



ISS FACILITY SERVICES
AUSTRALIA LIMITED

Modern Slavery Statement FY21

PEOPLE MAKE PLACES



Introduction



Introduction from Stuart Rose Chief Executive Officer

This is ISS Facility Services Australia Limited's first Modern Slavery Statement, which outlines the steps we have taken to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chain.

We believe in creating a fair and inclusive society that makes the world work better. We take care of, and provide opportunity for our people, helping them to develop themselves. We do this because we know our people can and do make a difference. ISS helps to protect and maintain places and we help our customers to minimise their impact on the planet by reducing their consumption of energy, carbon and water and cutting their production of waste.

As a global company with a heritage of fairness, equality and inclusion, we know that when we get things right, it enhances lives and makes the world work better. This is what drives us.

ISS adopts the Australian Modern Slavery Act definition of Modern Slavery, including the eight types of exploitation. Modern slavery is a crime and a gross violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the




deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

We are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to prevent modern slavery within our own business and in our supply chains. ISS also understands the key to eradicating this complex issue is to set clear expectations for our people and suppliers, which will alert us to potential involvement in modern slavery and empower us to take steps to address it and to prevent such involvement in the future.

ISS aims to lead our industry by example and positively influence the markets in which we operate. As a global business with 400,000+ employees, we play an important role in society and have a huge opportunity to drive positive business and societal outcomes.

ISS A/S was an early adopter of the United Nations Global Compact

and we have embedded these commitments in our organisation around the following structure:

-  **People:** Safe working conditions and human rights
-  **Planet:** Reducing our impact on the environment and climate
-  **Profit:** Compliance with sound business standards

ISS is proud of the steps we have already taken to combat slavery and we recognise that extending this focus deeper into our supply chain will help to reduce the incidence of modern slavery, not only in Australia but globally.

ISS Structure, Operations and Supply Chain

Across the world, ISS is a leading workplace experience and facility management company. In partnership with customers, ISS drives the engagement and well-being of our people, minimises the impact on the environment, and protects and maintains property.

Throughout Australia and New Zealand we deliver a wide range of services across five core market segments including Healthcare, Energy & Resources, Government, Transport & Infrastructure and Office-based, Production-based & Specialised, covering a wide geography and servicing diverse customers. In every aspect of our business we are united with our approach to enhancing the workplace experience and delivering 'Service with a Human Touch'.

OUR STRUCTURE

Our business is comprised of a number of companies associated with our core market segments. This statement covers:

ISS Facility Services Australia Limited (ABN 87 001 827 041) the Australian parent company and our Government segment.

ISS Integrated Services Pty Limited (12 001 806 097) our Energy & Resources segment.

ISS Health Services Pty Limited (98 109 689 223) our Healthcare segment.

ISS Facility Management Services Pty Limited (52 008 516 765) our Office-based, Production-based & Specialised segment.

ISS Security Pty Limited (14 001 375 186) our Transport & Infrastructure segment.

ISS Facility Services Limited (NZBN 9429040643021) our operations in New Zealand.

Joint Ventures

ISS Integrated Services Pty Limited and Kalka Developments Pty Limited.



+15,000
Employees



+400
Customers



57
Key Account Customers



\$857M
Million Revenue 2020



+800
Suppliers



2.4
Lost Time Injury Frequency
Rate (LTIFR) 2020



+400
Internal Recognition Awards
Presented to Employees



11
Resources Customers
across WA, SA and QLD



+870
Public Schools and 10 Universities



44
Public and Private Hospitals



14
Airports Nationally plus
10 Freight Depots



200+
Sites delivering Hard FM
Services



ISS Governance

Our commitment to modern slavery has led to the formation of the ISS Modern Slavery Committee, which has responsibility for overseeing the organisation's response to combating modern slavery risks. The ISS Country Leadership Team have endorsed this statement and ISS's Modern Slavery Policy. The Leadership Team reviews emerging risks and opportunities, leads stakeholder engagement and facilitates the sharing of best practice throughout the organisation.

In addition, our divisional management teams have responsibility for identifying, managing and overseeing any material modern slavery risks in accordance with the ISS Risk Management Framework.

ISS Supply Chain

We recognise that the support of our suppliers is intrinsic to eliminating slavery and we have put in place a robust assessment and audit system for our supply chain.

Our commitment to human rights is outlined in the Modern Slavery Policy, the ISS Group Corporate Responsibility Policy, the ISS Global People Standards, and the ISS Global Supplier Code of Conduct, all of which are shared with our suppliers and subcontractors. All suppliers and subcontractors are required to complete an Ethical Business questionnaire which includes key questions centred on Modern Slavery, anti-bribery, collective bargaining, living wage and many other socio-economic factors which affect our suppliers' workforce.

OUR SUPPLIERS AND SUBCONTRACTORS

All products and services carry the risk of modern slavery in their supply chains. ISS Supply Chain has identified some products and services that carry a higher level of modern slavery risk such as electronics (specifically phones and laptops), cleaning subcontractors and international food and consumable supplies.

ISS supplies are sourced from a range of locations with the largest volume of products sourced from Australia, Bangladesh, Cambodia, China, India, Indonesia, Pakistan and Vietnam.

ISS does not own the factories where products are manufactured but engages third-party distributors to source and purchase products. Our supply chains include providers of goods and subcontracted services to enable the business to deliver single service, bundled services and total integrated facilities management to a range of public and private sector clients. Our approach is to work closely with our suppliers in the management of modern slavery risks,

in particular the heightened risk of sourcing particular products from certain countries.

These suppliers are managed internationally by ISS A/S, nationally by ISS or locally by our client facing operational teams, using tools which reflect the professional procurement processes in use.



For all significant suppliers, ISS considers factors such as ethical sourcing, labour practices, values alignment and existing customer base, as well as commercial matters like price, quality, quantity and lead time.



ISS Due Diligence Processes

ISS works with partners and stakeholders that share our common goals – to adhere to ethical business conduct standards.

ISS has adopted a risk-based approach to modern slavery due diligence.

As part of our initiative to identify and mitigate risk we have carried out a risk based assessment on our supply chain to identify areas where ISS should focus our efforts:

- All significant ISS suppliers are onboarded and assessed using a tool which requires adherence to the Modern Slavery Act 2018, ISS Supplier Code of Conduct, Supplier and subcontractor checklists and other social driven initiatives. Any supplier who does not respond appropriately will not be approved.
- The standard Terms and Conditions of business for suppliers and subcontractors cover compliance with all current legislation. We have updated our standard Terms and Conditions of business to include specific reference to the Modern Slavery Act 2018 and its requirements.
- We segment the supply chain by category and review what further checks are necessary on suppliers within certain high risk categories. This will depend on the likely

level of risk and spend. Currently we consider our higher risk categories to include the supply of temporary labour, food and uniforms/clothing. Further due diligence checks can include credit checks, online investigation, and other supplier client discussions. Suppliers with spend above a certain threshold in the high risk categories are considered for further comprehensive audits and verification checks.

- We use a system called ISS ProcurePASS across our Supply Chain in ISS Pacific. This is a risk assurance assessment tool supplied by Achilles which looks at such elements as health and safety, insurances, ethical business standards and a variety of other business impact areas to identify risks to us and our clients. ISS ProcurePASS has a low, medium and high process flow depending on the responses provided. The system gives ISS insights into our supply chain, and provides an independent third party business risks audit carried out by Achilles for high risk suppliers and subcontractors. ISS ProcurePASS has been rolled out to nearly 50% of our Supply

Chain and to date we have verified and qualified suppliers and subcontractors in the system representing over 60% of the ISS spend. ISS ProcurePASS is now being rolled out globally, driven by our parent company, ISS A/S.



We have in place systems to:

- Identify and assess potential risk areas in our supply chains.
- Mitigate the risk of modern slavery occurring in our supply chains.
- Monitor potential risk areas in our supply chains.
- Protect whistle blowers.

SUPPLIER ADHERENCE TO OUR VALUES

To ensure all those in our supply chain and contractors comply with our ethical values we take steps to verify, evaluate and address risks of slavery and human trafficking in our supply chain.

Our on-boarding questionnaire and ISS Supplier Code of Conduct set clear expectations for our suppliers which we require our suppliers to meet. We regularly notify our suppliers of their obligations to

comply with our ISS Group Supplier Code of Conduct.

In addition our supplier terms and conditions of business contain provisions requiring suppliers to comply with all current legislation, including the Modern Slavery Act.



Our Modern Slavery Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our supply chains.

The Policy applies to all employees and is underpinned by our core values of entrepreneurship, quality, respect and honesty, which are firmly embedded in our culture. This is also underpinned by the ISS Global Policies on Corporate Responsibility and Global People Standards.

We have a suite of other HR policies and guides for our managers and supervisors across our business, which equip them to manage and mitigate human slavery risks. These include our: Pre-Employment Screening Policy, Recruitment Policy and Speak Up/Whistleblowing Policy which offers a phone or internet-based service for anonymous complaints.

Our Policies on Modern Slavery

ISS is committed to supporting and respecting human rights throughout our workforce and supply chain and is a signatory to the United Nations Global Compact.

Where ISS is made aware of modern slavery practices in our operations or supply chain, ISS investigate all claims and if valid, resolve the issue in accordance with applicable policies.



Risks of modern slavery practices in ISS' operations and supply chains

IDENTIFYING RISKS

Modern slavery has the potential to exist in our operations and supply chain through a variety of circumstances, including forced labour, child labour, debt bondage and human trafficking.

The cleaning and facilities management industries are considered high risk for instances of modern slavery.

Our services are primarily self-delivered in Australia, which has a low prevalence of modern slavery (Global Slavery Index 2018) and a strong regulatory environment.

ISS is a founding member of the Cleaning Accountability Framework (CAF) with a certified 3 Star standard. CAF is an independent multi-stakeholder body that aims to improve working conditions for cleaners through a supply chain accountability mechanism – CAF Building Certification. CAF works with supply chain stakeholders at a building to identify, investigate and remedy labour rights violations and implement the conditions for decent work within that supply chain.

As part of the assessment of working conditions against the CAF 3 Star Standard, CAF's assessment

includes a process to diagnose the presence of slavery-like practices through worker engagement. A CAF Star rating is awarded when the conditions for decent work are implemented.

We believe there is minimal risk of causing, contributing or being directly linked to instances of modern slavery within our operations.

To date, we have conducted analysis of our value and supply chain and identified a number of categories where there is the potential for us to cause, contribute or be directly linked to modern slavery.

CLEANING



Cleaning is often identified as being at a higher risk of modern slavery, including in Australia, due to low-skilled, low-paid, manual work and the high prevalence of short-term, seasonal and migrant workers and subcontractors.

A respect for human rights is at the heart of ISS and our philosophy of "People Make Places". We take very seriously our responsibility to play our part to eradicate all forms of modern slavery and human trafficking, including exploitation, forced labour, child labour and servitude.

Illegal working often leads to exploitative behaviour and can have an adverse impact on the employment of people who are lawfully in Australia. All workers in Australia have the same rights and protections at work, regardless of citizenship or visa status. As a responsible, ethical business, we recognise that our success depends upon on an engaged and productive workforce that is well looked after.

The ISS ethical standards relating to our workforce are enshrined in our ISS Code of Conduct.

FOOD AND BEVERAGE SUPPLIES



Procurement of high risk products across maritime borders, particularly from emerging economies, are at an increased risk of modern slavery. We are continually working with suppliers within our procurement control environment, to determine if modern slavery risks have been appropriately addressed.

UNIFORMS & PPE

Uniforms, branded clothing and Protective Personal Equipment (PPE) are often sourced from countries with higher risks of modern slavery where government oversight and due diligence processes are less stringent than those in Australia.

These supply chains are often complex and difficult to monitor beyond the first tier. There is a risk that raw materials such as cotton for shirts, or plastic for buttons may be sourced from business where employees have been subjected to modern slavery.

CONSULTATION AND APPROVAL PROCESS

In performing the actions described throughout this Statement, consultation included engagement with ISS's Modern Slavery Working Group, various levels of management and business unit representatives with oversight of suppliers and subsidiaries assessed as potentially more highly exposed to risks of modern slavery practices.

We will further expand our consultation with customers, partners and suppliers over the coming months.

Our Country Leadership Team has been involved in the compilation and endorsement of this Statement. The Statement was approved and signed by the Chief Executive Officer.

LOOKING FORWARD



We recognise that eradicating modern slavery requires dedication to make a positive difference to people's lives, in line with our purpose.

Looking ahead, we plan to progress the following actions this year and beyond:

Building Our Capabilities

- Develop and deliver a broader training and awareness program for our people to increase their understanding and knowledge of modern slavery risks in our operations and supply chain.
- Continued maturing of our supply chain risk assurance mechanisms including strengthening of our supplier contractual provisions for adherence with modern slavery laws

- Embed opportunities to streamline processes and templates, and enhancement of onboarding and monitoring processes
- Increased collaboration within our networks, customers and supply chain, to strengthen our response to modern slavery.
- Engage with more suppliers in the highest risk profile groupings to more deeply assess exposure to modern slavery practices.

ISS UNIFORM CASE STUDY

ISS works closely with its uniform provider, *Andrew's Corporate Clothing (ACC)* to manage modern slavery risk. Within Australia, Andrew's Corporate Clothing's supply chain has been accredited by Ethical Clothing Australia which both wages of

employees and OHS conditions of the factory premises.

Andrew's Corporate Clothing (ACC) employs several factories internationally for the manufacture of a number of garments. Each international manufacturer must meet SA8000 standards for workplace

practices which cover 8 main areas important to social accountability in the workforce. This includes forced labour, working hours, remuneration, and health and safety.

Andrew's Corporate Clothing (ACC)'s manufacturing partners must execute a Supply Agreement which

includes Ethical Supply standards. Manufacturing partners are audited by third parties under the Business Social Compliance Initiative (BSCI) and Sedex ethical trade supply chain management audits.

This year's Modern Slavery Statement

This statement relates to the activities of ISS and its subsidiaries. It has been prepared by our Modern Slavery Working Group and approved by the board of ISS on 25 June 2021.

All references our, we, us, ISS refer to ISS Facility Services Australia Limited and its subsidiaries.

Questions or concerns

We value all feedback. Please forward any comments on this statement or requests for additional information to communications@au.issworld.com



CEO
Stuart Rose

25 June 2021