



Kapitol Group Modern Slavery Statement 2025

Acknowledgment of Country

A large teal graphic element that starts as a thin line on the left and expands into a wide diagonal band across the top right of the page.A decorative background pattern consisting of a dense, colorful topographic map. The colors range from light blues and greens to darker blues and reds, creating a complex, swirling pattern of lines and shapes.

Kapitol Group acknowledge the Traditional Custodians of the Lands on which we operate and build throughout Australia, and we recognise their continuing connection to the land, waters and culture.

We pay our respect to them and to Elders, both past and present and to emerging community leaders.

We recognise and acknowledge the impact of what today, we call 'modern slavery' on the First Nations people, including forced labour, removals, segregation, servitude, child labour, and forced labour.

We are committed as part of our Kapital RAP Group and Risk Management Committee to review slavery, eugenics, antisemitism, and other forms of race-based thinking in our industry to educate, prevent, and improve the construction industry for a better life for all.

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Introduction

Modern Slavery

The International Labour Organisation has published that 50 million people were living in modern slavery in 2021. Of these people, 28 million were in forced labour and 22 million were trapped in forced marriage. Unfortunately, the number of people in modern slavery has risen significantly in the last five years. In 2021, 10 million more people were in modern slavery compared to 2016 global estimates (ILO Global Estimates of Modern Slavery, 2022).

Significantly, at least 22% of forced labour victims are found in the manufacture and production of raw materials including in forestry, mining and quarrying – key suppliers for property and construction (AHRC, 'Property Construction & Modern Slavery 2022').

Kapitol's objective is centred around prevention and education around modern slavery in order to eliminate modern slavery in its operations and supply chains.

Kapitol understands that in achieving our goal continues to be a multi-year project and requires all of us to work together, collaboratively, to protect the rights of the world's most vulnerable people.



About Kapitol Group

Kapitol Group Pty Ltd (Kapitol Group/Kapitol) is a privately owned construction company, which Head Office is in Melbourne, that specialises in providing project origination, design, delivery, and service excellence to clients in Australia's large to mid-scale project arena. It has a related entity Kaptiol Construction Pty Ltd.

At Kapitol, we acknowledge that the business sector we operate in harbours inherent modern slavery risk, and we recognise the role we can play to combat slavery in all its forms. Kapitol adopts a zero-tolerance stance towards any form of slavery, and we are committed to building a robust response framework that tackles modern slavery risks in our operations and supply chain.

Kapitol Group is committed to sustainability, the well-being of our team and giving back to the community, and our industry. We approach our counter-slavery response as part of that overarching commitment to respecting human rights, sustainability and achieving our company vision. We also see our response aligning with our core values: supportive, authentic, inspirational, driven and customer centric.

This is Kapitol Group's Statement under the *Modern Slavery Act (2018) Cth*. In our third reporting year, Kapitol has focused on understanding further areas of risk, and enhancing its policies, and procedures, including embedding its risk assessment regime into the business and enhancing training around modern slavery in our supply chain. This Statement sets out our existing processes, systems, and actions to tackle modern slavery, as well as targets we have set ourselves to build on our existing systems and actions. We have started implementing many of the targets we have set ourselves already and we will be reporting on those in our next Modern Slavery Statement, in line with the reporting timelines under the Act.



About Kapitol Group

Kapitol Group is a privately-owned construction company operating in various locations in Australia, with a robust presence in Victoria. This year we are also completing our first project in the Northern Territory.

Starting out from ground zero, we are engaged in the origination and design and construction of new commercial and residential buildings, as well as refurbishment, demolition and fit out of existing structures, both private and publicly funded. We also undertake services in finance, human resources, IT and insurance. To date we have completed more than 80 projects up to \$400M in value.

Due to our business requirements, the majority of our work is subcontracted out, and our supply chain includes the engagement of multiple subcontractors ranging from demolition experts, concreters, form workers, steel fabricators, window suppliers, electrical installers and finishing trades such as painters and landscapers.

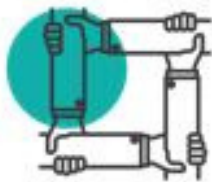
Our direct suppliers of services and products are situated in Australia, although various products we source through our suppliers, may be sourced outside of Australia. This may affect products such as steel, glazing, joinery, bricks, timber, and stone. Relationships with subcontractors on a portfolio level are medium term, with the direct effort contingent on project-based activities and, therefore, a series of short-term engagements.

Kapitol currently employs 279 team members, 69 of whom are women. We have been recognised as the No 1, Best Place to Work 2022 and top 10 in 2023, for companies with over 100 employees, and for us, our employees are at the core of everything we do.



About Our Vision & Values

Our vision is to build the best buildings, do no harm, and improve the construction industry for a better life. We do this by being supporting, authentic, inspirational, driven and customer centric in line with our values:



SUPPORTIVE



AUTHENTIC



INSPIRATIONAL



DRIVEN



CUSTOMER
CENTRIC

We have numerous programmes in place to support us in creating a culture of change to ensure that we are not just paying lip service, but cultivating a workplace culture that provides a positive impact on everyone.

'10 in 14' : industry game changer

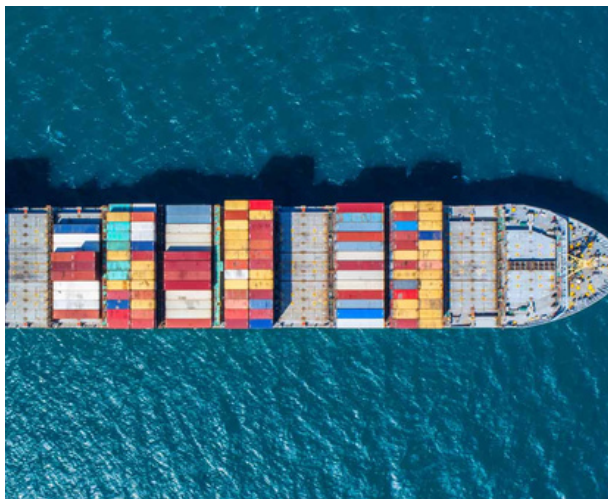
We are proud of our industry leading '10 in 14' initiative where Site Managers work 10 days in 14 – 6 days one week, 4 days the next, ensuring that every second Saturday is free. All other site staff work Monday to Friday. This program has helped improve work-life balance, so rare in the construction industry, and has contributed to our impressive staff recruitment and retention.

Investment in Employee Training & Retention

Our goal is to have the best trained and most highly skilled construction workers in Australia. Every staff member completes an average of one hour of training per week, which is facilitated by our in-house industry experts as well as external educators. Training covers a wide array of topics including lessons learnt, technical training, health & safety, quality training, and mental health & wellness. In addition, we offer 2-day offsite intensive learning retreats for our Project Coordinators, Contract Administrators, Project Managers, and Site Supervisors.

Reviewing Modern Slavery Risk

This is our fourth reporting year and Kapitol continues to focus on building an understanding of the inherent risks of modern slavery in our operations, supply chain and the industry, to continue to facilitate a comprehensive supply chain risk assessment and provide relevant education to our key stakeholders. The following indicators have been considered in our risk identification and review process, and will also be in our comprehensive supply chain risk assessment:



- **sector & industry risks, such as seasonal, short-term, and unskilled work.**
- **product & services risks, such as items required under unrealistic time-frames.**
- **geographical risks, for products sourced outside Australia.**
- **entity risks, such as an entity having previously been reported as complicit, involved in modern slavery practices, or having insufficient awareness/education**

The findings from our review show that our primary risks lie in the supply chain for construction-related products sourced outside Australia and, to a degree labour risks from subcontracting, particularly cleaning. We believe our operational labour risks to be negligible due to our enterprise bargaining process with relevant industry stakeholder.

We have strong labour and human resources practices, in addition to mandated compliance with Australian labour laws. Nevertheless, we will continue to strive towards building processes, and systems that help us to monitor our human rights performance in operations, in line with our commitment towards the well-being of our team and workers in general.

Our supply chain risks arise primarily in the context of the purchase of materials and products through our contractors. Although our direct supply chain is short (this year we did not procure any direct supply), elements within the indirect supply chain are sourced from overseas, mainly China, South East Asia and Europe . An assessment of materials identified as high risk by the Global Slavery Index 2018 include the provision of steel, glazing, joinery, bricks, timber, and stone.

Some of these risks of modern slavery in our supply chain are mitigated already to some degree, by a number of factors. These include our supplier selection process which values not only price but also social performance of our vendors, fairer contract terms, as well as the fact that we have established relationships with our primary contractors.

Addressing Modern Slavery Risk

Governance & Culture

Kapitol is managed by our two Directors, Andrew Deveson and David Caputo, together with the executive leadership team comprising of our Chief Financial Officer, Construction Manager, Head of People & Culture, Group General Counsel, Operations Manager and Chief Technology Officer.

Our directors have the ultimate responsibility for Kapital Group's governance, formulating strategic direction and ensuring the integrity of risk management. Our Group General Counsel has been assigned primary oversight for coordinating our response under the Modern Slavery Act with assistance from the ESG Manager. Ultimately, our directors and the executive leadership team are actively engaged on the issue specifically, as well as issues of broader environmental and social aspects. At Kapital we pride ourselves in our commitment to our people and culture and this is reflected in our fortnightly leadership team meetings and Ethics and Risk Management Committee meetings, which also present an opportunity for periodic discussion of progress with our counter-slavery response.

Our directors and the executive leadership team are committed to driving action on modern slavery. In line with this commitment, we are taking steps to further embed modern slavery within our governance structures and procedures. This will include setting the issue as a regular agenda item for leadership team meetings.

Addressing Modern Slavery Risk

Employee Policies & Procedures

Kapitol Group has a suite of policies and supporting procedures in place which govern relationships and articulate our values and culture. The following table lists the ones most relevant for countering human rights risks amongst our team members, workers, and broader stakeholders in our supply chain:

Policy & Procedure	Purpose
Code of Conduct	Establishes proper conduct and practices, including ethical and moral principles Capitol Group expects all team members to comply with. The code also applies to contractors.
Equal Employment Opportunity Policy	Promotes the right to every employee to be treated fairly and equitably and to have equal access to resources and opportunities.
Sexual Harassment Policy	Promotes a safe workplace free of discrimination and harassment and establishes a disciplinary procedure to manage and remediate issues including newly established Repect@Work practices.
Bullying in the Workplace	Promotes a workplace free of bullying and intimidation.
Procedures for Resolving Employee Issues: Performance Management Guidelines, Whistleblower's Procedure	Establishes the procedure for resolving employee workplace issues. We encourage direct communication to resolve problems in the first instance, and dispute resolution processes where informal communication is not possible or practical.

All team members are introduced to our policy-suite through the induction and on-boarding process and team members are required to acknowledge their acceptance to our policies at that stage.

Addressing Modern Slavery Risk

Supplier Engagement & Management

Kapitol maintains close relationships with many of our suppliers. This means we are well-positioned to engage and manage risks within our supply chain, including around modern slavery. We see supplier engagement and management as a collaborative process and will strive to engage our suppliers as partners, to help Kapitol investigate and mitigate potential slavery risks within our supply chain.

Before engaging our existing suppliers on modern slavery, Kapitol undertakes a supply chain risk assessment to determine our exposure and determine which segments of our supply chain to engage with first. This engagement includes a Supplier Assessment Questionnaire in the first instance. We will then build upon the outcomes of the Questionnaire to develop nuanced engagement strategies as appropriate, determined by the level and significance of the risk posed by our suppliers. For new suppliers, Kapitol has a robust tender process and selection criteria, as part of its selection process, which includes modern slavery.

As our counter-slavery response framework matures, we anticipate that additional assurance actions will be developed to manage risks within our supply chain. This may include broadening the construction site physical audits we already undertake, to include specific checks for modern slavery indicators

The below provides the initiatives that we currently have in place as part of our supply chain engagement and management against modern slavery risk:

Initiative	Purpose
Supply chain visibility and assessment	Kapitol has a centralised database that enables the collection of relevant data in relation to modern slavery. This includes a tenderer questionnaire to assess modern slavery risk and ongoing statutory declarations confirming compliance with relevant legislative requirements We have also developed a desktop assessment of supply chain risk for secondary subcontractor supply and have modern slavery as a supply chain criteria selection.
Contractual modern slavery obligations	All Kapitol subcontracts provides for specific modern slavery obligations and controls.

Addressing Modern Slavery Risk

Training

Kapitol Group recognises the value of awareness raising through training on modern slavery for all its team members. Training must, therefore, be a part of our core response.

Kapitol includes modern slavery training in all new induction processes for new staff as well as implementing training for all current team members. The training focuses on a general understanding of the issue globally and in Australia; identification of modern slavery within operations and supply chains; and provide guidance for when issues arise, or risks are identified.

Kapitol is also provides for regular refreshers for modern slavery training for all its employees on a yearly basis.

Collaboration

The Modern Slavery Act encourages organisations to work together to identify and combat modern slavery. One of the core values we embrace is to be inspirational. In line with this commitment, we seek to look to our peers and industry to find new ways of doing things together, and freely share our knowledge, and practices that prove to be effective for us.

Kapitol is actively exploring collaboration pathways with our industry groups, peers, suppliers, and communities. One of the ways in which we seek to do this is through joining the UN Global Compact Modern Slavery Community of Practice.

Additional collaboration pathways open to us include the Master Builder Association and other industry-bodies, including the CFMEU and CEPU to ensure that modern slavery risk in addressed in industry agreements in addition to addressing sham contracting arrangement risk.



Assessing Effectiveness of Actions

Kapitol has developed a system for assessing the effectiveness of our counter-slavery response. The approach is iterative and will mature and progress over-time. This financial year after measuring the readiness of our structures, policies, systems, and processes, and gathering information on key risk areas for our organisation, we assessed the current state of play and provided a process for continuing review of our suppliers.

We have set a series of targets, both immediate and longer term, and associated Key Performance Indicators, as a result of our current-state analysis, which is provided in our 'Road Map - What's Next'.

Kapitol is committed to assessing its effectiveness on quantifiable actions and progression beyond a baseline and will undertake a gap analysis in this in 2025.

In the last financial year the following has been completed in line with our key performance indicators from our previous year's statement:

- development of centralised data base for subcontractors
- completed supplier modern slavery risk surveys and a desktop review of supply chain risk exposure for secondary subcontractors;
- developed a Supplier Code of Conduct and anonymous feedback options in addition to whistleblower procedures;
- enhanced our tender interview to allow for a scoring benchmark, which including modern slavery.
- additional employee training modules developed and undertaken for modern slavery requirements
- employee training modules developed and undertaken for whistleblower requirements
- developed surveys for direct procurement (noting that direct procurement has not been undertaken in this statements year)
- updating enterprise agreements to provide procedures centred around modern slavery risk

Roadmap

What's Next 2025

Kapitol is committed to progressing our counter-slavery response and in this section, we identify several important targets and our planned actions and activities to achieve those targets. Many of these actions correspond to longer-term targets that we will be progressing towards, while others are near-term priorities that have our current focus. Kapitol Group will be reporting on these actions and our measured progress against them in subsequent Statements.

Initiative	Purpose	Measurement/KPI	Implementation Timeframe
Annual Modern Slavery Risk Assessment	To identify and prioritise modern slavery risks in the supply chain.	Complete a comprehensive risk assessment of all suppliers annually, with a target of assessing 100% of suppliers in high-risk regions or industries.	31 December 2025
Supplier Compliance Audits	To ensure compliance with ethical labor practices and identify potential risks.	Conduct 100% of scheduled internal compliance audits within the reporting year.	31 December 2025
Supplier Training and Awareness Programs	To raise awareness and build capacity for suppliers to address modern slavery risks effectively.	Ensure that 100% of new suppliers undergo modern slavery training during onboarding.	31 December 2025
Supplier Engagement and Feedback Mechanisms	To strengthen supplier relationships and gather insights for continuous improvement	Achieve at least 85% response rate on annual supplier feedback surveys focused on modern slavery and human rights practices.	31 December 2025
Policy and Process Review and Updates	To ensure that policies and processes remain effective and responsive to emerging risks.	Conduct annual reviews of the Supplier Code of Conduct and modern slavery risk management processes, with updates completed within 60 days of review.	31 December 2025

Endorsement & Consultation Our Directors



CONSULTATION PROCESS AND BOARD APPROVAL

This Statement is made pursuant to section 13(1) of the Modern Slavery Act 2018 (Cth) (Modern Slavery Act). It constitutes the joint statement of the Kapitol Group Pty Ltd and the reporting entities named in this Statement for the reporting period 1 January 2024 to 31 December 2024.

The Statement was prepared in consultation with our related entity.

This statement was approved by Andrew Deveson and David Caputo, as the only Directors and principal governing body of Kapitol Group and related entity, for the period.

31 December 2024

David Caputo and Andrew Deveson


Directors & Founders

Getting In Touch

For any questions or feedback in relation to this statement, contact Kapitol's Group General Counsel.



Contact Us :

 03 9103 2000

 Level 29, 385 Bourke Street, Melbourne

 www.kapitolgroup.com.au