

Modern Slavery Statement

2022/2023



mpa

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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 2022 (Reporting Period) and actions taken to address those risks in 2022.

2 OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

2.1 STRUCTURE

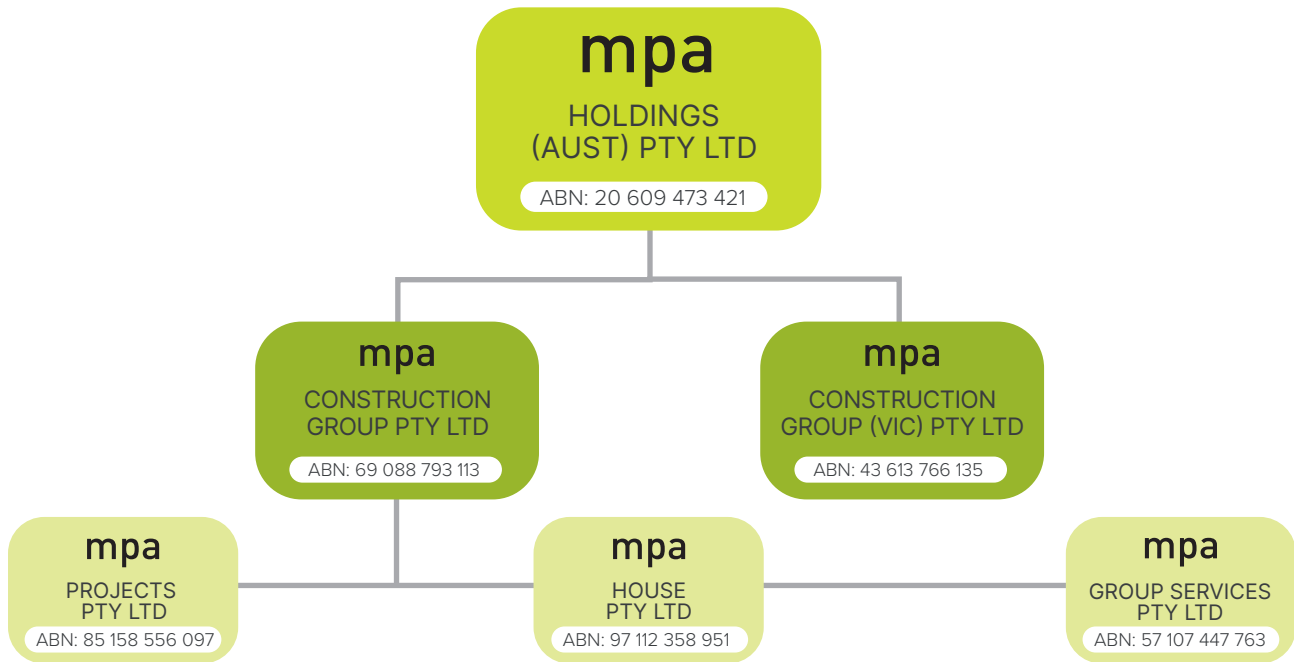
MPA Construction Group Pty Limited (MPA Construction Group) is a Proprietary Limited Company, which is part of a corporate group which is entirely registered and controlled within Australia, being headed and wholly owned by MPA Holdings (Aust.) Pty Limited. MPA Construction Group is the primary trading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

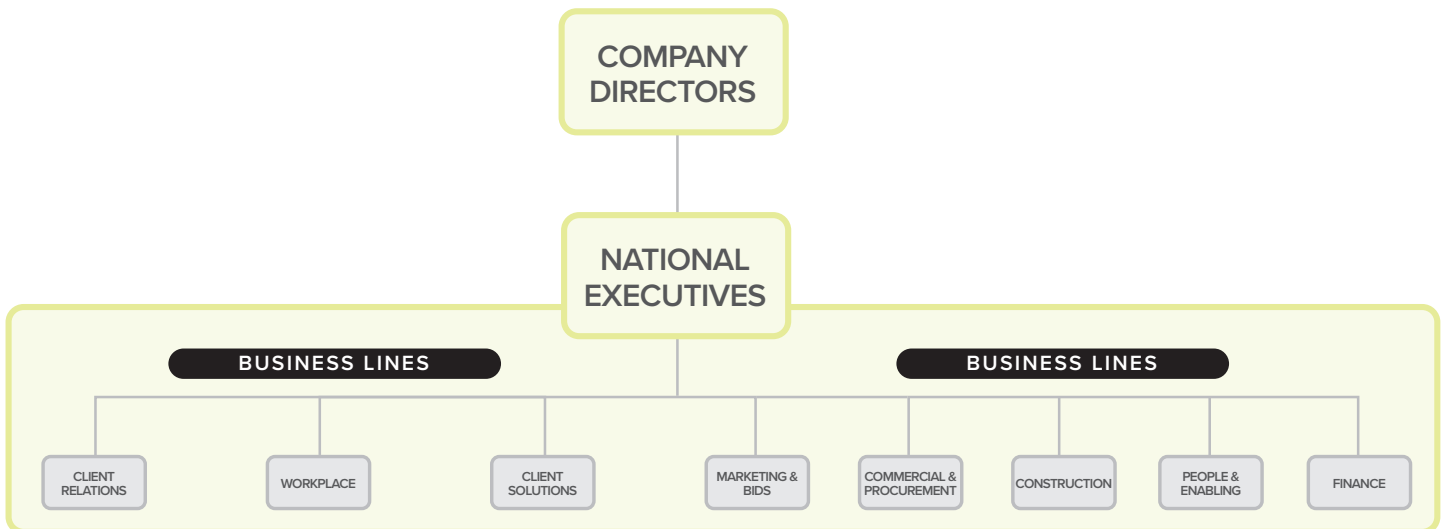
Other related entities within the group are:

- (1) MPA Holdings (Aust.) Pty Limited – this is the head of the corporate group as mentioned above and currently registered with ASIC. It has no 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 no employees.
- (3) MPA House Pty Ltd – 100% owned by MPA Construction Group Pty Limited and currently registered with ASIC and has no employees.
- (4) MPA Projects Pty Ltd – 100% owned by the group head entity MPA Construction Group Pty Limited and is dormant and has no employees.

CORPORATE STRUCTURE



ORGANISATIONAL STRUCTURE



STRUCTURE

In developing our approach to assessing modern slavery risks in our operations and supply chains, we have observed how the subject matter intersects with almost all of our business lines. As a result, modern slavery has been a topic that has come to be familiar with many of our employees, including management, executives and directors. By introducing measures to assess and address modern slavery risks, as described in this statement, different parts of our business have had to develop awareness of modern slavery and implement risk mitigating measures as part of the business -as-usual approach.

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 Services 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 outlined below.

MPA Construction Group is the primary trading entity within the corporate group, and employs forty (40) 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 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 (100) 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. All employees are all paid well above the minimum wage threshold and are managed in accordance with Fair Work Australia requirements.

OUR PROJECTS

The construction works on our 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.

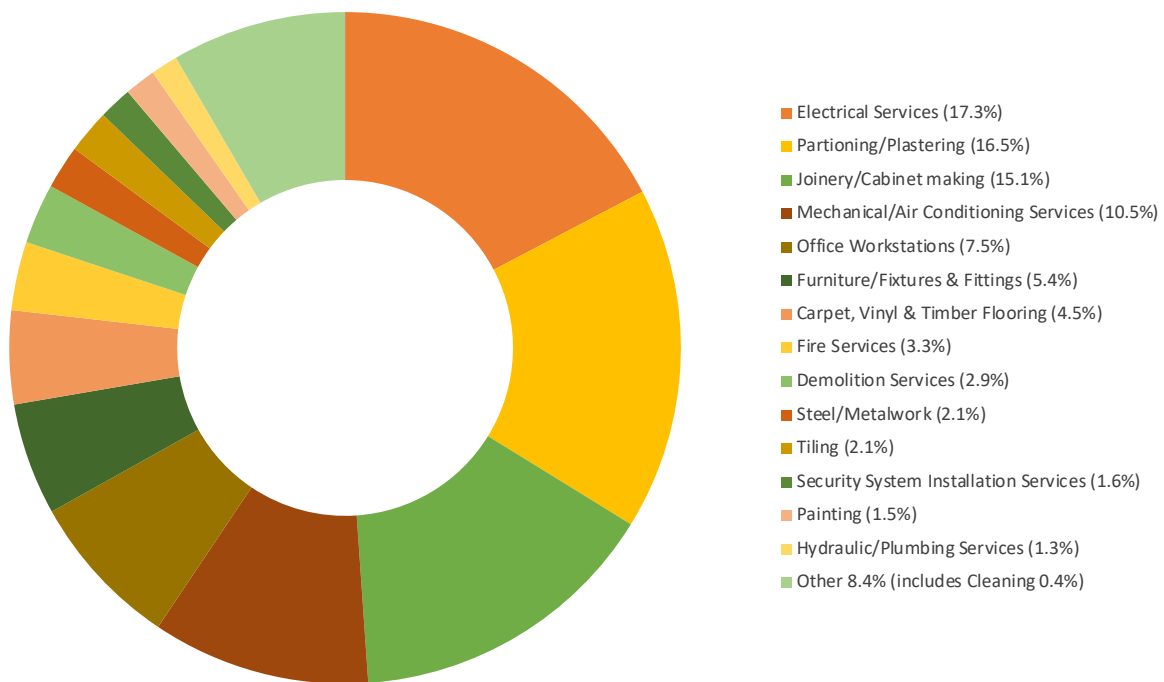
The bulk of project activity occurs in the CBD and metro areas of both Sydney and Melbourne. Some occasional project work is conducted in other locations such as Perth, Canberra and Brisbane as well as smaller cities such as Wollongong and Newcastle.

MPA Holdings (Aust.) Pty Limited holds Lots in a commercial office investment property that it holds in 80 Cooper St, Surry Hills NSW.

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 2022/23, MPA's procurement spend was approximately \$219M. The distribution of this spend through our suppliers of construction materials, design and construction services is shown below:



During the reporting period, we also procured goods and services to support our office operations. These included insurance, travel, office rent (including utilities), telephone, professional services, IT services, legal services, IT hardware, software licences, training, PPE and corporate merchandise.

3 MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

3.1 IN OUR OPERATIONS

In assessing our connection to adverse human rights impacts by reference to the UN Guiding Principles on Business and Human Rights, it is unlikely that MPA has “caused” or “contributed” to modern slavery risks in our operations. Our assessment is based on the following reasons:

- (1) Our employees are all located in Australia, a country with a lower prevalence of, and vulnerability to, modern slavery risks according to the Global Slavery Index.¹
- (2) Most of the roles performed by our employees are by tertiary qualified professionals and skilled workers.
- (3) We comply with all industrial relations laws and regulations.
- (4) Employees are paid at least award wages and all are paid above minimum wage.

¹ We note that the Global Slavery Index estimates that approximately 41,000 people living in modern slavery on any given day in 2021. This demonstrates that modern slavery occurs even in developed nations like Australia.

3.2 IN OUR SUPPLY CHAIN

Labour hire, materials and construction services remain the main areas of where we may be linked 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 inherent 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 forced labour, debt bondage, worst forms of child labour and other forms of modern slavery. Other factors that increase the risk profile for modern slavery in the construction sector are as follows:

- (1) prevalence of outsourcing for low-skilled labour
- (2) contract terms with low margins and significant pressure on delivery times
- (3) reliance on a migrant workforce with limited English competency and temporary visa arrangements
- (4) multiple sub-contracting arrangements with informal agreements
- (5) low barriers for entry for labour hire providers
- (6) 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

We recognise the complexity of the global supply chains supporting our business and the importance of gaining greater visibility beyond the first tier of our supply chain.

The United States Government's Bureau of International Labor Affairs (ILAB) maintains a list of goods and their source countries which it has reason to believe are produced by child labour or forced labour in violation of international standards (List of Goods). The List of Goods comprises 159 goods from 78 countries and areas, as of September 28, 2022. Many of the products in the List of Goods are relevant to the supply chain of building materials, for example, bricks, furniture, glass and timber from countries such as Afghanistan, Bangladesh, Brazil and China (to name a few). Furthermore, the List of Goods includes minerals such as tantalum, tin ore, tungsten and cobalt found in most technology products including smart phones, laptops, batteries.

PVC products, used in vinyl flooring, with links to the manufacture in the Xinjiang region have been listed in the US Uyghur Forced Labour Prevention Act (UFLPA). The UFLPA originally included construction products such as timber, steel and solar panels but now it also includes PVC products. This has meant that luxury vinyl tiles (LVT) cannot be imported into the US and are detained by customs unless the importer can prove that the goods were not made with forced labour and that the importer has fully complied with due diligence requirements. LVT planks are commonly used in our projects and we source these products from Australian retailers. However, we recognise that Australian retailers are likely to source from global manufacturers that may be implicated in the production or sourcing of materials from the Uyghur region.

Based on our review of questionnaire responses, the vast majority of our direct suppliers also source their component parts from Australian businesses. However, as noted above, it is likely that those suppliers source some or all of their products from overseas providers who are also likely to be a number of layers removed from the sourcing of raw materials. As a result, theoretical mapping of our supply chain would suggest that we may be linked to modern slavery, such as forced labour, debt bondage and the worst forms of child labour, beyond the fourth tier of our supply chain.

Case study – Tier 2 risks in our flooring supply chain

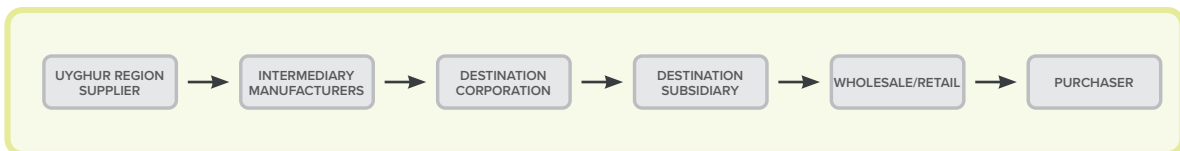
A deep dive was conducted into flooring providers of carpet tile, LVT planks and sheet vinyl that underwent accreditation during the Reporting Period.

The suppliers completed a tier 2 ESG questionnaire at the request of one of our key clients undertaking their own supply chain due diligence review. The questionnaire sought information relating to the measures they have in place to mitigate modern slavery risks in their operations and supply chains, as well as ascertaining whether there are any red flags in relation to modern slavery such as retention of worker passports, excessive working hours and fair wages and conditions. A common theme that we observed was that the flooring providers did not conduct responsible sourcing assessment on the suppliers of flooring materials on the basis that their clients made the ultimate decision on product selection. They did not conduct supply chain mapping for similar reasons. Instead, they provided us with the names of the five suppliers they sourced from and we reviewed the modern slavery statements of those companies. One of the statements described the risk to people in the company’s supply chains stemming from yarn and woven fabrics supply due to the materials containing significant amounts of recycled content with complex and fluid upstream sources.

In addition to the above, there are risks in relation to the vinyl flooring products as described in more detail below.

Flooring was a pertinent category for the deep dive in light of the reports on the increased manufacturing of PVC (polyvinyl chloride or vinyl) through state-sponsored labour transfer programs in the Uyghur Region and the routes by which the resulting materials make their way into international markets.² We reviewed Annex A to the report by Sheffield Hallam University which detailed the connections between the Uyghur Region-based companies and international distributors. According to the report, PVC from the Pyghur region was shipped to numerous large multinational manufacturers of PVC flooring, some of which are parent companies to subsidiary companies that may have supplied vinyl products to our direct supplier of flooring products via their subsidiary network.

It is unknown whether the PVC from the Uyghur Region ended up in the supply chain of the Australian subsidiaries from which we received the finished goods and used in our projects. But our deep dive into the risks of forced labour in our flooring supply chain reinforced our concerns on how complex global supply chains create significant challenges for companies to make ethical sourcing decisions. The diagram below depicts at a high level how MPA could be linked to forced labour risks deep within our flooring supply chain:



² <https://www.shu.ac.uk/helena-kennedy-centre-international-justice/research-and-projects/all-projects/built-on-repression>

4 ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

The actions taken to assess and address modern slavery risks in previous years are set out in Annexure A for completeness and we have set out below the actions we took during FY22/23.

The actions we have taken to meet our goals as described in our last statement are described in part 4 of this statement, which explains how we assess the effectiveness of our actions.

4.1 RISK ASSESSMENT

During the Reporting Period, we collaborated with a key client in examining MPA's environment, social and governance (ESG) policies, processes and practices (ESG Review). The purpose of the ESG Review was to identify, prevent and mitigate modern slavery within the client's construction supply chain and discover opportunities for supplier collaboration and uplift. Modern slavery risk management was a key feature of the ESG Review along with the deep dive referred to in the case study in this statement.

We continued to implement Modern Slavery Risk Assessments within our Supplier Accreditation program. As part of this program, we issued questionnaires to suppliers to assess modern slavery red flags (if any) within the operations and supply chains of the suppliers. One of the recommendations arising from the ESG Review was to adopt an automated supplier assessment process which we will be looking to implement during the next reporting period. In relation to the FY23 questionnaire responses, most suppliers who completed the questionnaire responded that they were based entirely in Australia and also sourced from Australian companies. A small number of suppliers indicated that they sourced from countries with a higher prevalence of, and vulnerability to, modern slavery. The suppliers responded that they did not retain the passport of foreign workers or require workers to pay a recruitment fee to anyone. Most did not employ potentially vulnerable categories of workers, but a few did employ young workers under 18 pursuant to a formal apprenticeship program. All suppliers confirmed their compliance with MPA's Supplier Code of Conduct.

During the Reporting Period, we did not receive any reports of actual or suspected instances of modern slavery in our operations or supply chains. 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. We understand that an effective and accessible whistleblowing mechanism is an important element to remediation. During the Reporting Period, we have looked into developing a solution to improve ways in which modern slavery concerns can be raised anonymously by team members, suppliers, contractors and subcontractors.

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

4.2 RECRUITMENT

MPA's recruitment processes continued to ensure that:

- (1) Hiring is via registered recruitment agencies or direct placement, or employee referrals (standard interview practices are followed in either instance).
- (2) All employees 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 (i.e. there is no slavery or servitude, forced or compulsory labour or trafficked labour).
- (4) MPA pays employees 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.
- (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.
- (7) All new starters are required to complete the Modern Slavery Training module.

5 ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

MPA recognises the need to review the processes in place to assess modern slavery risks and to adjust those processes as and when required to ensure that it is responsive to emerging risks both in Australia and abroad and the potential impacts on our supply chain.

Responsibility for designing, implementing and assessing the effectiveness of our modern slavery program sits with MPA's Commercial & Procurement Director.

During the Reporting Period, we tracked our progress against the goals that we set for ourselves in 2022/2023 as outlined below.

5.1 2022/2023 MODERN SLAVERY GOAL TRACKING

NO.	GOAL	STATUS/PROGRESS	ACTIONS FOR FY2020/21
1	Improve ways that modern slavery concerns can be raised both internally and externally	Ongoing	Develop a solution and ensure that it is aligned with the UNGPs
2	Review the Modern Slavery Questionnaire and amend or include new questions that take into account emerging modern slavery risks	Amended goal	Deploy an automated due diligence platform
3	Reviewing of results from our Supplier Modern Slavery Questionnaire and identify higher risk suppliers	Completed	Engage in further discussions with our tier 1 suppliers of flooring products
4	Include modern slavery terms in our contracts with suppliers	Ongoing	Continue to incorporate modern slavery terms wherever possible

During the next reporting period FY2023/24 we have set ourselves goals to assess, address and mitigate modern slavery risks within our business. We have listed these in the table below.

5.2 **NEW GOALS FOR FY2023/2024**

NO.	GOAL
1	Deploy an automated platform to assist with supply chain due diligence
2	Review the results of the due diligence produced via the automated platform and identify the suppliers requiring further due diligence and prepare corrective action plans where needed
3	Continue to liaise with our suppliers of flooring products in relation to the risk of modern slavery in the products supplied to us and how they can be best managed by each supplier. Seek to use our leverage to encourage our flooring suppliers to engage in due diligence in relation to their own suppliers
4	Provide modern slavery and supplier code of conduct awareness training for suppliers and verification of compliance
5	Develop a process to verify compliance with the supplier code of conduct and modern slavery contract terms
6	Align MPA's revised whistleblower channel and grievance mechanism to the UNGPs

We will seek to assess the effectiveness of our actions by tracking against these goals during 2023/2024 and report on progress in our next Modern Slavery Statement

6 CONSULTATION AND APPROVAL

This report was produced in consultation with our Finance and People and Culture Department. We have consulted with our owned or controlled entities in the development of this statement.

This statement was approved on 23 November 2023 by the board of MPA Holdings (Aust.) Pty Limited which is the principal governing body of the reporting entity, and it has been signed by the responsible members of the body, Benjamin Ritchie and Edward Singleton, in their capacity as Chairman and CEO respectively on the same date. The responsible members are also the same directors for each of the subsidiaries of the reporting entity.



Benjamin Ritchie
 Managing Director
 Date: 23 November 2023



Edward Singleton
 Managing Director
 Date: 23 November 2023

Annexure A



1 EXISTING ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

1.1 RISK ASSESSMENT

As noted in our previous statement, we conducted a preliminary 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 review 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 contained in the List of Goods. The suppliers from the Reporting Period that provided goods and/or services from industries with higher modern slavery risks included:

1. Cleaning
2. Glass and Glass Product Manufacturing
3. Ceramic Product Manufacturing
4. Cement, Lime, Plaster and Concrete Product Manufacturing
5. Fabricated Metal Product Manufacturing
6. Waste Collection, Treatment and Disposal Services
7. Basic Material Wholesaling

Although we did not directly source products listed in the List of Goods, 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.

1.2 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 pre-qualifies 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. Modern Slavery
8. Capability and Capacity
9. Resourcing
10. Supplier Code of Conduct
11. Corporate Compliance
12. Industrial Relations
13. Human Resources and staffing
14. WHS, Quality and Environmental Systems compliance
15. 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.



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