

Modern Slavery Statement FY 2022



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Introduction

SHAPE Australia is a national fitout and construction services specialist driven by diverse capability, local impact, sector experience and a people-focused company culture.

We're for shaping spaces — for building with people in mind and our team has been doing it for more than 30 years. Operating with a truly national footprint across our network of seven branches, we build the best teams for every project. Our people bring diverse capabilities, transparency and a partnership approach to understand our clients' needs and solve their toughest challenges.

We believe success starts from the inside out. It's our eye for detail and commitment to quality from three decades of delivering interior fitouts and refurbishments that provides us with a unique skillset to undertake any type of construction project. More importantly, it's why we invest in our people who, in turn, invest in our partners. Whether you work with us or for us, we're about building people up, forming great relationships, and looking after each other and the world around us. It's what creates lasting impact on our clients and the people that experience their spaces for years to come (and why our partners choose to work with us again and again).

Reporting Entities

This statement is being submitted by SHAPE Australia Corporation Limited ABN: 14 654 729 352 (**SACL**) on behalf of SHAPE Australia Holdings Pty Limited ABN: 93 008 656 264 (**SHAPE Holdings**) and SHAPE Australia Pty Limited ABN: 70 003 861 765 (**SHAPE Australia**), who are the other SHAPE entities that are required to report under the Modern Slavery Act (Cth) (**Reporting Entities**).

The information provided in this Statement in response to the reporting criteria specified in the Modern Slavery Act 2018 (Cth) applies to all of the Reporting Entities and all of their subsidiaries in the SHAPE Group, other than K.L. Modular Systems (Aust) Pty Ltd ABN: 70 605 949 826 (**KLMSA**). This business was acquired by SACL on 31 March 2022, and is a modular construction business, based in Victoria. KLMSA has a particular focus on the education and community infrastructure sectors and a complementary supply chain. Given the timing of the acquisition (and that SHAPE's reporting period is from 1 July 2021 to 30 June 2022 (**Reporting Period**)), this Modern Slavery Statement will not consider the KLMSA business.

Approval

This statement was approved by the Board of SHAPE Australia Corporation Limited on 24th November 2022.



Peter Marix-Evans

Chief Executive Officer and Director

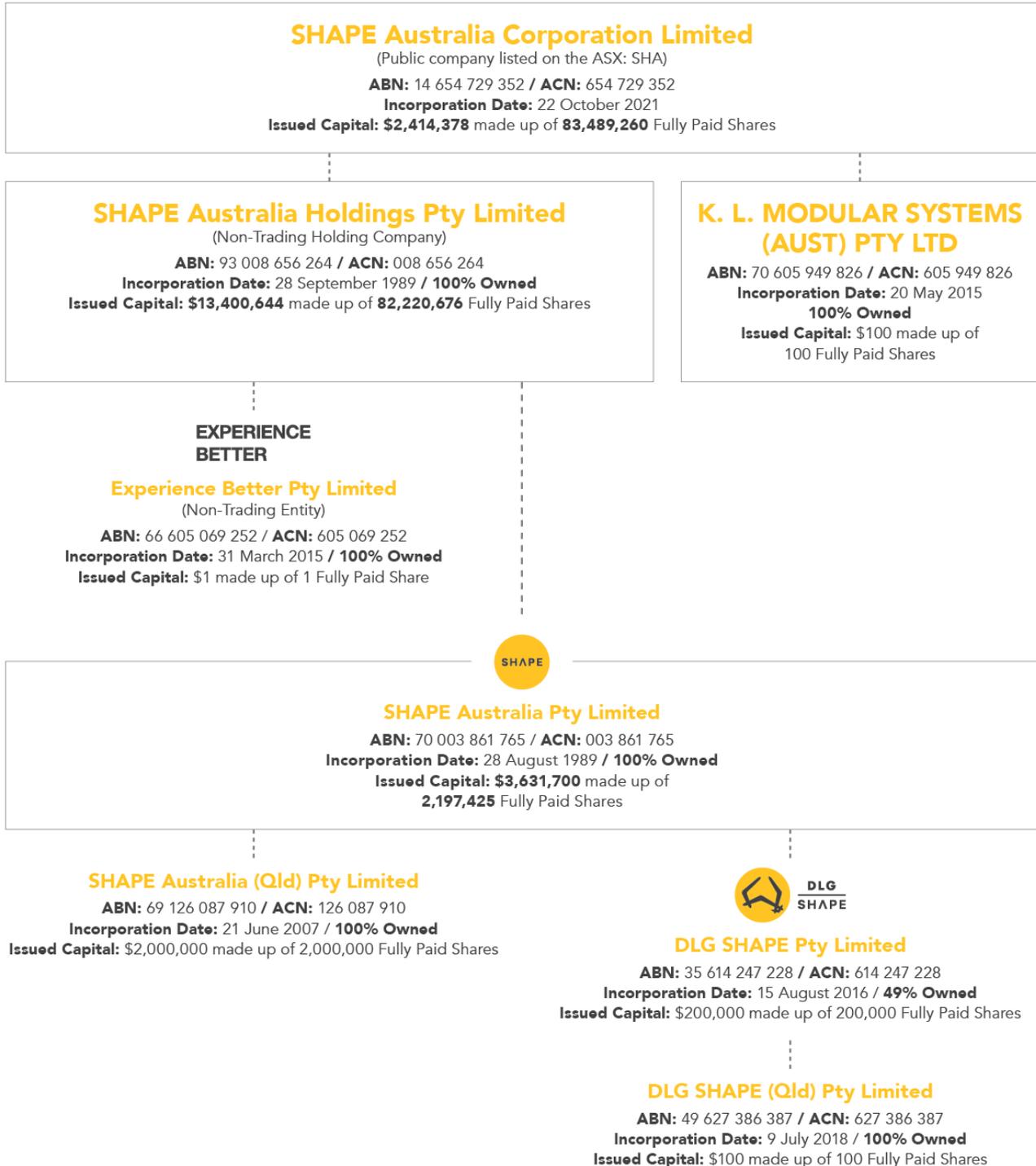
Structure & Operations

ORGANISATIONAL STRUCTURE

The main operational entity of the SHAPE Group is SHAPE Australia Pty Limited. SHAPE Australia (Qld) Pty Limited is also an operational entity and was created to align to Queensland legislative requirements.

DLG SHAPE Pty Limited (**DLG SHAPE**) is an Indigenous Australian majority owned business, with 51% ownership by David Liddiard Group Pty Ltd (**DLG**) and 49% ownership by SHAPE Australia Pty Limited. DLG SHAPE (Qld) Pty Limited is a wholly owned subsidiary of DLG SHAPE.

The structure of the SHAPE Group is as follows:



OPERATIONAL LOCATIONS OF SHAPE



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.

COVID-19 IMPACT

The impact of COVID-19 on the global supply chain has been evident within the construction industry, as manufacturers continually adjust to the impacts. Our business has continued to maintain its supply chain relationships and fostered open communication with both our supply chain and customers about COVID-19 risks, through:

- Collaborating with suppliers, workers, business peers, clients, and peak bodies.
- Reviewing key international and local resources and,
- Implementing, where applicable, supporting processes to support decent work practices in supply chains.

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.

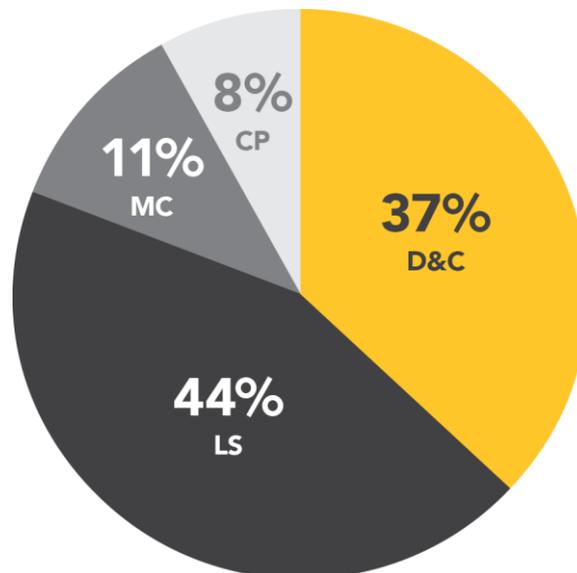
SHAPE's procurement can be described under two categories - Operational Procurement and Corporate Procurement.

OPERATIONAL PROCUREMENT

Over 90% of SHAPE's procurement is operational procurement, which supports the projects that SHAPE delivers to our clients through the following core types of contracts.

1. **Lump Sum (LS), Managing Contractor (MC) and Cost-Plus (CP)** 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. **Design & Construct (D&C)** contracts, which offer various levels of influence of the development of the design, specification, selection of materials and manufacturers dependant on how complete the design phase is when SHAPE are engaged. Project consultants are engaged (sometimes by SHAPE and sometimes by the Project Manager or Client) who conduct risk assessments and exercise due diligence when developing the project documentation. All project specifications are produced by the consultants under the expectation that all works, and materials meet Australian Standards, the National Construction Code (NCC) and legislative requirements.

Contract Types (By Value)



CORPORATE PROCUREMENT

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

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; and
- Many of our service providers are Australian businesses operating solely within Australia.

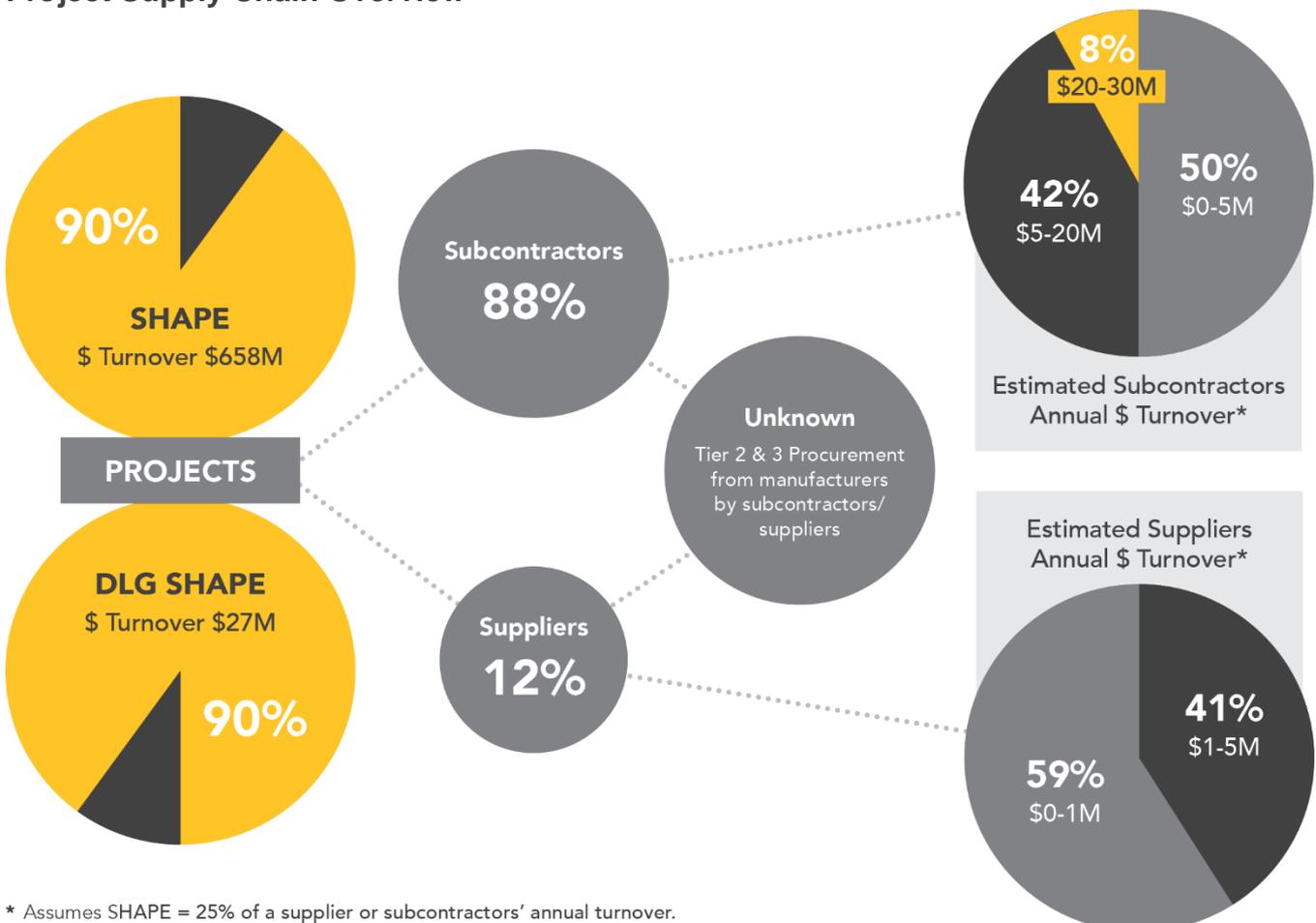
The majority of SHAPE's procurement (over 90%) is project based and predominately delivered through our tier one supply chain, primarily via our subcontractors and consultants who are also typically Australian registered businesses. Some of our suppliers (manufacturers and distributors) also comprise tier one project procurement although our subcontractors and suppliers may also procure via their tier 2 supply chain, which will also include distributors and manufacturers. Our tier 3 supply chain includes manufacturers, their sources of componentry and raw materials.

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, the National Construction Code (NCC) and legislative requirements.

SHAPE has a process for undertaking vetting and recording of its supply chain partners, through a *Supply Chain Prequalification* which progressively collects information regarding our supply chain's (subcontractors' and suppliers') understanding of and compliance with Modern Slavery legislation. This prequalification information is used to evaluate subcontractor and supplier performance when making project-level decisions regarding procurement and the letting of subcontracts.

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

Project Supply Chain Overview



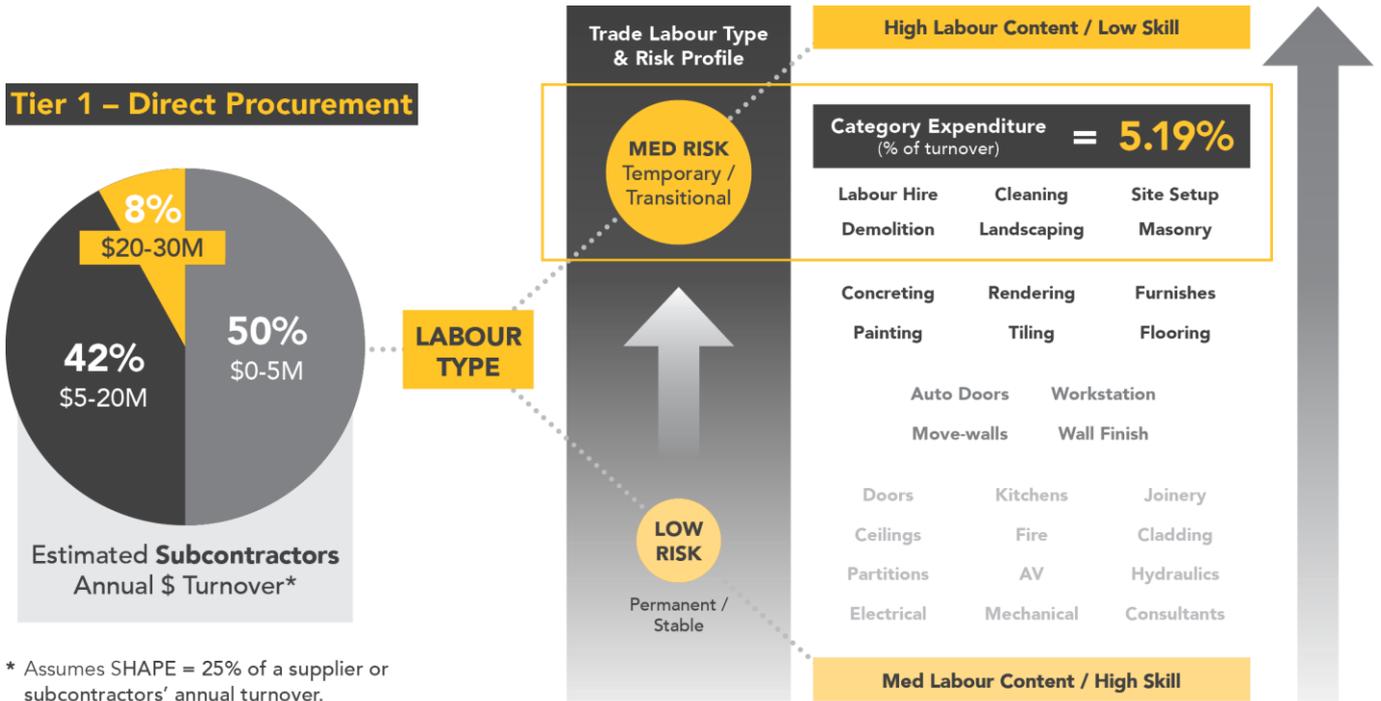
PROJECT PROCUREMENT

The risk of modern slavery in direct procurement activities (that is for our tier 1 supply chain) 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



* Assumes SHAPE = 25% of a supplier or subcontractors' annual turnover.

PROJECT SUPPLY CHAIN TIER 1 RISK REVIEW

As identified in the Project Procurement Overview diagram earlier within this statement, our supply chain partners are predominately not reporting entities as defined by the Act and thus SHAPE sees its role as continuing to influence change within the Construction Industry, to communicate the obligations and expectations of the legislation and to have a positive influence in reducing the risk of Modern Slavery occurring within the Supply Chain.

Examination of SHAPE's FY22 procurement by spend/influence, demonstrates within the following image our supply chain partners' level of maturity as predominately non-reporting entities as defined by the Act.

Project Procurement – Supply Chain Spend Review



FY22 SPEND +\$3M — SUBCONTRACTORS

Workstations	Electrical	Electrical & Data	Joinery	Mechanical	Facades
Electrical & Data	Partitions & Doors	Joinery	Partitions & Doors	Demolition	Electrical
	Ceilings	Partitions & Doors	Partitions & Doors	Partitions & Doors	

FY22 SPEND +\$500K — SUPPLIERS

Software	Furniture	Furniture	Consumables	Stone/Marble
	Furniture	Furniture	Furniture	

■	Modern Slavery Statement
■	Public Statements / Commitments
■	SHAPE Prequalification
■	Nil Current Commitments

PROJECT SUPPLY CHAIN TIER 2 & 3 RISK REVIEW

The risk of modern slavery in indirect procurement activities (that is for our tier 2 and 3 supply chain) may be realised through subcontractor and supplier procurement decisions through their subsequent supply chain tiers, via distribution, manufacturing, and raw material sourcing.

Although the business currently focuses primarily on its tier one supply chain, where its visibility and influence is greatest, the business will continue to utilise its commercial influence and supply chain partnerships to influence change within the Construction Industry.

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

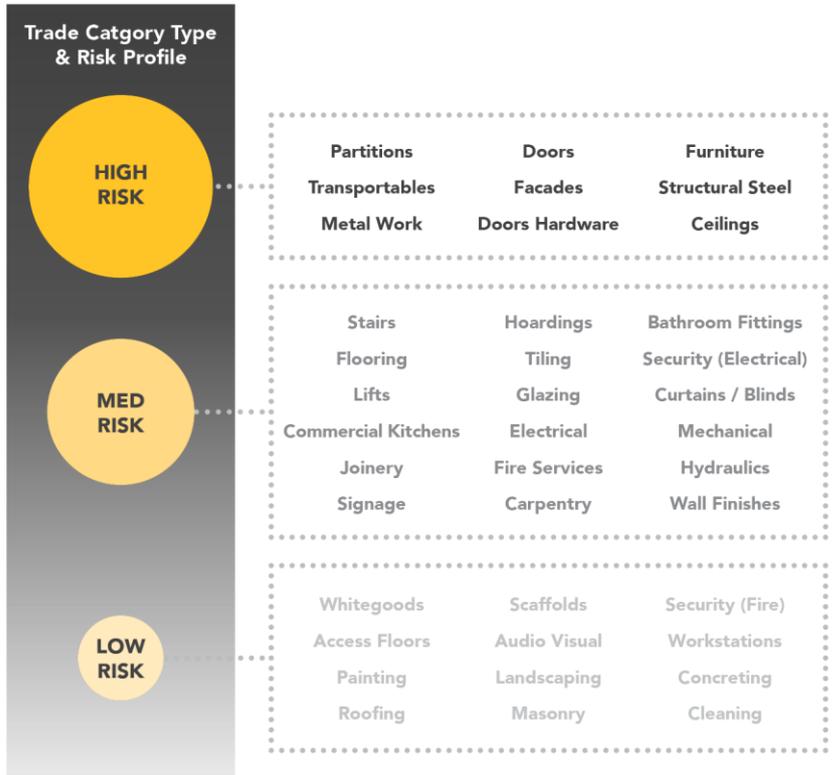
Project Procurement Overview

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 Raw Materials / Components			
Steel	Furniture	Timber	Textiles
Aluminum	Brassware	Iron	Gypsum
Nails	Carpets	Tiles	Ceramics
Plastics	Glass	Copper	Electronics

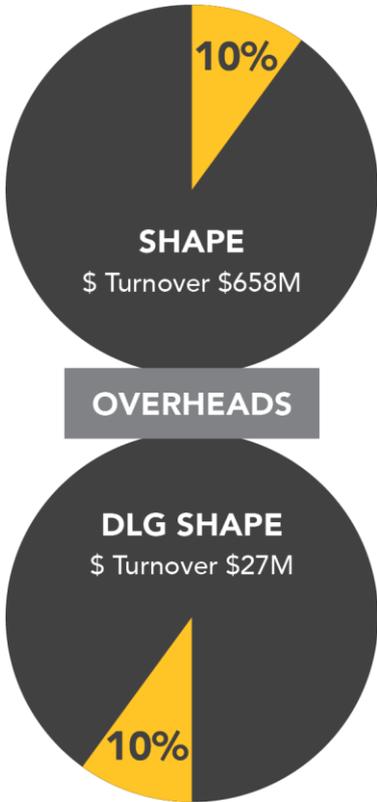


CORPORATE PROCUREMENT

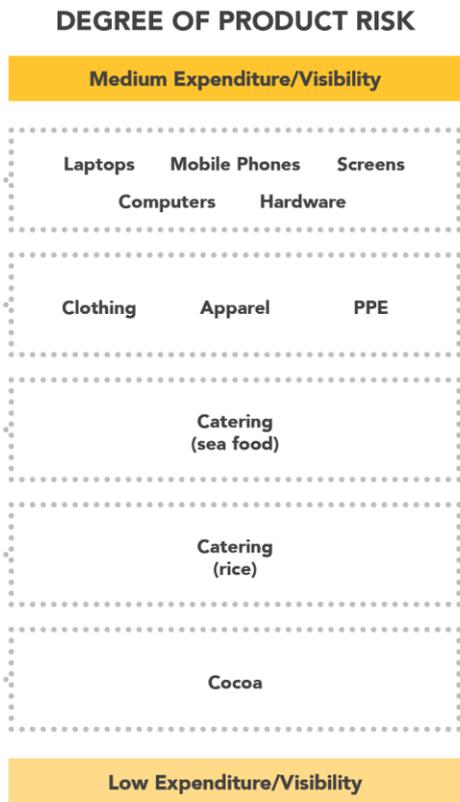
Corporate procurement relates to typical business requirements, with the following elements considered as "at risk":

Corporate Procurement Risk Overview

Corporate Procurement Overview



Category Expenditure (% of Turnover)	
0.13%	\$1.2M
0.06%	\$330K
0.00%	>\$10K
0.00%	>\$10K
0.01%	>\$50K



OPERATIONS

As well as analysing and undertaking a risk assessment of modern slavery in SHAPE's procurement, SHAPE has completed an analysis and risk assessment of its operations.

SHAPE's 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.

Currently SHAPE has two contractors and one employee working overseas, and given the small number we have reviewed each situation on a case-by-case basis to ensure compliance with legal entitlements including remuneration.

OUR PEOPLE & CULTURE

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

Part of SHAPE's 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". SHAPE encourages our people to have individual career plans which set out development goals to define where our people want to take their careers. SHAPE also offer our people the opportunity to implement flexibility plans to ensure work can fit around personal goals.

We are 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. 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 with all our people and our leaders develop structured action plans for change.

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.

SHAPE's *Reconciliation Action Plan* and *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 supports 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 (discussed below), we are further educating our people to have a greater understanding of their community, equity, and inclusion.

Actions by SHAPE

In the Reporting Period, SHAPE has assessed the potential for modern slavery to exist within its supply chain with consideration of the areas of influence where the business can provide the most 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.

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

- Developing a subcontract suited to the Australian Construction Industry;
- Primarily engaging Australian Registered Businesses;
- Outlining subcontractor and supplier obligations within written 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; and
- Maintaining long-term supply chain relationships.

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

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

- A progressive prequalification process for undertaking vetting and recording of information regarding subcontractors' and suppliers' understanding of and compliance with Modern Slavery legislation
- Supplier and consultant obligations in relation to Modern Slavery are included within our contracts;
- 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;
- Publication of and training in a Code of Conduct Policy;
- A Recruitment Guide;
- Inclusion of the right to anonymously report misconduct or unethical behaviour within our Site Induction template (which is delivered to all subcontractors and visitors on our construction projects); and
- External access to our Whistleblower Protection Policy and Grievance Policy with an 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,
- Ongoing assessment of fellow industry tier 1 supply chain partners with published statements; and
- Reviewing and assessing key supply chain categories & providers' statements & public commitments. SHAPE's pragmatic approach to addressing the risk of Modern Slavery is reliant upon the 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 in respect of Modern Slavery, such as the occurrence of:

- Supply chain education/guidance events;
- Supply chain prequalifications;
- Supply chain partner profiles;
- Bid development and project delivery guidance;
- Market driven compliance responses;
- Market demand for continual improvement; and
- Supply chain procurement trend analysis.

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

- Employees completing training;
- Assessed and completed supply chain prequalifications;
- Non-conforming supply chain prequalification's; and
- Whistle-blower Protection Policy reporting events.

Consultation Process

The communication and consultation processes that have been developed and communicated ensure all related entities (other than KLMSA at the present time) undertake the same training and utilise the same tools.

As the reporting entities, SACL, SHAPE Holdings and SHAPE Australia all utilise the same policies and procedures and 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 comprises the following roles:

- EHSQ Manager - Policy & Procurement;
- Group Manager - People & Culture;
- EHSQ Manager - Systems & Rehabilitation;
- Group Manager - Legal; and
- Group Financial Controller.

Both the Chief Executive Officer and the Chief Financial Officer of SHAPE Australia are aware that SHAPE has been preparing this Modern Slavery Statement and have both have participated in the statement process, as required.

The Chief Executive Officer is also a director of the three Reporting Entities and the Chief Financial Officer is the company secretary of the three Reporting Entities, along with being a director of Holdings and Australia.

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 in relation to a previous Modern Slavery Statement, ongoing collaboration with industry peers and groups to confirm alignment and consistency along with accessing and reviewing multiple online publications.

SHAPE has also 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.