

Modern Slavery Statement FY 2024



Introduction

SHAPE is a national fitout and construction services specialist driven by diverse capability, local impact, sector experience and a people-focused company culture. SHAPE recognises that modern slavery persists in both Australia and overseas, and we are opposed to and do not tolerate modern slavery. This statement outlines our dedication to upholding human rights, fostering a culture of transparency, and taking proactive measures to identify and address modern slavery risks.

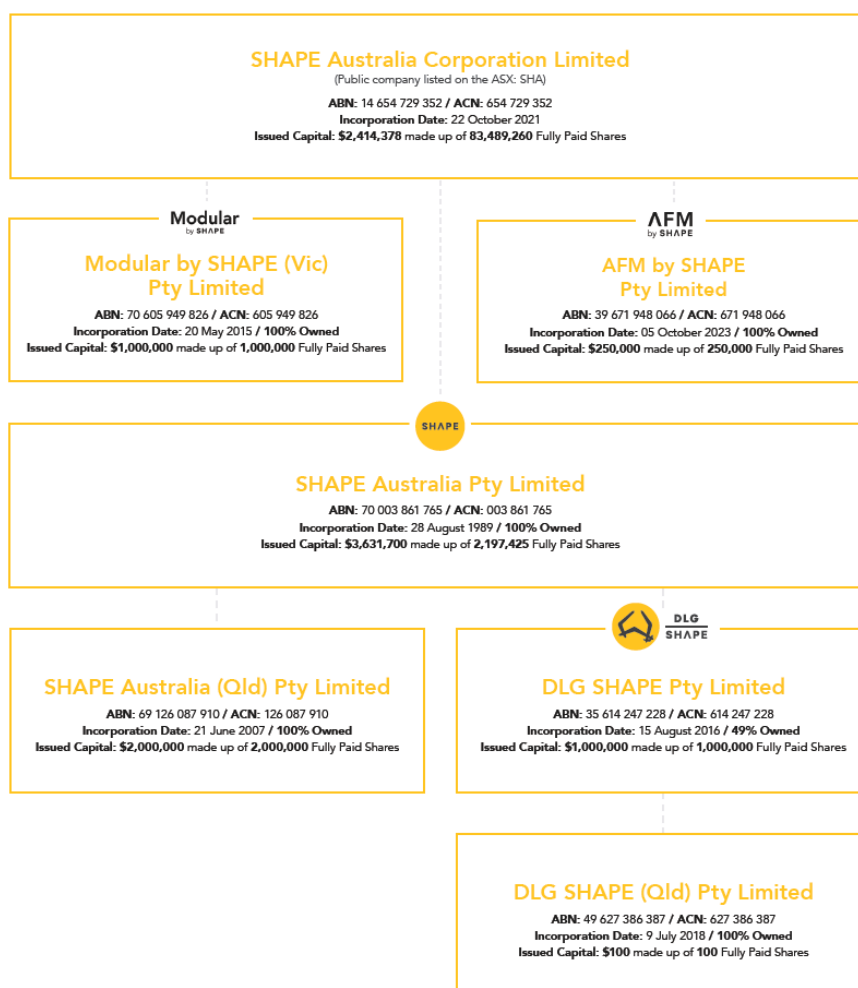
Reporting Entities

This statement is being submitted by SHAPE Australia Corporation Limited (ASX: SHA) ABN: 14 654 729 352 (**SACL or SHAPE**) in a joint statement with SHAPE Australia Pty Limited ABN: 70 003 861 765 (**SHAPE Australia**), both reporting entities defined by Section 5 of the Modern Slavery Act, and all their subsidiaries.

Structure & Operations

SHAPE's business operations are grounded in a 35-year history of safety, quality and experience. Our expertise spans facilities maintenance, fit-out, refurbishment, facades, and both traditional and modular construction. We serve key sectors such as health, retail, education and hospitality. SHAPE's business operations take place within Australian borders. With a national footprint across all mainland capital cities and a number of large regional centres offering construction management services, we also have two modular building production facilities located in Victoria and South Australia specialising in design and construction of bespoke modular solutions.

Company Group Structure



Through our employment processes we ensure that all employees receive wages and entitlements in accordance with the relevant Australian legislation and awards.

Currently, SHAPE has one contractor and one employee working from locations outside Australia. Their employment and contract agreements are reviewed either annually or when circumstances change, to ensure fair remuneration, appropriate working conditions and ongoing compliance with both local and Australian legal requirements as applicable.

Supply Chain

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.

Our assessment of our supply chain has identified there is a risk of modern slavery occurring, however the level of risk of modern slavery existing within the business's operations and supply chain 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.

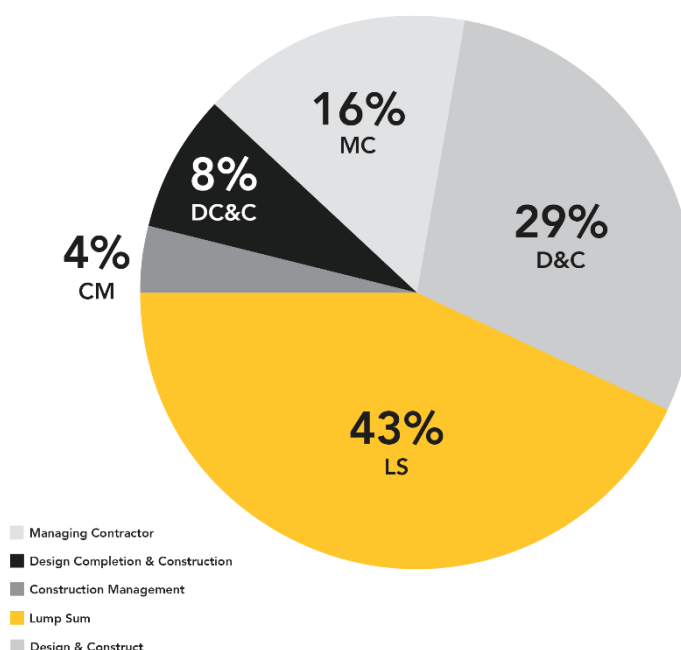
SHAPE's procurement can be described under two categories – Operational / Project-Level Procurement and Corporate Procurement.

Operational / Project-Level Procurement

Approximately 93% of SHAPE's procurement expenses are operational or project-level procurement, required to deliver on our contractual agreements with clients. The contract type we have with our clients determines the level of influence SHAPE can have over the procurement of goods and services:

1. **Construct only** contracts provide little control over 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 offer various levels of influence over the development of the design, selection of materials and manufacturers, depending on how complete the design phase is when SHAPE is engaged. Project consultants are engaged 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 including human rights and modern slavery considerations.

Contract Types (By Value)



Supply Chain Tiers:

SHAPE's supply chain is classified under a 3 Tier model, based on how close supply chain partners are to the company and therefore their potential level of impact on our operations. This model helps us to understand the roles and significance of each supply chain member.

Tier 1:

Operational or Project-level procurement is predominantly the contractual responsibility of our subcontractors, who are part of Tier One of our supply chain and are typically Australian registered businesses. In the rare instances that SHAPE procures a relevant portion of the project's specifications directly from a supplier (instead of our subcontractors making those procurements), then those direct suppliers of SHAPE would also contribute to Tier One of our supply chain.

The risk of modern slavery in our Tier One supply chain may be realised in the following situations:

- If a subcontractor or supplier 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

Within our Tier 1 subcontractors, the following types of trade labour have been identified to carry a medium (or low) risk of modern slavery:

Procurement Overview



Tiers 2 and 3:

Tier Two of our supply chain includes the subcontractors and suppliers of our Tier 1 subcontractors and suppliers - Tier Two will also include distributors and manufacturers.

Our Tier Three supply chain includes manufacturers, their sources of componentry and raw materials.

SHAPE vets and records its supply chain partners through a *Supply Chain Prequalification* which collects information regarding our supply chain's 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.

In the rare instances where our clients require SHAPE to procure from an overseas entity directly, our *High Risk Procurement Assessment* guides these activities to ensure they are performed in accordance with Australian Standards, the National Construction Code and legislative requirements including human rights and modern slavery considerations.

SHAPE's direct supply chain partners (where SHAPE has a direct contractual and financial link) are predominantly not reporting entities as defined by the Modern Slavery Act and thus SHAPE sees its role as communicating the obligations and expectations of the legislation and to have a positive influence in reducing the risk of Modern Slavery occurring within our supply chain.

By influencing the procurement activities of our Tier One supply chain partners, we can also influence the risk of modern slavery occurring in their subsequent supply chain tiers (Tier Two and Tier Three in the supply chain) via distribution, manufacturing, and raw material sourcing.

Corporate Procurement

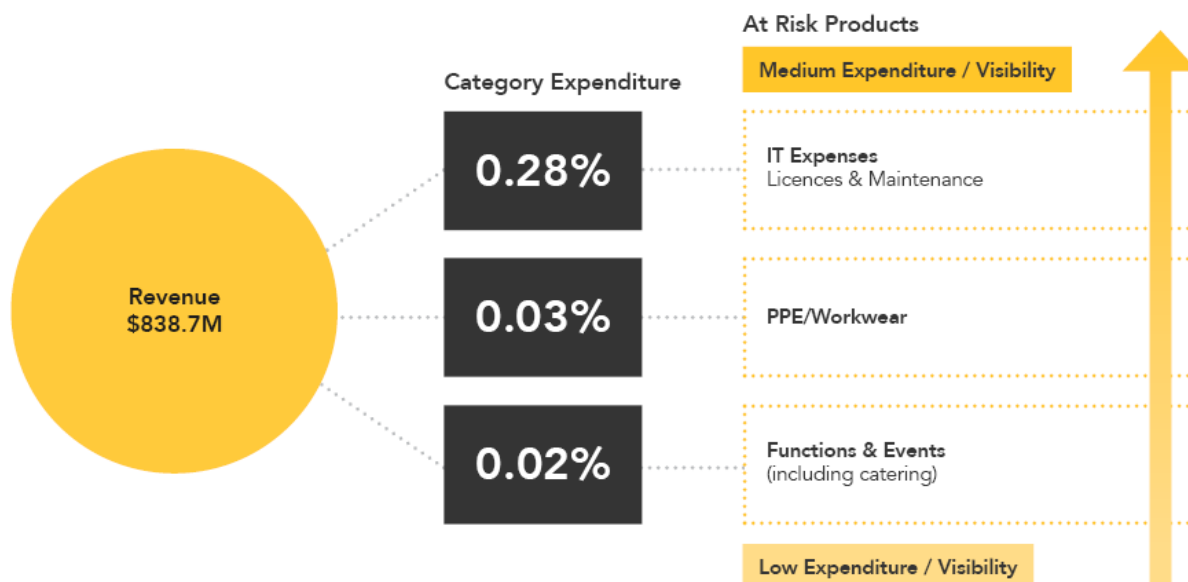
Approximately 7% of SHAPE's total procurement expenses are corporate procurement, which support the operations of the business and cover a diverse portfolio of consumables, operational spaces, services and equipment.

While SHAPE's corporate procurement does include elements which are considered "at risk" of modern slavery, we undertake due diligence of corporate procurements which may include:

- Completion of our *Supply Chain Prequalification* process
- Evaluation of subcontractor and supplier key vendor capability statements and tender responses
- Outlining supplier KPI management methodologies, which includes appropriate support personnel, process and cost breakdowns
- Oversight and support of our national Procurement Manager
- Comparative analysis between suppliers, with a focus on value to identify the supplier who is able to achieve the defined KPIs to the highest standards, including compliance with SHAPE's policies and processes
- Assessment of a supplier's supply chain risk management
- Assessment of potential suppliers via a key stakeholder working group
- Submission and approval of a Business Case proposal to the SHAPE Executive leadership group

While SHAPE's corporate procurement expenditures amount to a nominal proportion of our total revenue, the corporate procurements most at risk of modern slavery have been categorised based on the amount and nature of the expenditure:

Corporate Procurement Overview



Our People and Culture

SHAPE's most important asset is its people.

We pride ourselves on offering a supportive culture with a strong commitment to providing better experiences for our people, contractors, clients and community.

We create a great place to work by providing a constructive 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". 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.

We encourage our people to have individual career plans which set out development goals to define where our people want to take their careers. We also offer our people the opportunity to implement flexibility plans to ensure work can fit around their personal goals. We offer our employees flexible working arrangements, paid parental leave, paid life leave, childcare assistance, health benefits, an Employee Assistance Program and more.

Culture and Engagement surveys take place at various times of the year with an aim to discover what's great at SHAPE and what could be improved. The results are shared with our people, and our leaders develop structured action plans for change.

SHAPE's *Reconciliation Action Plan* and *Diversity Action Plan* have a strong focus on respect, fairness and equal opportunities. Our action plans support our culture of care and individuality.

Through SHAPE's social impact programs, our people do incredible work to give back to those in need and our people don't need any encouragement to get involved.

Actions by SHAPE

Corporate

We have identified an increase in the modern slavery sophistication of our clients and prospective clients, indicated by increased weighting being applied to the management of human rights and modern slavery as indicators of their preferred contractors.

We continue to onboard all employees to our Modern Slavery training module. We continue to monitor the implementation of our *Code of Conduct Policy*, *Anti-Bribery and Corruption Policy*, *Recruitment, Screening and Onboarding Policy* and *Performance Requirements of Building Materials Procedure* (which includes a high-risk procurement checklist).

We developed and published a guide for our employees that assists in identifying the risk of subcontractor insolvency as a key indicator of modern slavery or human rights risks.

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

- Implementing our *Supply Chain Prequalification* risk assessment process when onboarding new subcontractors
- Developing and implementing our *Bespoke Subcontract* suited to the Australian construction industry, which outlines supply chain obligations in regard to modern slavery and human rights
- Primarily engaging Australian registered businesses
- Preferentially procuring Australian Designer Specified Materials and Products
- Preferentially procuring materials and products compliant with Australian Standards
- Maintaining long-term supply chain relationships

Project

We implement our comprehensive ISO-certified management systems (ISO 45001, ISO 9001, ISO 14001, ISO/IEC 27001) for the ongoing monitoring of subcontractor performance at each stage of our interactions with subcontractors:

- EOI and tendering phases:
 - Subcontractors are instructed to provide capability statements, cost breakdowns, charge-out labour rates by employee type (and in accordance with the Enterprise Bargaining Agreements and awards relevant to the employees)
 - We conduct project-specific Tender Analysis of all subcontractor submissions, to identify the subcontractor who is best-positioned to deliver the contracted works to the highest standards
 - Subcontractors new to SHAPE are directed to complete a *Supply Chain Prequalification* through our Portal
 - Interactions with all subcontractors (both new and existing / known to SHAPE) are directed by our *Supply Chain Management Procedure*
- Contract award:
 - Credit checks
 - SHAPE's *Bespoke Subcontract* and *EHSQ Requirements for Subcontractors and Other Service Providers* is signed by subcontractors for every single project, which may be multiple times per year
 - We issue all subcontracts, and purchase orders over \$10,000, through our secure electronic delivery system

Feedback Mechanisms: we create multiple channels for employees and workers to report concerns anonymously:

- Daily Site Inductions are delivered face-to-face by a SHAPE Site Representative. All subcontractor employees arriving onto the project for the first time complete this Site Induction, which includes:

- SHAPE is committed to providing a positive work environment for all workers which is conducive to good workplace relations. In this type of workplace, there is no place for aggressive behaviour, bullying, harassment or discrimination
- We specifically direct every site visitor and subcontractor employee to the “About > People and Culture” page of our public website where they can download a copy of our *Grievance Policy* and *Whistleblower Protection Policy*, including their ability to make anonymous complaints through an independent and external whistleblower platform
- Weekly subcontractor meetings are held to review progress against the program, identify barriers to work progression, identify potential risks regarding company finances or worker motivation / commitment, barriers or obstacles to delivery of the works
- Daily works scheduling and Pre-Start Meetings are performed
- Weekly Toolbox Talks are delivered with all workers on site, providing an opportunity for any concerns, including human rights issues, to be raised and addressed
- Regular audits and ad-hoc worksite inspections are conducted, which includes conversations and check-ins with subcontractor employees to verify their work satisfaction, working conditions, relationships, timely remuneration, other life stressors, etc.

Assessment of Effectiveness

The effectiveness of our processes are monitored and reviewed on an annual basis in alignment with our ISO 9001 certified Quality Management System.

We openly and transparently participate in client-driven modern slavery and human rights audits, which provide learning opportunities for us to develop and mature further.

In February 2024 we engaged a third-party consultancy to assist in the development of our 3-year corporate Environmental, Social, Governance (ESG) strategy, which included an assessment of the effectiveness of our existing modern slavery and human rights management processes and recommendations for future target areas.

We track and monitor:

- Completion rates of our employee Modern Slavery training module
- Assessed and completed Supply Chain Prequalifications
- Non-conforming Supply Chain Prequalifications
- Whistleblower Protection Policy reporting events

We seek to continually improve our modern slavery risk management processes by identifying and understanding the trends in our market, competitors and clients:

- Market driven compliance responses
- Market demand for continual improvement
- Supply chain procurement trend analysis
- Supply chain education / guidance events
- Commercial construction industry peers and their published modern slavery statements

Consultation Process

To ensure a whole-of-business approach was considered in the assessment and management of modern slavery and human rights risks, SHAPE created a Modern Slavery working group from within the Corporate Services team (national shared services). The working group comprised the following roles:

- EHSQ Manager - Policy & Procurement
- Group Manager - People & Culture
- Group Manager - EHSQ Corporate Systems
- General Counsel - Legal
- Group Financial Controller
- Group Executive - EHSQ and IT

As each of the operational entities of SACL utilise the same resources for guidance on policies and procedures, a singular consultation process has been undertaken.

The Audit and Risk committee, the Chief Executive Officer and the Chief Financial Officer of SHAPE Australia have contributed to the preparation of this Modern Slavery Statement as required.

The Chief Executive Officer is also a Director of all subsidiaries of SACL.

The Chief Financial Officer is a Director of all reporting entities.

Other Relevant Information

SHAPE utilised a number of external sources to develop this statement and supporting processes, such as the engagement of an external consultancy for guidance on a supply chain risk assessment, ongoing collaboration with industry peers and groups to confirm alignment and consistency, along with accessing and reviewing online publications.

SHAPE has also maintained regular dialogue with key supply partners to ensure they remain informed of the legislative requirements and supply chain management implications, and to encourage alignment for both reporting and non-reporting entities within its key suppliers.

Approval

This statement was approved by the Board of SHAPE Australia Corporation Limited on 17th December 2024.



Peter Marix-Evans

Chief Executive Officer and Managing Director