



MODERN SLAVERY STATEMENT

MSS Group

Reporting Period FYE 2021

Date of Statement: 30 September 2021



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ABOUT THIS STATEMENT

This Modern Slavery Statement is made pursuant to section 16 of the Modern Slavery Act 2018 (Cth) ("the Act") jointly on behalf of SIS Australia Holdings Pty Ltd, ABN 65 132 211 459, and its below noted Australian subsidiaries (collectively, the "MSS Group"). It describes the actions taken by the "MSS Group" during the MSS Group 2020 to 2021 financial year ("2021 Reporting Period") to identify, mitigate and manage modern slavery risks in our business and supply chains. It is the second Modern Slavery Statement made by 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

Note: Although related bodies corporate of the MSS Group entities, this statement does not cover Southern Cross Protection Pty Ltd, ABN 93 094 077 255 and its subsidiaries, Charter Security Protective Services Pty Ltd, ABN 91 133 958 406 and Askara Pty Ltd, ABN 56 082 632 540 (collectively the "SXP Group"). The SXP Group is 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 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 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 is a joint venture between an Indigenous 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

The MSS Group spent approximately \$185 million on supplies across more than 1,100 Tier 1 or direct suppliers¹ during the 2021 Reporting Period. A broad range of goods and services were procured, however, given that our operating business is labour based, our labour provider subcontractors comprised by far the largest group of Tier 1 suppliers.

The below table sets out the dollar spend and percentage of total supply costs with respect to our subcontracting activities and demonstrates a significant increase in spend on such activities in the 2021 Reporting Period relative to the prior 2020 Reporting Period.

Reporting Period	Total Supply Costs	Dollar Spend on Subcontracting	Percentage of Supply Costs on Subcontracting
2020	\$ 150 million	\$ 117 million	78%
2021	\$ 185 million	\$ 152 million	82.2%

In the ordinary course of business, we also manage a relatively narrow supply chain of other products and services to support our staff and service delivery. Such other products and services include uniforms, IT and communications, fleet, security and medical equipment, consumables, personal protective equipment (PPE), travel and accommodation, cleaning, property leasing, insurance and professional services.

While the vast majority of our Tier 1 suppliers were Australian companies or individuals, we are aware that a very small minority - particularly of our larger uniform, IT and fleet suppliers - source products from Asia and other parts of the world. The MSS Group has developed long-term productive business relationships with many of our larger suppliers, and has in most cases, documented the terms of these relationships, including our expectations in relation to modern slavery, in formal agreements.

At the other end of the spectrum of our Tier 1 suppliers were very small spend individual vendors who provided a one-off product or service for a spend of less than \$1,000. Approximately 520 (or 46%) of our Tier 1 suppliers in the 2021 Reporting Period were such vendors. A significant proportion of these small spend vendors were employees making expense claims for such things as consumables, parking, cab fares or training services. Such vendors present negligible risk with respect to modern slavery.

ASSESSING MODERN SLAVERY RISKS

To reduce the risk of modern slavery practices in our supply chain, in 2019 the MSS Group established a "Working Group" representing all operating entities in the MSS Group and consisting of representatives from legal, commercial, procurement, HR, IT and other relevant areas of our business. Amongst other responsibilities, the Working Group was given the task of undertaking due diligence and developing a constructive strategy and action plan with respect to the identification, management and mitigation of modern slavery risks.

At the beginning of the 2020 Reporting Period, members of the Working Group commenced an initial high-level risk analysis of our Tier 1 suppliers and our own operations to assess modern slavery risks. In the 2021 Reporting Period, the Working Group completed this Tier 1 review and commenced reviewing selected Tier 2 Suppliers.

The risk analyses undertaken in the 2020 and 2021 Reporting Periods 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-

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

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

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 made the below conclusions:

- 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; and
- 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 the increase in security subcontracting in the 2021 Reporting Period, the Working Group's recommendation to continue to focus supply chain attention on actions to mitigate risks with respect to security subcontractor suppliers was followed.

ADDRESSING RISKS - OUR DIRECT OPERATIONS

The MSS Group has a zero-tolerance approach to and rejects any form of modern slavery. We are committed to assessing and addressing modern slavery risks and to implementing and enforcing reasonable, practical and effective systems and controls to minimise the possibility of modern slavery taking place anywhere in our own business or our supply chains.

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.

Employee Code of Conduct

Our Employee 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:

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/>

- 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:

Modern Slavery Policy

Our Modern Slavery Policy, which was developed in the 2020 Reporting Period and implemented during the 2021 Reporting Period, provides awareness of what modern slavery encompasses, encourages individuals to be on the lookout for and report suspected acts of modern slavery, and sets out how we deal with the issue.

Whistleblower Policy and Procedure

Under our Whistleblower Policy, which was implemented in December 2019 and updated in April 2021, "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.

There have been no modern slavery issues disclosed or reported since the policy was introduced.

Other Policies, Procedures and Processes

In the 2020 Reporting Period, other 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. In 2021, remaining relevant policies, including our Work Health and Safety Policy (in particular) were also reviewed.

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 were developed for incorporation into our compulsory e-learning induction training for direct employees in the 2020 Reporting Period and this training was rolled out in 2021. All our employees are now required to complete this training at the commencement of their employment and to also undertake annual refresher training.

ADDRESSING RISKS - OUR SUPPLY CHAIN

The 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 2021 Reporting Period, as it was 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 and 2021 included those set out below.

National Subcontractor Management Program

Historically, the model used by the MSS Group to manage and mitigate risks with respect to security subcontractors, has been a state or territory-based model. In the 2020 Reporting Period the Working Group identified a need to develop and implement a consistent national approach applicable to all our business units.

During the 2021 Reporting Period, a suitable on-line platform was consequently identified and a national approach developed to managed subcontractor due diligence, contracting, governance, auditing, training and record keeping.

The national online platform is currently being trialled in New South Wales with a view to rolling it out in 2022.

Due Diligence and Vetting

During the 2020 Reporting Period, our state and territory businesses updated their security subcontractor due diligence and supplier vetting programs. This was improved further in 2021.

Prior to engaging any subcontractor, the vetting undertaken nationally is a rigorous and multi-stage one that covers the following:

- compliance check - in terms of ensuring that the subcontractor is a legitimate operating entity, is a member of a security industry association, 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, policies and operational processes;
- a visit to the subcontractor's base to ensure the suitability of the premises; and
- an interview to discuss our requirements and expectations.

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.

During the 2021 Reporting Period, this standard agreement was amended to include more specific expectations, including those on modern slavery. The updated agreement will be implemented gradually as agreements with our subcontractors are renewed.

Policies, Procedures and Processes

Our security subcontractors are required to comply with our relevant policies and procedures, in particular, our Modern Slavery Policy, our Whistleblower Policy and Procedure and our Work Health and Safety Policy. This requirement was formally included in updated security subcontract agreements precedents in 2021. We also recommend that security subcontractors develop and implement their own policies and procedures.

Training

Our subcontractor training program requires all employees of our security subcontractors to undertake an e learning induction and to repeat this annually. The e learning training outlines the rights and obligations of subcontractors and their employees and provides instruction on such things as our operational expectations and standards of conduct, work health and safety, EEO, discrimination, harassment and bullying and the MSS Employee Code of Conduct (which also applies to subcontractor employees).

Modern slavery training was incorporated into the subcontractor e learning induction in the 2021 Reporting Period and is currently being rolled out.

Regular Declarations

Our subcontractors are required to provide periodic 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. To date, these audits have been completed intermittently but will be done on an annual basis once the above referenced National Subcontractor Management Program has been fully implemented.

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)*. This questionnaire was implemented in 2019 but has been updated to include more specific questions with respect to modern slavery. The updated questionnaire will be implemented when the above referenced National Subcontractor Management Program is rolled out.

ASIAL Subcontracting Code of Practice

During the 2021 Reporting Period, the Australian Security Industry Association (ASIAL) the peak body for security professionals, developed a Subcontracting Code of Practice. This Code, which took effect on 1 July 2021, aims to promote compliance with legislative requirements, eliminate sham contracting, protect vulnerable workers from exploitation and improve business practises.

The MSS Group embraced this initiative, was proactively involved in the drafting of this Code and is fully compliant with the provisions of the Code

Addressing Risks with Key Suppliers – Other Suppliers

While our focus in both the 2020 and 2021 Reporting Periods was on addressing risks with respect to our security subcontractors, some relevant actions were undertaken with respect to other suppliers, including the following:

Standard Contract Precedent Updates

Supply contract precedents were updated to include specific clauses to mitigate modern slavery risks. These precedents have been gradually introduced in our supply contracts as they have been renewed and or renegotiated.

Contract Management

We continued to work in collaboration with some of our major suppliers, particularly our key uniform suppliers, to incorporate measures safeguarding against modern slavery risks and monitor progress and implement plans to mitigate the risks identified.

Supplier Modern Slavery Questionnaire

A supplier questionnaire was developed covering modern slavery and related issues in the 2021 Reporting Period. This questionnaire will be finalised and implemented in 2022. Suppliers that are assessed as high risk with respect to modern slavery will be required to complete this questionnaire. Answers and results of the questionnaires, together with other due diligence tools and discussions with the relevant suppliers will determine whether further investigation or action may be required.

Supplier Code of Conduct

A Supplier Code of Conduct, applicable to all MSS Group suppliers, their agents and subcontractors was drafted in 2021. This Code, which includes specific modern slavery related expectations will be finalised and implemented in the 2022 Reporting Period.

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 number of direct employees who complete our e-learning induction module incorporating modern slavery training;
- monitoring the number of subcontractor employees who complete our e-learning module for subcontractor employees incorporating modern slavery training;
- seeking feedback with respect to above noted incorporated modern slavery training 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;
- reviewing supplier responses in the Supplier Modern Slavery Questionnaires; 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

In the 2022 Reporting Period and beyond, the MSS Group will continue to build on our achievements and take further action to mitigate modern slavery risks in our business and supply chains.

Continued Focus on Security Subcontractor Suppliers

In 2022 and beyond we plan to implement additional action aimed at further mitigating risks posed by our security subcontractor suppliers. In particular, we aim to complete the testing of and to commence implementing our National Subcontractor Management Program.

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, particularly for higher risk suppliers who source products overseas;
- undertaking an audit to ensure that all 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; and
- where possible, mapping and identifying potential modern slavery risks with respect to our non-direct (Tier 2 and 3) suppliers and considering and taking relevant actions to minimise the risks.

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;
- reviewing and updating all relevant policies and procedures to ensure that they specifically reference modern slavery issues; and
- broadly promoting our Modern Slavery Policy and our Whistleblower Policy and Procedure to remind personnel of their relevant rights and obligations and to encourage reporting through our third party managed hotline in the event they have modern slavery related concerns.

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



Michael McKinnon

CEO