OTHERS

Fully aware of the importance of businesses in combating modern slavery, Ausco and our parent company actively present our work at international and local forums to raise awareness of the issue. We also constantly learn from other organisations and quickly employ best practices to improve our actions on the topic.





8. ENDORSEMENT OF THIS STATEMENT

This statement was approved by the boards of Ausco Holdings Pty Limited and its subsidiaries.

George Petrohilos
Manager Director: Ausco Holdings Pty Ltd





| Act Reference | Requirement | Compliance | Section of report |
|---------------|---|------------|---|
| 16 | <i>Mandatory criteria for modern slavery statements</i> | | |
| (1) | A modern slavery statement must, in relation to each reporting entity covered by the statement | | |
| (1)(a) | identify the reporting entity | Yes | S 1; para 1 |
| (1)(b) | describe the structure, operations and supply chains of the reporting entity | Yes | S 2 |
| (1)(c) | describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls | Yes | S 3 |
| (1)(d) | 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 | Yes | S 4 |
| (1)(e) | describe how the reporting entity assesses the effectiveness of such actions | Yes | S 5 |
| (1)(f) | describe the process of consultation with: (i) any entities that the reporting entity owns or controls; and (ii) in the case of a reporting entity covered by a statement under section 14—the entity giving the statement | Yes | S 6 (all entities follow the same process) |
| (1)(g) | include any other information that the reporting entity, or the entity giving the statement, considers relevant | Yes | S 7 |
| (2) | A modern slavery statement, must include | | |
| (2)(b) | for a statement to be given under section 14 (joint modern slavery statements) (i) details of approval by the relevant principal governing body or bodies; and (ii) if subparagraph 14(2)(d)(iii) applies—an explanation of why it is not practicable to comply with subparagraph 14(2)(d)(i) or (ii) | Yes | S 7 |
| 14 | <i>Joint modern slavery statements</i> | | |
| (2) | The entity giving the statement must ensure that it is: | | |
| (2)(c) | prepared in consultation with each reporting entity covered by the statement | Yes | S 6 |
| (2)(d) | approved by the principal governing body of (i) each reporting entity covered by the statement | Yes | S 7 |
| (2)(e) | signed by a responsible member of (i) if subparagraph (d)(i) applies—each reporting entity covered by the statement | Yes | S 7 |

