



MSS Group

Modern Slavery Statement

FYE 2020 Reporting Period

December 2020

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REPORTING ENTITY

This modern slavery statement is made pursuant to section 16 of the *Modern Slavery Act 2018 (Cth)* jointly on behalf of SIS Australia Holdings Pty Ltd, ABN 65 132 211 459, and its below noted Australian subsidiaries (collectively, the "MSS Group").

Operating Subsidiaries:

- MSS Security Pty Ltd, ABN 29 100 573 966 ("MSS Security")
- MSS Strategic Medical and Rescue Pty Ltd, ABN 48 155 387 152 ("MSS Strategic Medical and Rescue")

Joint Venture Subsidiary

- Habitat Security Pty Ltd, ABN 48 610 598 242 ("Habitat Security")

Other Subsidiaries:

- SIS Australia Group Pty Ltd, ABN 58 132 211 806
- SIS Group International Holdings Pty Ltd, ABN 89 600 112 490
- SIS MSS Security Holdings Pty Ltd, ABN 62 132 211 824
- MSS AJG Pty Ltd, ABN 50 610 598 251
- Australian Security Connections Pty Ltd, ABN 80 160 045 189

This statement does not, however, cover SX Protective Holdings Pty Ltd, ABN 132 211 851, SX Protective Services Pty Ltd, ABN 132 211 851, Southern Cross Protection Pty Ltd, ABN 132 211 851 and their respective subsidiaries (other subsidiaries of SIS Australia Holdings Pty Ltd) who are supplying a separate statement.

OUR OPERATIONS

The MSS Group, which operates commercially through MSS Security, MSS Strategic Medical & Rescue and Habitat Security, is Australia's leading security and emergency response service company with a national infrastructure and offices in the capital cities of all states and territories.

MSS Security

MSS Security provides a full range of security services across key market segments. Our security officers provide a visible presence, using a broad range of skills, from general guarding to highly specialised roles. Our significant workforce in Australia underpins a national service delivery footprint and provides the foundation for a comprehensive offering, which includes:

- Static guarding
- Roving and mobile patrols
- Aviation & maritime screening
- Emergency surge requirements
- Alarm response
- Events management
- Control room operations
- Access control
- Concierge services
- VIP protection
- First aid & medical support
- Traffic management
- Investigations
- CCTV and alarm monitoring
- Customer service security training
- Risk analysis & business continuity planning
- Security assessment, policy development & implementation
- Emergency response, planning, simulation & exercises

MSS Strategic Medical and Rescue

MSS Strategic Medical and Rescue is the specialist paramedical, emergency response and rescue division of the MSS Group. We provide qualified and trained paramedics, emergency response and rescue personnel to the heavy industrial, mining and resources sectors.

MSS Strategic Medical and Rescue also supplies specialised clinical emergency response advisory, clinical governance and medical consultation services for our various site-based occupational first aid responders, and emergency response and rescue and occupational first aid training.

Key services offered include:

- **Emergency health services** – credentialed multi-disciplinary Paramedics, Registered Nurses/OHNs and Industrial Medics who hold competencies in emergency response and/or ERT support;
- **Site-based primary care practice** – on-site occupational health and hygiene, drug and alcohol testing, return to work and health promotion services;
- **Emergency response, fire and technical rescue services** – multi-disciplinary Emergency Response Officers (ERT Teams), including specialist ESO (fire and rescue) team leaders; and
- **Clinical/first aid, emergency response, fire and technical rescue training** – nationally accredited and non-accredited on-site instruction, and first aid supplies, paramedic and fire rescue equipment and logistics.

Habitat Security

Habitat Security is a joint venture between an Indigenous owned entity, Dmac Personnel Pty Ltd, ABN 62 602 627 958, an indigenous minority individual shareholder, and SIS MSS Security Holdings Pty Ltd, ABN 62 132 211 824. The joint venture emerged from our commitment to the Australian Government's Employment Parity Initiative (EPI) which:

- aims to increase Indigenous employment in large companies to reflect the proportion of the Indigenous population nationally;
- was created in response to the Government's drive to open up opportunities for Indigenous-owned businesses as part of its Indigenous Procurement Policy; and
- supports the Government's commitment to real skills, sustainable employment, and economic growth to ensure prosperity for Indigenous Australians.

Operationally based in the ACT, Habitat Security specialises in providing security guarding and associated services, particularly to government departments and agencies.

OUR SUPPLY CHAIN

In the last year, the MSS Group spent approximately \$150 million across more than 1,100 Tier 1 or direct suppliers¹. A broad range of goods and services were procured, however, given that our operating business is labour based, our labour provider subcontractors comprised the largest group of Tier 1 suppliers. Over the reporting period, our security subcontracting activities accounted for approximately \$117 million or 78% of our total supply costs. Our spend for the year with 21 of these subcontractors was more than \$1 million each.

¹ This excludes inter group subcontracting – for example where MSS Strategic Medical and Rescue supply services to MSS Security

Additionally, we procured a diverse range of other products and services including uniforms, security and medical equipment, IT related products and services, property leasing, vehicle and fleet purchasing and leasing, cleaning services, travel and accommodation, training, recruitment and professional services.

The vast majority of our Tier 1 suppliers are Australian companies or individuals. We are, however, aware that some entities within other tiers of our supply chain are based internationally, for example, our uniform suppliers purchase some products from Asia.

Approximately 500 (or 45%) of our Tier 1 suppliers in 2020 were vendors who provided a one-off product or service for a spend of less than \$1,000. A significant proportion of these small spend vendors were employees making expense claims for such things as parking, cab fares or training services.

The MSS Group has developed long-term productive business relationships with our larger suppliers. The terms of these relationships are documented in formal contracts in most cases.

ASSESSING MODERN SLAVERY RISKS

To reduce the risk of modern slavery practices in our supply chain, the MSS Group established a working group consisting of representatives from legal, commercial, procurement, HR, IT and other relevant areas of our business ("Working Group") to undertake due diligence and develop a constructive strategy and action plan. Working Group members represented all operating entities in the MSS Group.

At the beginning of the reporting period, members of the Working Group commenced a high-level risk analysis of our Tier 1 suppliers and our own operations to assess modern slavery risks. This took relevant factors into account including:

- information from recognised labour and human rights groups and resources including the *Global Slavery Index*²;
- the presence of vulnerable groups in the supply chain, for example, low-skilled personnel and migrants or non-English speaking workers³;
- sector and industry risks, for example informal and unregulated industries (such as the cleaning industry) are typically considered high risk⁴ ;
- product and services risks, as specified in the *Global Slavery Index*, for example garments (apparel and clothing accessories) and electronics (laptops, computers and mobile phones) are in the top 5 products at risk of modern slavery; and
- geographical risks as indicated by the *Global Slavery Index*.

Based on these considerations, the Working Group concluded that:

² Global Slavery Index 2018 <https://www.globalslaveryindex.org/2018/findings/highlights/>

³ See, for example the Australian Council for Superannuation Investors Modern Slavery Risks, Rights and Responsibilities: A Guide for Companies and Investors (survey conducted by KPMG) <https://assets.kpmg/content/dam/kpmg/au/pdf/2019/modern-slavery-guide-for-companies-investors-feb-2019.pdf>

⁴ See Australian Border Force *Addressing Modern Slavery in Government Supply Chains – A Toolkit of Resources for Government Procurement Officers* available at <https://modernslaveryregister.gov.au/resources/>

- our primary industry, the security industry, is one with potential risks of modern slavery practices. One reason for this is that some work performed by security officers is low-skilled and more accessible to vulnerable populations;
- absent suitable safeguards, unscrupulous businesses (including those operating in Australia) may be tempted to exploit vulnerable workers;
- whilst the MSS Group itself has numerous and strong safeguards to mitigate against the potential risks of modern slavery within its own operations, such safeguards may not be present with respect to our supply chain and thus may need attention.

Given the above conclusions, and that our security subcontracting activities accounted for approximately 78% of our supply costs, the Working Group's recommendation to focus supply chain attention in the year on actions to mitigate risks with respect to security subcontractor suppliers, was followed.

ADDRESSING RISKS - OUR DIRECT OPERATIONS

The MSS Group rejects any form of modern slavery and is committed to assessing and addressing modern slavery risks and to implementing and enforcing effective systems and controls to combat the possibility of modern slavery practises impacting our direct operations.

The material modern slavery risks present in our own operations are different to those in our supply chain. Our employees are directly employed pursuant to applicable Australian laws such as the *Fair Work Act 2009 (Cth)* and the relevant Industrial award or enterprise agreement.

Further safeguards include those set out below.

Commitment to Corporate Social Responsibility

Corporate social responsibility is integrated into our operations. We conduct our business with high ethical standards to meet financial, community and environmental responsibilities. Above all else, our service delivery is conducted in the interests of people safety, economic use of resources, environmental sustainability, and compliance with laws such as modern slavery laws. We accept that our actions must accord with the interests of people and society.

Code of Conduct

Our Code of Conduct expresses a comprehensive statement of expectations covering standards, behaviour, and governance. It is an expression of fundamental values and represents the framework for decision-making for every employee.

The Code establishes the following ethical business practices:

- we will comply with the law;
- we will act in good faith;
- we will consider the impact of our decisions on our stakeholders (members, employees, customers, governments, and the broad community) and seek fair resolutions;
- we will communicate openly and effectively with our stakeholders; and
- we will seek always to build trust, show respect, and perform with integrity.

We implement the Code of Conduct through policies, procedures and processes which are used throughout our operations. Our integrity, reputation and profitability ultimately depend upon the individual actions of our

directors, officers, employees, and representatives. Each is personally responsible and accountable for compliance; and we monitor compliance with our Code of Conduct and promptly act on any breaches.

Policies, Procedures and Processes

Effective governance practices are embedded throughout our organisation via a comprehensive suite of policies and procedures which sustain corporate social responsibility. Mechanisms that are relevant for the purposes of identifying and minimising the risks of modern slavery include the following:

Whistleblower Policy and Procedure

Under our Whistleblower Policy, which was implemented in December 2019, "Eligible Disclosers" who have reasonable grounds to suspect any misconduct or improper state of affairs or circumstances, are encouraged to report their concerns without fear of retaliation.

Eligible Disclosers include past and present employees, officers, associates, contractors or suppliers and their respective family members. Their concerns may include their suspicions of modern slavery practices.

Concerns may be raised with a number of identified personnel or bodies and may also be made through a confidential hotline managed by a third party; this helps to protect the anonymity of whistleblowers and also protects data privacy

Modern Slavery Policy

In 2020 we developed a modern slavery policy which provides awareness of what modern slavery may encompass, encourages individuals to be on the lookout for and report suspected acts of modern slavery, and sets out how we deal with the issue. This policy will be implemented during the next reporting period.

Other Policies, Procedures and Processes

In 2020, other potentially relevant policies and protocols including our Grievance Policy, our Anti-Fraud and Corruption Policy, our EEO, Discrimination, Harassment and Bullying Policy, our Recruitment Policy and our Work Rights and On-Boarding Procedures were reviewed to ensure they are aligned on modern slavery and human rights.

Adherence to the Voluntary Principles on Security and Human Rights

Established in 2000, the *Voluntary Principles on Security and Human Rights* ("Voluntary Principles") are a set of principles designed to guide companies in maintaining the safety and security of their operations within a framework that encourages respect for human rights. Whilst not holding a formal subscription, the MSS Group adheres to the Voluntary Principles. To this end, to ensure that we comply with human rights ethics set out in the Voluntary Principles, we seek to:

- communicate effectively with our personnel;
- observe the policies of the company and comply with these;
- maintain high levels of technical and professional proficiency;
- act in a lawful manner and exercise restraint and caution;
- have policies and procedures regarding appropriate conduct;
- record all allegations of human rights abuses; and
- conduct proper investigations, and report accordingly.

Training

Our ability to understand and respond to modern slavery and other human rights issues depends on the identification and reporting of relevant concerns. It is thus imperative that employees, suppliers, contractors, and other relevant stakeholders develop an understanding of what modern slavery issues are, how to report them and how we will deal with them.

To this end, sections on modern slavery have been developed for incorporation into our e-learning induction training modules for direct employees and supplier employees (this is undertaken upon the commencement of employment and periodically thereafter as a refresher). The updated induction modules will be rolled out in 2021.

ADDRESSING RISKS - OUR SUPPLY CHAIN

MSS Group considers that those in our supply chain may be at a greater risk of modern slavery practices than our direct employees, given the possible absence of suitable safeguards particularly with respect to our security subcontractor suppliers. Our **key focus** in the 2020 reporting period was thus on the implementation of actions to mitigate risks with respect to security subcontractor suppliers – as recommended by the Working Group.

Addressing Risks with Key Suppliers - Security Subcontractors

Actions taken to address risks with respect to our Security Subcontractors in 2020 included those set out below.

Due Diligence and Vetting

All our state and territory businesses have updated their security subcontractor due diligence and supplier vetting programs. For example, prior to engaging any subcontractor, the vetting undertaken by the New South Wales division is a multi-stage one that covers the following:

- compliance check - in terms of ensuring that the subcontractor is a legitimate operating entity, has up to date licences and insurances, and that their employees have suitable qualifications and licences;
- review of the subcontractor's financial health;
- review of the subcontractor's history and background and operational processes;
- a visit to the subcontractor's base to ensure the suitability of the premises; and
- an interview at our state office to discuss our requirements and expectations.

Implementation of a New Subcontract Agreement

In September 2019 we implemented a new standard subcontract agreement which contains specific provisions regarding modern slavery, places a strong focus on obligations under industrial and work health and safety laws, and guards against potentially problematic practices such as sham contracting.

Regular Declarations

Our subcontractors are required to provide monthly statutory declarations confirming (amongst other things) that: all their employees have been paid all amounts due to them under law (including all remuneration and superannuation due); the subcontractor has paid all workers compensation premiums; the subcontractor has conducted its business in a manner that is compliant with modern slavery laws; and has done all things reasonably required to reduce modern slavery risks in its operations and supply chains.

Regular Subcontractor Audits

Periodic audits are undertaken to ensure that subcontractors act in accordance with their contractual obligations and the law.

Annual Subcontractor Questionnaire

A security subcontractor questionnaire is completed annually by authorised MSS Group subcontractors who wish to maintain their authorised subcontractor status, or by prospective subcontractors who wish to be placed on our authorised subcontractor register. The key objective of this questionnaire is to obtain an overview of the status of the subcontractor's compliance with modern slavery, other relevant laws such as labour hire laws, and the *Fair Work Act 2009 (Cth)*.

Addressing Risks with Key Suppliers – Other Suppliers

While our focus in 2020 was on addressing risks with respect to our security subcontractors, some relevant actions were undertaken with respect to other suppliers, including the following:

Updating Standard Contract Precedents

Supply contract precedents were updated to include specific clauses to mitigate modern slavery risks.

Contract Management

We have commenced working in collaboration with some of our major suppliers to incorporate measures safeguarding against modern slavery risks, and monitor progress and implement plans to mitigate the risks identified. For example, we are working with one of our key uniform suppliers for the purposes of avoiding purchases from high-risk geographical locations.

ADDRESSING EFFECTIVENESS

The MSS Group is committed to ensuring continuous improvement to ensure that our efforts to identify and tackle modern slavery risks are effective. Effectiveness measures may include:

- periodic review of our modern slavery approach and action by our Working Group, and reporting on this to MSS Group directors;
- monitoring the numbers of direct employees who complete the updated e-learning induction module incorporating modern slavery training;
- monitoring the number of subcontractor employees who complete the updated e-learning module for subcontractor employees;
- seeking feedback with respect to the updated e-learning module to help determine whether a dedicated training module on modern slavery may be necessary;
- monitoring the number of suppliers who introduce their own awareness and training program;
- monitoring the number of subcontractor suppliers that complete the Subcontractor Questionnaire and comply with their reporting and auditing responsibilities as required; and
- investigating and analysing the complaints, grievances and reports of issues received with respect to modern slavery (including frequency and trends) via whistleblower channels.

FUTURE PRIORITIES

Going forward we will continue to build on our accomplishments, and are considering the following:

Continued Focus on Security Subcontractor Suppliers

In 2021 and beyond, we plan to implement additional actions aimed at further mitigating risks posed by our security subcontractor suppliers. In particular, we aim to implement a consistent national approach with respect to due diligence and subcontractor management as distinct to our current state or territory-based model.

Mitigation of the Risks with Respect to Other Suppliers

Actions that have been proposed and are being contemplated include:

- implementing improved due diligence and supplier vetting processes;
- undertaking an audit to ensure that our other key direct suppliers, in particular those that supply high risk products such as uniforms and IT products, have current contracts containing modern slavery provisions, and implementing new contracts where required;
- identifying potential modern slavery risks in our non-direct (Tier 2 etc) suppliers and taking relevant actions to minimise the risks;
- developing and implementing a Supplier Code of Conduct with relevant expectations concerning modern slavery to ensure that all suppliers are at least aware of our requirements; and
- developing and implementing a supplier questionnaire to assist us to evaluate supplier policies and practices and identify, assess and mitigate modern slavery risks in their own supply chains.

Other

- implementing a dedicated training module on modern slavery where feedback with respect to the initial training (that incorporated within our induction module) suggests such approach is required; and
- reviewing and updating all relevant policies and procedures to ensure that they specifically reference modern slavery issues.

CONSULTATION

The MSS Group takes a collective approach to addressing the risks of modern slavery and compliance with modern slavery laws. Our operating entities undertake business in the security and related sectors, have many of the same suppliers, a common philosophy and share the same executive management team. Policies, procedures and processes of the MSS Group, including this statement, are developed collaboratively, and authorised by the directors of the respective entities.

APPROVAL

This statement was approved by the Board of SIS Australia Holdings Pty Ltd, ABN 65 132 211 459



Mike McKinnon
CEO