



MODERN SLAVERY STATEMENT

FINANCIAL YEAR 2020

mpa

BUILDING
GENUINE
PARTNERSHIPS

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2019/2020

1 INTRODUCTION

This statement is made by MPA Holdings (Aust.) Pty Limited pursuant to the Modern Slavery Act 2018 (Cth) and sets out the actions taken by it and its subsidiaries (together, “MPA”, “we”, “us” and “our”) to assess and address modern slavery and human trafficking risks within our business and supply chain for financial year ending 30 June 2020 (Reporting Period) and actions taken to address those risks in 2020.

2 OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

2.1 STRUCTURE

MPA Construction Group Pty Limited (MPA Construction Group) is a Proprietary Limited Company, which is part of a corporate group which is entirely registered and controlled within Australia, being headed and wholly owned by MPA Holdings (Aust.) Pty Limited. MPA Construction Group is the primary trading entity within the corporate group.

MPA Group Services Pty Limited is an entity within the corporate group that is wholly owned by MPA Construction Group.

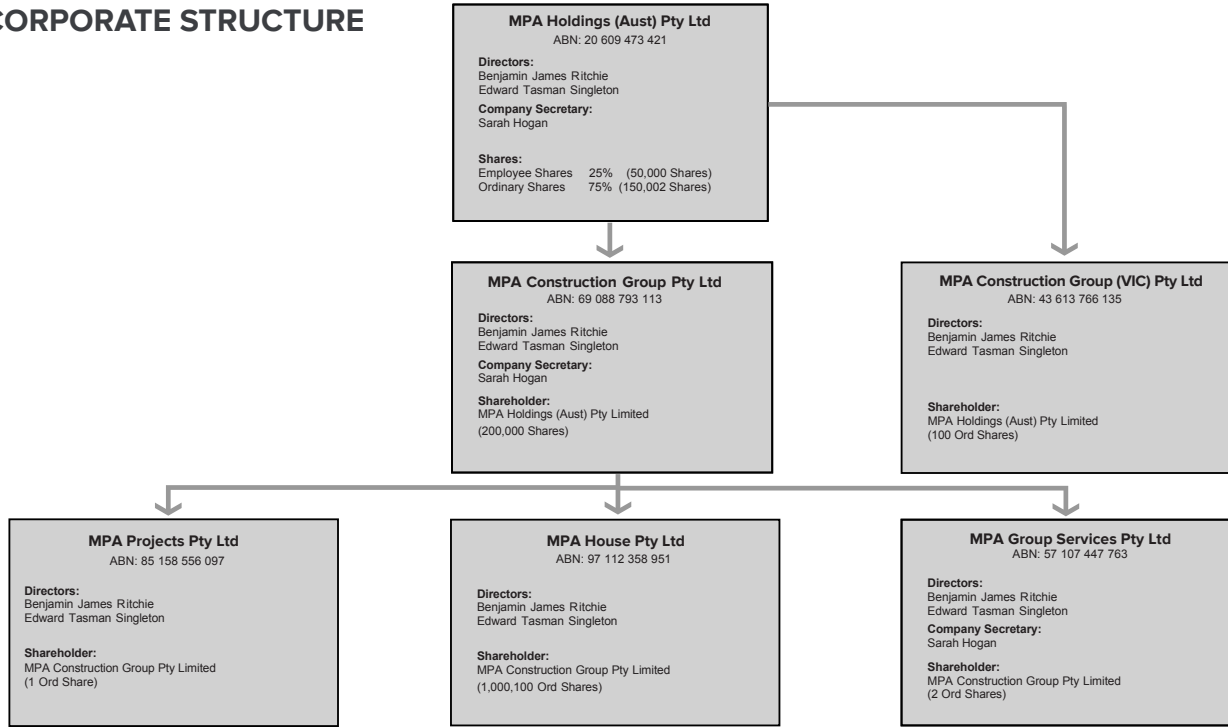
Other related entities within the group are:

- (1) MPA Holdings (Aust.) Pty Limited – this is the head of the corporate group as mentioned above and currently registered with ASIC. It has nil employees.
- (2) MPA Construction Group (VIC) Pty Ltd – 100% owned by the group head entity MPA Holdings (Aust.) Pty Limited and currently registered with ASIC. However, this company is dormant and has nil employees.
- (3) MPA House Pty Ltd – 100% owned by MPA Construction Group Pty Limited and currently registered with ASIC and has nil employees.
- (4) This company performed a minor contract in Queensland in FY2020 because it has a Queensland building license, and performed the work using employees from MPA Construction Group and MPA Group Services to manage the project.
- (5) MPA Projects Pty Ltd – 100% owned by the group head entity MPA Construction Group Pty Limited and is dormant and has nil employees.

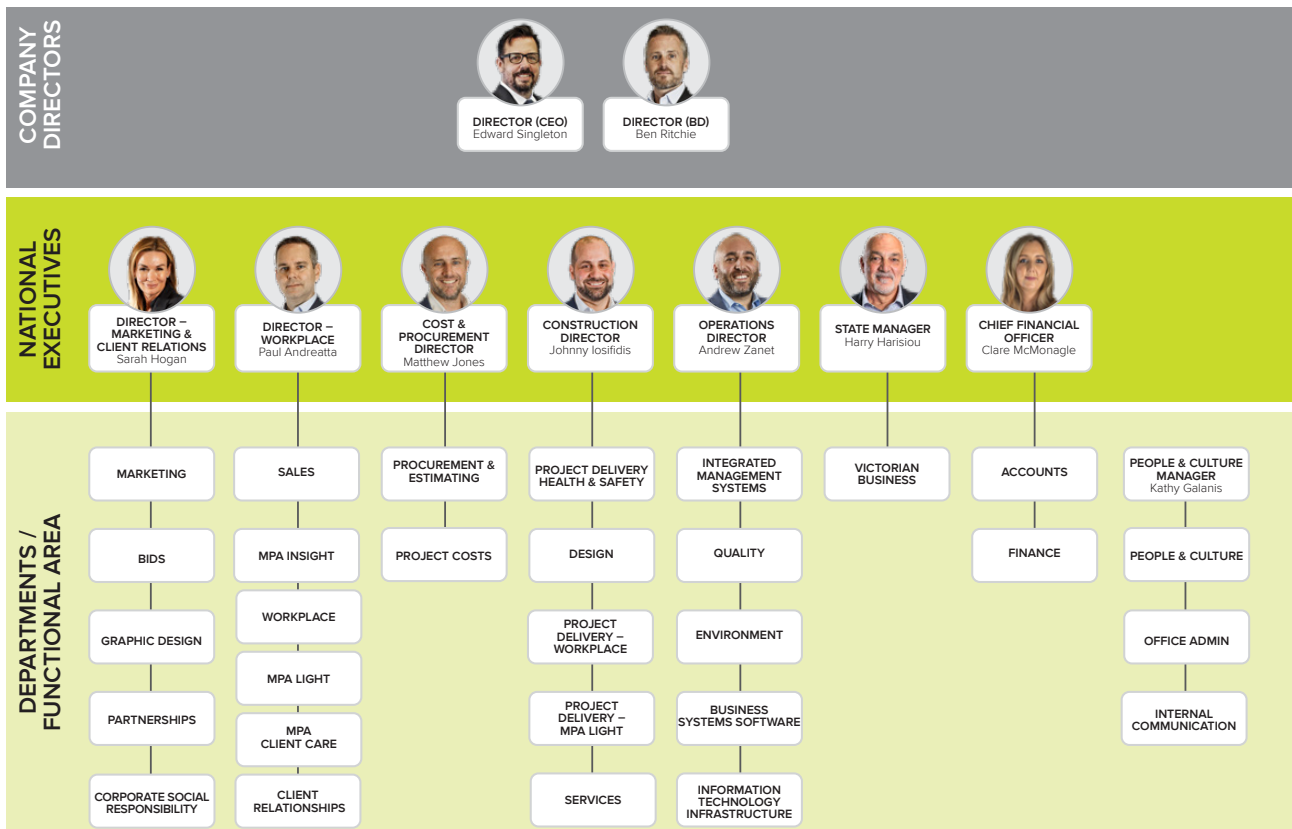
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CORPORATE STRUCTURE



MPA COMPANY FUNCTIONAL STRUCTURE



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2.2 OPERATIONS

MPA operates out of two offices, with the Sydney office being the main office in which most of the support functions employed in MPA Group Service are located.

The addresses of the offices are:

- L12/50 Goulburn St WORLD SQUARE NSW 2000 (the registered office and principal place of business)
- L2/99 King St MELBOURNE VIC 3000

MPA Construction Group Pty Limited and MPA Group Services are the only entities within the group that have employees. Further detail about the roles of employees in each entity is described below.

MPA Construction Group is the primary trading entity within the corporate group, and employs twenty-nine (29) employees, who are all normally based in both NSW and VIC. The employees are all project site employees, such as Site Managers who help to manage and coordinate subcontractors and activities at project locations.

MPA Group Services Pty Limited is an entity within the corporate group that is wholly owned by MPA Construction Group. It employs the most employees within the group, and provides the basic corporate support functions and office based project activities that support MPA Construction to deliver the projects that are contracted to it. MPA Group Services employs one hundred and two (102) employees across various roles including project management, procurement, design, marketing, finance, people & culture, reception and executive roles.

All employees are employed in either MPA Construction Group or MPA Group Services, and all employees are employed under common law employment contracts. Of these, there are five (5) employees that fall under the Clerks Private Sector Award 2020. The remainder of the employees are not under any EBAs. All employees are all paid well above the minimum wage threshold and are managed in accordance with Fair Work Australia requirements.

OUR PROJECTS

Construction of projects is performed by suppliers engaged by MPA Construction Group. Any new suppliers for construction projects must undergo an accreditation process, where they are assessed in various stages to ensure that they are financially viable, able to meet WHS requirements, and meet the commercial, policy and operating requirements set out by MPA.

The bulk of project activity occurs in the CBD and metro areas of both Sydney and Melbourne. Some occasional project work is conducted in other locations such as Perth, Canberra and Brisbane as well as smaller cities such as Wollongong or Geelong.

MPA Holdings (Aust.) Pty Limited holds Lots in a commercial office investment property that it holds in 80 Cooper St, Surry Hills NSW. This property is managed by an external property management group named April Group.

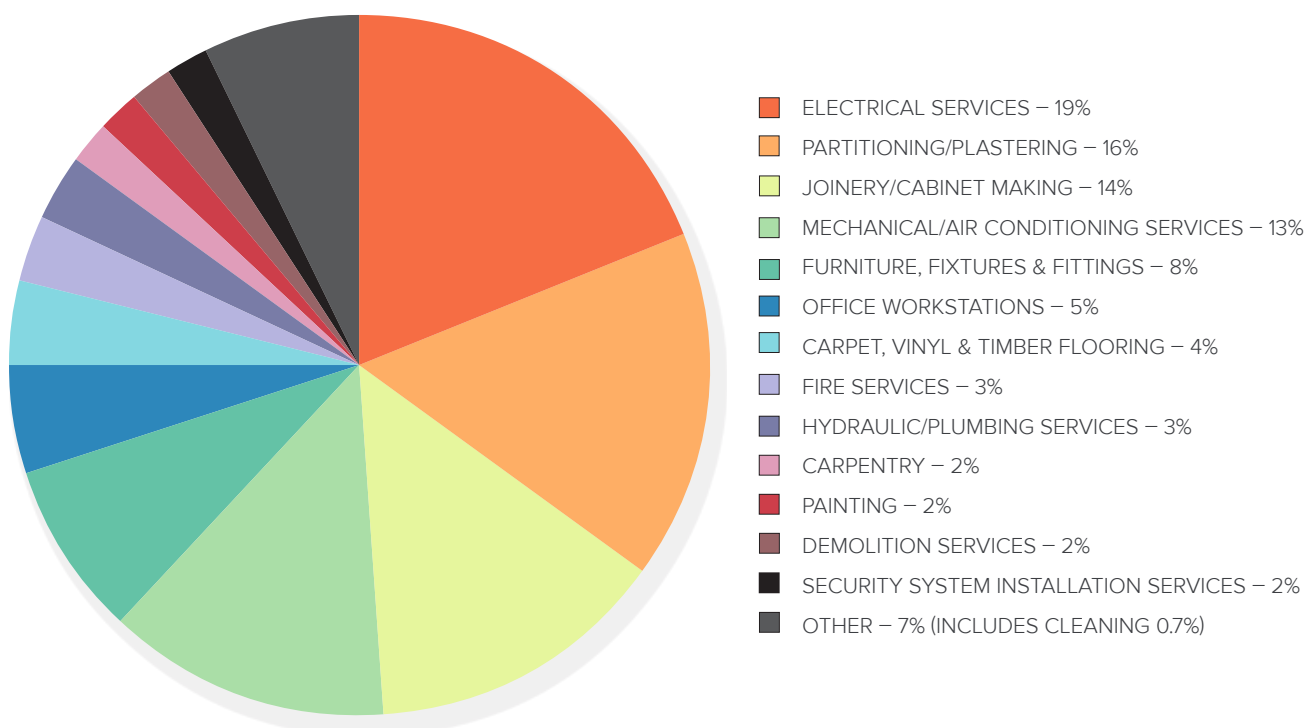
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2.3 SUPPLY CHAIN

MPA's suppliers are predominantly located within Australia, although some suppliers may procure material items from overseas locations. Very rarely will MPA procure direct from overseas suppliers.

For the financial year 2020, MPA's procurement spend was approximately \$220M. The distribution of this spend through our suppliers is shown below:



3 MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

3.1 IN OUR OPERATIONS

We consider that the risk of modern slavery in our operations is low for the following reasons:

- our employees are all located in Australia;
- most of the roles performed by our employees are by tertiary qualified professionals and skilled workers;
- we comply with all industrial relations laws and regulations; and
- employees are paid above award wages.

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3.2 IN OUR SUPPLY CHAIN

Labour hire, materials and construction services are the main areas of exposure to modern slavery risk in respect of our supply chain. In terms of the risks in the supply chain supporting our head office operations, there are risks of modern slavery in office supplies, IT and telecommunications equipment and corporate merchandise.

As noted previously, the majority of our suppliers are based in Australia. However, we recognise that our suppliers are likely to source products from overseas which in turn creates risk in our own supply chain (both as a result of risk arising from where they were manufactured and also the process of transporting the products to Australia). The risks are heightened in relation to the materials used in the construction sector where the sourcing of raw materials and the manufacturing of products often occurs in countries where there are increased risks of modern slavery. Other factors that increase the risk profile for modern slavery in the construction sector are as follows:

- prevalence of outsourcing
- contract terms with low margins and significant pressure on delivery times
- reliance on a migrant workforce with limited English competency and temporary visa arrangements
- multiple sub-contracting arrangements with informal agreements
- low barriers for entry for labour hire providers
- dangerous or substandard working conditions, including:
 - workers who are not paid fairly or withheld entitlements
 - workers who may be required to work excessive hours
 - workplace safety concerns

In preparing our first Statement, we have become aware of the need to increase our understanding of modern slavery risks beyond the first tier of our supply chain.

4 ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

4.1 RISK ASSESSMENT

We conducted an assessment of our first tier suppliers by reference to a modern slavery risk matrix provided to us by experts in the field of business human rights. The risk matrix allowed us to categorise our suppliers through the lens of industry and jurisdictional risks as well identifying the risks associated with products linked to child and forced labour as listed by the US Department of Justice data. The suppliers from the Reporting Period that provided goods and/or services from industries with higher modern slavery risks included:

- Cleaning
- Glass and Glass Product Manufacturing
- Ceramic Product Manufacturing
- Cement, Lime, Plaster and Concrete Product Manufacturing
- Fabricated Metal Product Manufacturing
- Waste Collection, Treatment and Disposal Services
- Basic Material Wholesaling

In summary, the overall risk rating of our suppliers from the above-listed sectors was assessed to be moderate by virtue of the majority of our suppliers being Australian-based (a low risk country for modern slavery).

Although we did not directly source products listed in the US Government's list of products linked to child and forced labour from the specified countries, we are mindful that modern slavery risks can exist in the supply chain of the businesses from which we procure bricks and carpets. These risks are mitigated to some extent by the fact that the bulk of our major suppliers are captured by the scope of the Modern Slavery Act 2018 (Cth) and are required to report on their actions to assess and address the risk of modern slavery in their supply chains.

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4.2 SUPPLIER ACCREDITATION PROGRAM

All suppliers that intend to or have worked for MPA on a construction project are required to have successfully completed our accreditation program and then remain accredited which is reviewed every 12 months.

The supplier accreditation is a program that prequalifies our suppliers across numerous key attributes and benchmarks, these include:

- (1) Corporate Structure
- (2) Ownership
- (3) Trading History
- (4) Financial Capacity
- (5) Insurance Coverage
- (6) Indigenous Procurement
- (7) Capability and Capacity
- (8) Resourcing
- (9) Corporate Compliance
- (10) Industrial Relations
- (11) Human Resources and staffing
- (12) WHS, Quality and Environmental Systems compliance
- (13) NCOP Compliance

By incorporating the above requirement, our aim is to communicate our commitment to only work with suppliers that are aligned to our values.

In Victoria, all labour hire providers must be licensed. When engaging with Victorian labour hire providers, we undertake checks to ensure that they are licensed.

During the Reporting Period, no incidences or practices of modern slavery were identified. In the event that our business is found to have caused or contributed to an actual instance of modern slavery, our immediate priority would be the safety and wellbeing of the victim and then to work with the supplier(s) in question to facilitate change of practices to minimise the risk of future recurrence. Specific remediation activities would be determined on a case-by-case basis to ensure the most appropriate and effective actions are undertaken.

4.3 RECRUITMENT

MPA's recruitment practices ensure that:

- (1) hiring is via registered recruitment agencies or direct placement through existing employee referrals (standard interview practices are followed in either instance);
- (2) all employee are of the minimum age. Child labour is not to be used under any circumstances;
- (3) processes are in place to check that all workers are working of their own free will (ie there is no slavery or servitude, forced or compulsory labour or trafficked labour);
- (4) MPA pays employees above the award and all employees are paid through electronic payroll systems;
- (5) all new hires must submit proof of work rights by either submitting a copy of their passport or birth certificate. If the new hires are on working visas, we conduct VEVO checks; and
- (6) all candidates who are successful through the hiring process are offered employment which they have the opportunity to voluntarily accept by signing an employment agreement with MPA.

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5 ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

MPA is committed to continuous improvement with relation to identifying, mitigating and eliminating modern slavery risk within our business and supply chain.

During this reporting year, (being our first), we have established and will be implementing the following systems and processes to improve our capability to assess and address modern slavery risks in our operations and supply chain. These will be actioned and reported within the 2021 financial year.

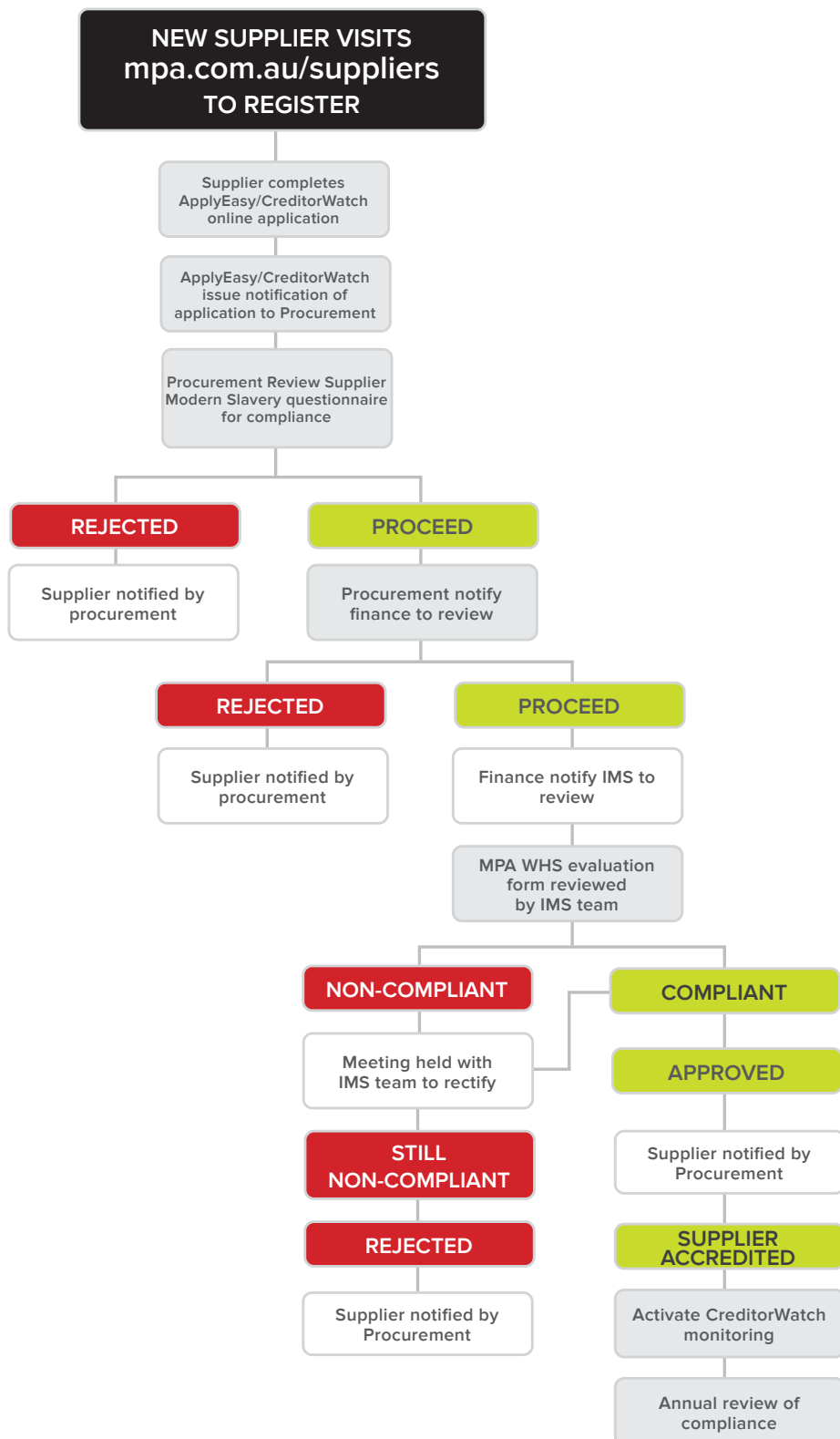
- (1) Completion and implementation of a Supplier Code of Conduct
- (2) Implementation of a Modern Slavery Risk Assessment within our Supplier Accreditation program. This will take the form of our Suppliers reading and accepting our Modern slavery policy in addition to completing a Modern Slavery questionnaire regarding their operations and supply chain. (see attached supplier accreditation flowchart)
- (3) Implementation of a modern slavery training course for all MPA employees
- (4) Updating of all our relevant policies to take into consideration modern slavery risk and compliance
- (5) Updating of our Supplier Works Contracts to take into consideration modern slavery risk and compliance.

We will seek to assess the effectiveness of our actions by against these goals during 2021 and report on progress in our next Modern Slavery Statement.

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NEW SUPPLIER ACCREDITATION PROCESS



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6 OTHER INFORMATION

Impact of COVID-19

During the last reporting year, the world and our industry was impacted by the COVID-19 pandemic. In relation to the construction industry locally, this had a significant impact on our business and resulted in downturn in revenue.

Our construction sites remained open and we were allowed to continue operating, though we were required to adapt with the following processes:

- (1) Implementation of a COVID SAFE PLAN for our construction sites via the formation of a COVID SAFE Committee.
- (2) Purchasing and supply of PPE such as masks, sanitiser etc. with regards to COVID SAFE guidelines. We were unable to carry out our due diligence in relation to the supply chain of the PPE purchased due to critical time constraints to ensure the safety of our staff and suppliers working on our construction sites.

We continued to pay suppliers on time and in accordance with legislative requirements.

7 CONSULTATION AND APPROVAL

This report was produced in consultation with our Finance and People and Culture Department

The reporting entity and its subsidiaries have the same directors, Benjamin Ritchie and Edward Singleton, who have both approved this statement on 23 March 2020.



Benjamin Ritchie
Chairman
Date: 23 March 2020



Edward Singleton
CEO
Date: 23 March 2020



mpa

BUILDING
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