



MULPHA

# MODERN SLAVERY STATEMENT

MAY 2021



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This statement has been published in accordance with the *Modern Slavery Act 2018 (Cth)* (Act) for Mulpha Australia Limited (ACN: 002 888 039) (Mulpha) and is its first report outlining Mulpha's structure, operations and supply chains, the risks of modern slavery in our operations and supply chains, the actions taken to address those risks and how we assess the effectiveness of such actions (Modern Slavery Statement). The Act requires entities who are based or operating in Australia, and which have a consolidated revenue of \$100 million or greater, to make available an annual modern slavery statement.

All references to Mulpha includes all entities over which Mulpha has control for accounting purposes during the year ending 31 December 2020 (references to 'Mulpha', 'Group', 'we', 'us' and 'our' refer to Mulpha Australia Limited and its controlled entities as a whole). This is Mulpha's FY20 Modern Slavery Statement and references in this report to a 'year' relate to the financial year ended 31 December 2020.



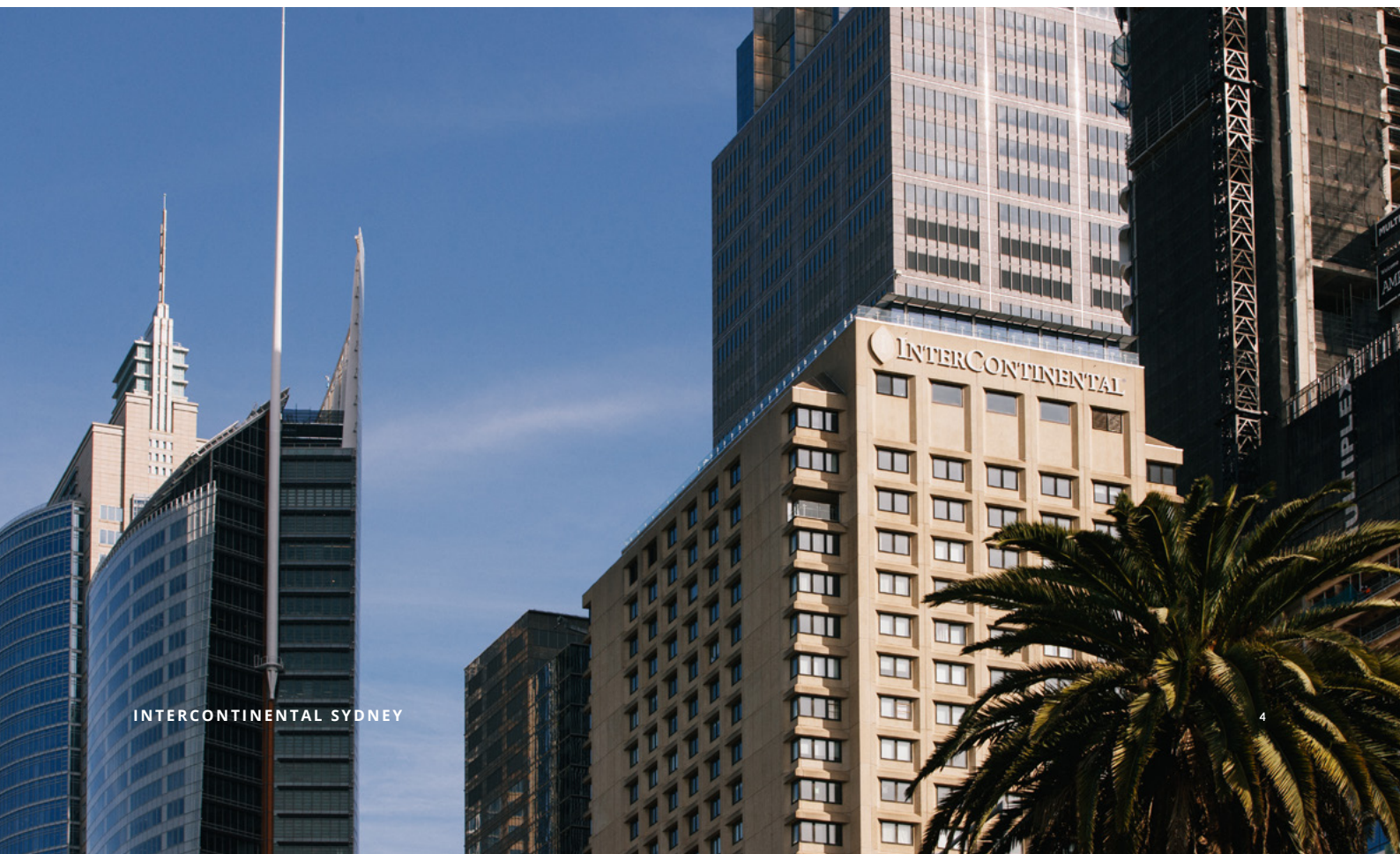
# Reporting entity

Mulpha is the Australian parent company and a reporting entity for the purposes of this Modern Slavery Statement. The Group consists of numerous wholly owned Australian subsidiary entities.

This Modern Slavery Statement has been prepared by Mulpha's Modern Slavery Working Group, in consultation with the respective leaders of all business operations. Therefore, the modern slavery risk management approach

detailed within this statement is applicable across all Group entities; from the initial risk-scoping exercise conducted, to the supply chain assessment and subsequent risk treatment.

This statement summarises the steps we have taken to date, for the period ending 31 December 2020, to identify and address modern slavery within our operations and supply chains. Our approach includes a commitment to continuous improvement as we increase our understanding and awareness of modern slavery risks.

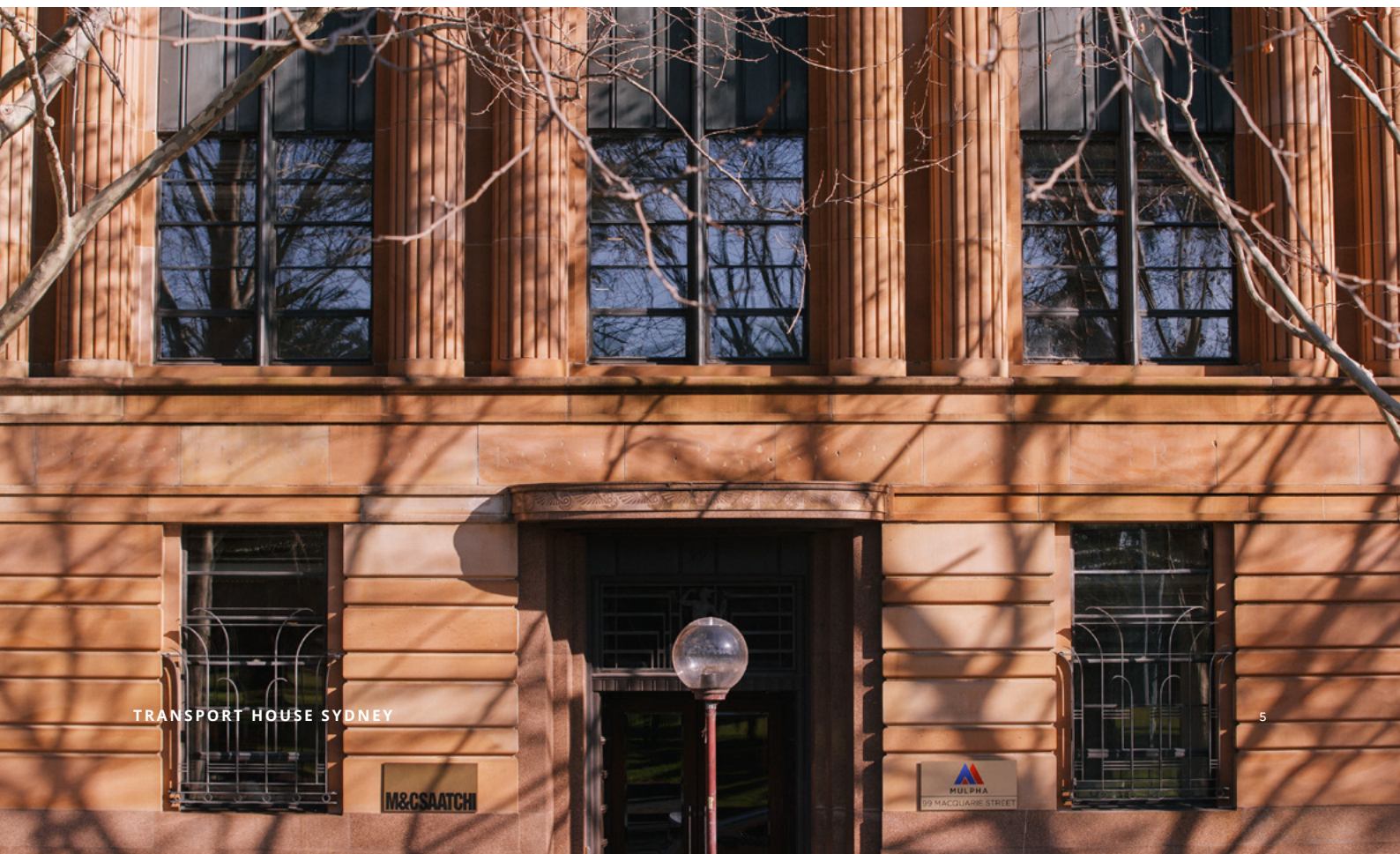




# Our structure

Mulpha is a wholly owned subsidiary of Mulpha International Berhad, which is listed on the Malaysian stock exchange (BURSA exchange).

Mulpha has a Chief Executive Officer, Mr Greg Shaw and an executive leadership team which operates Mulpha's business operations. The different business operations share key resources, such as Risk Management, Health, Safety, Environment (HS&E), Legal, Compliance, Finance, Marketing and Human Resources functions.



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# Our operations

Mulpha's business operations are structured as follows:



## Real Estate Capital & Asset Management

Property ownership and investment in income producing retail, commercial and industrial property.



## Developments

The development and sale of residential and commercial property.



## Hotels, Hospitality & Leisure

Hotel and resort ownership and operations, winery and vineyard activities and events.



## Principal Investments & Corporate Development

Innovative and strategic investments.



## Education

Tertiary education focussed on the hospitality and travel industries.



## Sanctuary Cove

Integrated tourist resort.

Mulpha is one of Australia's most experienced real estate and hospitality investors with operational management and development capability. The Group also has an extensive Australian portfolio of real estate, property development, hotels & hospitality, events, education, funds & debt management and infrastructure assets. The Group's investment portfolio includes the resort-styled Sanctuary Cove; an integrated resort on the Gold Coast, Norwest Business and Residential Park in Sydney, flagship InterContinental Hotels in Sydney, Sanctuary Cove and Hayman Island, Bimbadgen Winery Estate in the Hunter Valley and The Hotel School in Sydney, Melbourne, Brisbane and Hayman Island. As such our employees and operations operate out of Queensland, New South Wales and Victoria.



# Our supply chain

In calendar year 2020, Mulpha spent over \$146 million with over 1,600 individual suppliers. Of this spend, over 98% was with Australian entities.

Though Mulpha operates highly diverse businesses, our primary sources of modern slavery risks stem from our real estate development and asset management businesses through direct suppliers and vendors.

Our development spend is principally procured from Australian suppliers, but we are mindful that these direct suppliers have more complex, and often overseas, supply chain considerations. It is this extended supply chain that has been identified as one of our highest risk areas for modern slavery. We are committed to working with our suppliers and the extended supply chain to identify and address modern slavery.





# Modern slavery risks in our operations and supply chain

In terms of modern slavery risk, Mulpha has identified that our highest risks lie in the real estate development businesses and asset management.

These businesses see us directly procuring from industries such as: labour hire, construction trades, cleaners, and sourcing building materials, potentially, from overseas. However, as our construction projects are constructed by third party builders, Mulpha may not have direct control over the procurement of materials for these sites. These industries are widely considered as higher risk for abuses.

To put this statement into context – of the, approximately 25 million people, globally, considered trapped in **forced labour**, an estimated 18% of those work in the construction industry and 15% within a manufacturing industry<sup>1</sup>. Cases of forced labour exploitation in Australia predominantly occur in industries considered at risk, including agriculture, construction, domestic work, meat processing, cleaning, hospitality, and food services<sup>2</sup>.

Historically, those identified as victims of labour exploitation were working as domestic workers. However, there has been an increase in referrals relating to hospitality, agriculture and construction<sup>3</sup>.

Given these statistics, we recognised that a comprehensive assessment of our procurement footprint would be required; therefore, in Q2-2020 we began a Mulpha-wide risk assessment to identify the areas within our operational and corporate supply chain that are at greatest risk of modern slavery. The primary focus of our review was to identify the products and industries from which we purchase, spend by vendor and, importantly, to analyse our vendor's trade industry against the Social Hotspot Database information.

Given the risk analysis effort we grouped vendors by industries and spend and internal rating schema based on high or low value and high or low risk industries or products. Further, we are able to utilise the analysis outcomes to ensure we are providing a coherent strategy in our assurance actions.

<sup>1</sup> Global estimates of modern slavery: forced labour and forced marriage, International Labour Office, Geneva, 2017

<sup>2</sup> <https://www.globalslaveryindex.org/2018/findings/highlights>

<sup>3</sup> <https://www.globalslaveryindex.org/2018/findings/country-studies/australia>





# Current actions taken and assessing effectiveness

A number of activities and actions were taken to address the risks of modern slavery in our businesses.

## **RISK-BASED ASSESSMENT APPROACH GOVERNANCE ACTIVITIES**

Through collaboration between our Legal and Risk Management teams, and the work conducted by the Modern Slavery Working Group, Mulpha has begun to build the foundations for a robust set of tools and processes to further assess modern slavery risks and help provide assurances in our business operations and supply chain.

In 2020, Mulpha established a Modern Slavery Working Group which is responsible for developing and implementing Mulpha's approach for identifying and managing modern slavery risk in its supply chain. This group is chaired by General Manager – Legal, Governance & Compliance, and includes senior representatives from Mulpha's businesses. This working group's ongoing body of work will provide for consistent processes around supplier data management, reporting and allocation of responsibility and accountability.

Additionally, Mulpha's executive Risk Management Committee, from time to time, will request updates on status of actions and open items that require rectification. The executive Risk Management Committee is also responsible for endorsing the Modern Slavery Statement ahead of approval by Mulpha's board of directors.

## **MODEL CONTRACT TERMS**

A review of high-risk (industry) contracts, namely construction, was conducted and model modern slavery clauses were developed and provided to the Development business to ensure our standard terms and conditions includes that Mulpha's contractors and suppliers have an obligation to identify the risk of, and prevent the occurrence of, modern slavery within its organisation and supply chain, and to report to Mulpha in relation to their modern slavery risk management.



# Current actions taken and assessing effectiveness

## **MULPHA'S GOVERNANCE FRAMEWORK**

Mulpha is committed to maintaining a high standard of ethical conduct in its business and corporate governance. Within our internal governance framework, we have a number of policies that set our expectations for employees and suppliers to act honestly and in good faith, comply with all applicable laws, rule, regulations (both in letter and in spirit), and to not discriminate unlawfully or engage in any behaviour that is harassing or bullying, or act in any way that puts the health or safety of employees or contractors at risk.

These policies include:

- Mulpha's Code of Conduct
- Anti-Bribery and Corruption Policy
- Whistleblower Policy
- Conflict of Interest Policy
- Gifts and Entertainment Policy
- Enterprise Risk Management policy

## **EFFECTIVENESS AND ASSESSMENT**

At present, and as our management of modern slavery risks progress, having ways to assess the effectiveness of our modern slavery risk management are important. The current methods we employ for assessing effectiveness are as follows:

- Regular review and update of our approach to modern slavery risks through consultation with our business operation leaders and our Modern Slavery Working Group;
- Ensuring our frameworks, policies and procedures maintain efficacy and currency and address modern slavery by way of regular reviews;
- Engagement with high risk and high value vendors and suppliers to ensure they are aware of our commitment in this area;
- Monitoring and reporting on the progressive addition of model terms and conditions that address modern slavery risks into all new and renewed supply and service contracts;
- Ensuring that regular reporting to the Executive Risk Committee occurs and that exceptional items are escalated, as required.



# Looking forward

Our actions to date have been focused on setting the internal baselines, communication pathways, and governance models. As we progress, we recognise that there are areas we want to improve upon.

The following areas and items will form part of a three year enhancement plan (2021 – 2024):

## **POLICIES AND PROCEDURES**

We continue to review and update our policies and procedures in accordance with legislative requirements and updates.

## **TENDERING PROCESS**

We look to enhance the tendering process for high-risk contracts to include better screening for modern slavery risk.

## **SUPPLIER QUESTIONNAIRES AND CERTIFICATIONS**

We will development and implement a fit-for-purpose process to ensure that non-high-risk vendors are assessed and monitored via questionnaires or self-certifications. This enhancement will take into account and be delineated by our risk-based assessment approach.

## **AWARENESS TRAINING**

We will enhance internal capabilities by further educating a wider set of our employees on the risks of modern slavery with the implementation of tools and processes to assess and address the risks of modern slavery.

## **COLLABORATION**

Collaboration and open communication are key components to minimising the risk of modern slavery in our supply chain. Mulpha will continue involving business leaders and the Modern Slavery Working Group, as has been the case, but we will become more active in our participation in external, industry events and forums.

## **IMPROVED DUE DILIGENCE AND RISK ASSESSMENTS**

We will expand on our risk assessment processes in place and build a more efficiently repeatable process into our vendor risk data analytics. Secondly, recognising that level of spend is a flawed key risk indicator; therefore, we plan to expand on our risk assessment criteria to include exposure based on geographic regions (that is, country of origin).



# Approval

This statement is made in accordance with the *Modern Slavery Act 2018 (Cth)*. This statement has been approved on 31 May 2021 by Mulpha Australia Limited's board of directors.

A handwritten signature in black ink, appearing to read 'Seng Huang Lee'.

Seng Huang Lee

Chair

Mulpha Australia Limited



