

Our Structure, Operations and Supply Chains

Since it was founded in 2004, 2Construct Pty Ltd takes seriously its position of influence as one of metropolitan Melbourne and regional Victoria's prominent, multi-faceted Building, Civil infrastructure and Civic Landscaping Companies.

2Construct Pty Ltd (Collectively, "the company", "us", "our", "we") forged a culture which is evident in the way we behave, honour our commitments and collaborate with all Stakeholders - Clients, Consultants, Subcontractors, Suppliers and Work Colleagues.

Our structure is complimented by an appointed Board of Directors, with a highly regarded executive team, including General Manager of Construction and General Manager of Finance/CFO, employing renowned Professional Builders, Engineers, Quantity Surveyors and Health and Safety Professionals, supported by a robust integrated management system legally mandating employment entitlements and awards across the entire business.

Attributable to the successful completion of over 350 projects of varying size and complexity, our operations span various sectors; Commercial, Community, Education, Aged Care, and Sport & Recreation.

In an industry where transience is common, 2Construct Pty Ltd places great value on our opportunity and responsibility to create the right balance of social, environment and economic conditions which contribute to the protection of human rights and ethical migrant labour of those within our supply chains and the communities in which it operates.

We are committed to working with our suppliers and the extended supply chain to identify and address risk adverse modern slavery practices.

Our Structure, Operations and Supply Chains

Our Modern Slavery Statement (*Statement*) is made pursuant to section 13 of the Modern Slavery Act 2018 (Cth)(Act) and constitutes our Anti-Slavery and Human Trafficking Policy. This statement, approved by the 2Construct Pty Ltd Board of Directors, will be reviewed and updated on an annual basis.

While this Statement is our first public disclosure specifically addressing modern slavery in line with the requirements of the Act and in accordance with reporting obligations for consolidated annual revenue (including anticipated turnover, see below), 2Construct Pty Ltd have demonstrated lineage of progressive commitment to the improvement of the rights and wellbeing of people across our operations, enabled by existing internal processes, our level of ambition and a focus on supply chain transparency.

2Construct Pty Ltd is a private construction company, which was founded in 2004 by Duncan Macpherson and Peter Rahilly. 2Construct specialises in providing multifaceted project delivery services across the Building, Civic and Civil Construction industries. In line with 2Construct Pty Ltd strategic growth plan, a Board of Directors was appointed to the company in 2016. The Board consists of a Manager Director, Construction Director and a Non-Executive Director. The Executive Team also includes a General Manager, General Manager of Construction (Industrial/Retail), General Manager of Finance and an Estimating Manager.

On average, 2Construct Pty Ltd complete approximately 20 – 24 projects per years across the building, civic and civil disciplines. 2Construct Pty Ltd current turnover is approximately \$100 million per year and has more than 60 employees across Victoria.

Affiliations

2Construct Pty Ltd is a member of the following organisations:

- Master Builders Association of Victoria - Member No.79107
- Civil Contractors Federation - Member No. 2946
- The Australian Institute of Building
- The Australian Institute of Quantity Surveyors

Accreditations

2Construct Pty Ltd is code-compliant for the construction industry and is accredited under AS/NZS ISO 4801:2001 - OHS, ISO 14001:2015 - Environmental and ISO 9001:2015 - Quality Management. 2Construct Pty Ltd is registered with the Department of Transport for works of up to \$15 million. 2Construct Pty Ltd is an accredited contractor with the Victorian Government Construction Supplier Register, Contractor Identification Number 900715 and are pre-qualified in the following categories:

- Commercial Refurbishment
- New Commercial Construction
- New Residential Construction
- Residential Refurbishment

Supply Chains

2Construct Pty Ltd supply chains include:

- Construction contractors associated with its construction sites.
- Services that contribute to its operations, such as the cleaning, maintenance and security companies that service 2Construct Pty Ltd offices and sites.

2Construct Pty Ltd direct supply chains are based in Australia and New Zealand, however 2Construct Pty Ltd recognises that its suppliers also source key parts and labour from other world regions.

Modern Slavery Risks

2Construct Pty Ltd recognises modern slavery as criminal offences relating to deprivation of civil liberties, human trafficking, forced marriage and child labour. Modern slavery risks do not extend to unlawful practices (such as wage underpayment) that do not otherwise have elements of slavery, coercion, servitude or debt bondage, etc. However, reporting on modern slavery risks may impact other adjacent obligations, particularly for the purposes of compliance with labour and immigration legislation.

This Statement sets out the steps 2Construct Pty Ltd have taken during the financial year ended 30 June 2020, to identify and address modern slavery within our operations and supply chains. Moreover, 2Construct Pty. Ltd have found no reported instances of modern slavery breaches in our business or supply chain within the past financial year.

We acknowledge risks of modern slavery practices in our operations, supply chain and entities owned or controlled by 2Construct Pty Ltd. As construction and investment in infrastructure recovers post-COVID-19, the vulnerability of worker groups (increased demand for a base skill workforce and labour, aggressive pricing as part of contract terms) have the potential to become exacerbated, as vulnerable people choose work, irrespective of conditions.

There is also a risk of causing or contributing to modern slavery through the engagement of recruitment agencies, subcontractors and labour hire companies. 2Construct Pty Ltd is aware of these potential risks and the need to monitor and address these in an appropriate manner. Such risks include:

- Labour rights, including forced or compulsory labour, wages and benefits, work hours and child labour (including unskilled, temporary or seasonal labour); and
- Health and safety (for workers that 2Construct Pty Ltd do not control (or who are otherwise engaged in operations outside of 2Construct Pty Ltd control).

Actions taken to address Modern Slavery Risks FY2019/20

- 🎯 **Policy development integrating commitments into existing policies and stand-alone policies to meet jurisdiction-specific reporting obligations:**
 - Anti-Slavery & Human Trafficking Policy IMS-PO-20 (V.01).
 - Sustainable Supply Chain Management Capability Statement IMS-PO-22 (V.01).
- 🎯 **Coaching and Education:**
 - Company registrations and attendance for upcoming webinars including the collaboration between Australian Human Rights Commission and KPMG Australia for audit & assurance, human rights and social impact services pertaining to practical responses to managing risks to people in property and construction.
 - Senior leadership teams, including Project Managers to receive coaching in recognising the signs of modern slavery and exercise vigilance in monitoring higher risk groups on project sites.
- 🎯 **Ongoing Due Diligence:**
 - Commenced reviews for embedding responsive strategies for our supplier requirements and oversight of Modern Slavery risks in standard supplier management processes.
 - Commenced reviews of standard contract terms & conditions to ensure that no human trafficking or slavery is used within supplier's or subcontractor's business or by any suppliers or subcontractors in its own supply chain.

Due Diligence Exercise and Remediation Processes

Having effective remediation processes in the modern slavery context are imperative to responding to the identification of instances of modern slavery in a manner that does not jeopardise the safety of victims, ideally working with expert advisors, such as local NGOs. A trusted, confidential grievance mechanism (and ensuring our suppliers have one), to elevate and address worker concerns, and to act as an early warning system for modern slavery risks, forms a key part of embedding due diligence and grievance and remediation into our governance and frameworks.

Whistleblower Protection – Clear grievance channels have been established, such as our existing Whistleblower policy IMS-PO-15 (V.01), for employee and supplier use in managing modern slavery risk. Our whistleblowing policy allows employees, or others, to report suspected instances of modern slavery, of whatever form, in our own business, or in any of our supply chains, without fear of repercussion and/or reprisal.

Assessing Effectiveness

This is the inaugural year of enacting this policy. An annual assessment shall take place to review the progressive action planning undertaken by 2Construct Pty Ltd to identify, monitor and evaluate the effectiveness of the company's systems and controls to mitigate the risk(s) of modern slavery.

2Construct Pty Ltd will assess subcontracts and purchase orders: We insist that our supply chain has similar policies and ethical dealings in place. We will assess the effectiveness of a category management approach to our procurement activities for strategic trades, allowing us to form deeper relationships with key vendors throughout our supply chain, supporting closer alignment to our corporate goals and values.

We do not tolerate behaviour that is in breach of the law or which is non-compliant with our corporate policies and expect our employees and suppliers to operate in a manner which is consistent with our values and standards.

Our progress to date and our level of ambition would not be possible without the coordinated efforts of government, our sector peer collaborations and our many suppliers and partners. We wish to thank them for their cooperation and look forward to the continuation of this important pathway with them to help denounce human right infringements and eradicate modern slavery.

Future Priorities to address Modern Slavery Risks FY2020/21



Workshop:

During the financial year 2020/21, Senior Leadership Team will undertake a workshop to identify high risk categories of our supply chain and review subcontractor/supplier databases to target that category with specific analysis in the next financial year.



Temporary Labour Agencies:

In the financial year 2020/21 we will investigate the temporary labour organisations that 2Construct Pty. Ltd directly contracts and audit the organisations that our direct supply chain contracts to require a commitment to the principles and objectives of the modern slavery legislation.



Internal System Reviews:

Updating standard contractual terms into supplier questionnaires and performance management. Internal review of Integrated Management System (IMS) to ascertain if modern slavery codes of conduct are addressed as part of subcontractor base documentation and supplier letting.

This statement was approved by the Board of Directors of 2Construct Pty Ltd in their capacity as principal governing body of 2Construct Pty Ltd on 17 December 2020.

This statement is signed by Duncan McPherson as the responsible member in his capacity as the Managing Director of 2Construct Pty Ltd on 17 December 2020.



Duncan McPherson OAM
Managing Director of 2Construct Pty Ltd
Dated: 17 December 2020