

This will be the third statement as published on behalf of 2Construct Pty. Ltd (ABN 28 109 517 188) pursuant to Section 14 of the *Modern Slavery Act 2018 (Cth) (MSA)*, as it applies for the reporting period of 1 July 2022 to 30 June 2023.

Overview of Identification, Structure, Operations and Supply Chains FY2022/23

Headquartered in Brighton, Victoria, 2Construct Pty. Ltd ((Collectively, “2Construct”, “the company”, “us”, “our”, “we”) is a privately owned and controlled entity complimented by its industry membership affiliations as previously accounted for in its previous modern slavery statement. 2Construct continues its entrepreneurial drive and evolution as a diversified general contractor, operating across the state.

Since its inception in 2004, 2Construct, as an accredited contractor with the Victorian Government Construction Supplier Register, (Identification No.: 900715), is forging ahead as a leading provider of code-compliant building, civic and civil construction services, in key market sectors attributable to Commercial, Community, Education, Aged Care, Sport & Recreation.

Within the recent financial year, the composition of our organisational structure has been invigorated through organic growth of our new generation of leaders who are assuming critical functions of the executive team, pivotal to the inspiration, inclusivity, and development of our core areas of operation.

2Construct has also enhanced its brand recognition of *Managing Complexity*, with key straplines that include embodying our socially and environmentally responsible practices and recruiting and retaining the best, as reflected by strategic growth in the appointment of an Operations Manager and the acquisition of a highly regarded General Manager of Finance/CFO. During the 2022/23 financial year, internal resources, and capabilities to develop our remediation process, or implement a process for remediation, has been bolstered with the acquisition of People and Culture Manager within 2Construct.

Guided by social and enterprise value propositions which are demonstrated by the unwavering commitment to expand on previous policy development, 2Construct continue to evaluate processes and changes to our operations and sustainable procurement methodologies.

ISO accreditation(s) require the business to comply with its modern slavery obligations under the MSA. This enables identification, detection and progressive reduction of modern slavery risks associated with labour deployment and ethical sourcing of construction materials and good and services transparent within our direct and indirect supply chains including:

- Acquiring service streams which include financial, construction subcontracting, engineering, environmental specialists, waste and recycling, cleaning and maintenance, information & technology, marketing, and recruitment.
- Raw materials including timber products, steel, mesh, and concrete.
- Sourcing via the rental of plant and equipment, tools, and formwork.
- Purchasing of stationery, furnishings, and goods to support our expanding information and communications technology (ICT).
- Consumables such as office supplies, kitchen goods, catering services and Personal Protective Equipment (PPE) incorporating branded company attire and merchandise.

The supply chains and origination of products and materials principally remain within Australian and New Zealand.

Our subcontractor and supplier selection process remains the focus of complying government mandated standards and health and safety requirements in alignment of social and environmental values.

Adopted Actions FY2022/23

This financial year, we have continued our development of policies to ensure consistency in our approach against modern slavery both in the workplace and across our supply chain (outlined further below). In addition, we have continued our workplace training internally through our human resources system “IntelliHR” (outlined further below).

Multi Policy Development

Anti-Slavery & Human Trafficking Policy

2Construct’s Anti-Slavery & Human Trafficking Policy aims to minimise the risks of modern slavery within our business, with our Subcontractor/Supplier partners and within our supply chains.

This policy is reviewed bi-annually along with the business’ suite of policies.

Whistleblower Policy

The Whistleblower Policy sets out 2Construct’s commitment to the reporting and investigation of misconduct or improper states of affairs. The policy, which complies with the requirements of the *Corporations Act 2001 (Cth)* provides employees, supply chain participants, and our clients opportunity to report suspected instances of human rights violations anonymously and with appropriate protection.

Equal Opportunity, Anti-Discrimination, Harassment, Workplace Behaviour Policy

Revised in May 2023, this policy has been amended to reflect new legislative changes regarding workplace behaviours, commensurate with *Fair Work Act 2009 (Cth)*, in so far as such a policy is necessary to help meet the positive duty to eliminate harassment and to manage the risks of psychosocial harm to workers.

Corporate Governance

2Construct has completed a full review based on the advice received by the Attorney General’s Department (ADG) – Modern Slavery Business and Government Engagement Section to address compliance with section 16 the MSA.

MSA: Section 16(1)

Mandatory Criteria (a) & (b): Structure, Operations & Supply Chain

This statement relates to proprietary limited construction and development businesses that trades under the 2Construct trading name, which is controlled by a privately owned entity 2Construct Pty Ltd (ABN 28 109 517 188). 2Construct does not own or control any other entities and therefore, is not required to undertake the consultation requirement in section 16(1)(f) of the MSA.

2Construct’s operations are Australian based and solely within the state of Victoria.

FY2022/23, 2Construct has completed fourteen (14) projects across the building, civic and civil disciplines. 2Construct’s current annual turnover is \$165,000,000. 2Construct employs seventy-five (75) staff across Victoria in corporate and project delivery roles.

Whilst 2Construct’s supply chain includes the procurement of typical goods and services required to operate and administer a business, 2Construct’s supply chain spend is dominated by the contracted supply and installation of construction related materials, plant and equipment, and services procured as described in the opening section contained herein of this statement.

The aforementioned materials, plant, equipment, and services originate from both Australia and overseas. 2Construct’s supply chain is made up of over eight hundred and twenty-one (821) suppliers and two-hundred and seventy-eight (278) contractors who were directly engaged by 2Construct on a project-by-project basis and who received payment FY2022/23. 2Construct is confident that if it undertook a random sample of its 821 suppliers, such sample would reveal that these businesses/ enterprises are registered in Australia with relevant ABNs and are not based offshore.

2Construct will endeavour to determine the locality of its suppliers and their supply chains over the next financial years to assist in determining modern slavery risks.

Mandatory Criteria (c): The Risks of Modern Slavery

2Construct's operations where labour is directly engaged are limited to Australian businesses. As 2Construct's labour engagement and management policies and practices are structured strictly in accordance with the relevant laws, the risk of 2Construct directly causing modern slavery is considered low.

During FY22/23 period, identification of potential construction and capital works risk factor(s) have been determined by 2Construct to be represented in the following areas:

- o Labour Hire and Subcontracting.
- o Surface trades: Rendering, Painting, Plastering and Tiling.
- o Site cleaning and landscaping.
- o Proportion of vulnerable population (low-skilled workers).
- o High risk business models involving outsourcing, tight time constraints, aggressive pricing, and low profit margins.

2Construct understands that its businesses are at risk of contributing to modern slavery through its operations and/or actions in its supply chains. This includes acts or omissions that may facilitate or incentivise modern slavery through commercial pressures. As 2Construct's procurement practices are governed by a layered approval process, this risk is considered to be an unlikely occurrence. The pre-qualifications and awareness raising actions described below (Refer Mandatory Criteria (d)) will endeavour to further reduce this risk.

Mandatory Criteria (d): Actions Taken for Assessment and Addressing of Risks, Due Diligence and Remediation

The actions which have been taken or are intended to be adopted by 2Construct to assess and address the risks of modern slavery, including due diligence and remediation, are summarised in the following actions (which are to be integrated into 2Construct's operating framework by end of FY23/24):

- o Our Sustainable Supply Chain Management Capability Statement sets out 2Construct's expectations of its supply chain, including in respect of supply chain governance.
- o The inception and development of a Supplier Code of Conduct Policy which will outline 2Construct's commitment to socially responsible procurement including a commitment to work towards eliminating modern slavery from its supply chain.
- o Our Socially Sustainable Commitment Policy which underpins expectations and seeks to apply 2Construct's non-negotiable core values in partnership with our suppliers, consultants, and contractors to generate modern social values, beyond the value of goods, services or construction procured.
- o Our Whistleblower Policy, which provides a safe means of reporting any ethical wrongdoing including any violations of human rights and labour practices.
- o An analysis of potential modern slavery hot spots in our supply chain through a risk-based approach. In alignment with the review of Mandatory Criteria (d), 2Construct has investigated reputable market solutions to integrate modern slavery assessment tools with a view to attaining the following socially responsible risk mitigation actions:
 - Streamlining the collection of scalable supply chain data assessed by supplier benchmarking.
 - Risk mapping and evaluating the risk score of 2Construct's geography, industry, and workforce to verify an inherent risk categorisation of low-level risk against these parameters.
 - Track and measure data from questionnaires and PTIs as part of due diligence.
- o An intended program of engagement with our suppliers and subcontractors, targeting largest (by value) supply chain partners and suppliers for trades and materials identified as potential modern slavery hot spots, to improve supply chain transparency and to identify areas for further supplier due diligence. Noting this risk is considered low.
- o Contractual terms and arrangements with our supply chain relating to our Supply Chain Management Capability Statement, aimed at engaging with our supply chain in respect of our modern slavery commitment. 2Construct will conduct further review in 2023/24 into our supplier and contract engagement contracts to ensure all modern slavery provisions are incorporated including (but not limited to) setting 2Construct's expectations and clarification of the notification process if a subcontractor or supplier becomes aware of a modern slavery risk. 2Construct will also table for consideration a termination clause if the relevant subcontractor or supplier fails to halt or remediate instances of modern slavery in its operations or supply chain if detected.
- o A training program for staff raising awareness of the risks of modern slavery both in our supply chain and on construction sites. The online training module on human rights and modern slavery was rolled out for all 2Construct staff FY21/22 and continues to be facilitated for new staff onboarded, via the internal human resources information system "IntelliHR". The module is based off the "Supply Chain Sustainability Modern Slavery (intermediate) e-learning module".

- 2Construct holds subscriptions including with the Australian Catholic Anti-Slavery Network (ACAN) to receive monthly newsletters, and updates on the SEDEX (online platform) inherent risk pillar insights for the construction sector. 2Construct participates in supply webinars as part of the compendium outlining how Catholic entities in Australia continue to assess and address modern slavery risks to people that may be present through investments, supplier agreements, business partnerships and on Catholic-owned sites. ACAN is an Australia-wide collaboration to assess, address and mitigate modern slavery risks across an aggregated +\$9B annual Catholic spend on goods and services in schools, universities, hospitals, community, and aged care services of which are sectors that 2Construct do operate in.

Mandatory Criteria (e): Measuring Effectiveness

As set out in Mandatory Criteria (d) above, 2Construct's response to modern slavery is incorporated into its operating framework, facilitating the following opportunities to measure effectiveness:

- The entire framework is subject to continuous improvement managed by a dedicated Senior Executive Management. Via its content owners, 2Construct facilitates a full annual systems management review to continually assess effectiveness and strategize improvements accordingly. 2Construct's Internal Audit programs measure compliance with our operating framework.
- 2Construct continues to assess subcontracts and purchase orders. We have continued to insist that our supply chain has similar policies and ethical dealings in place. We confirm this has assisted us to determine this financial year that there have been no (or we are not aware of any instances of) modern slavery breaches in our supply chains. We 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.
- 2Construct is reviewing the value add of initiative Supplier Surveys from our supply chain partners, as part of potentially enabling 2Construct to track increased comprehensiveness of responses and improved engagement practices within supply chains.
- Awareness training that includes mandatory assessment of attendees' understanding of the content presented during the training.

From our Governing Body

Continued implementation of the actions outlined in this statement and measuring the effectiveness of 2Construct's actions has been, and will continue to be, 2Construct's focus on the next FY23/24 reporting period.

2Construct will continue to engage its stakeholder groups to seek opportunities for improved awareness, due diligence, and cooperation amongst all parties.

This statement is made in accordance with section 14 of the *Modern Slavery Act 2018* (Cth) was approved by the Board of Directors of 2Construct Pty Ltd in their capacity as principal governing body of 2Construct Pty Ltd on 09 August 2023.

This statement is signed by Duncan McPherson as the responsible member in his capacity as the Managing Director of 2Construct Pty Ltd on 09 August 2023.



Duncan McPherson OAM
Managing Director of 2Construct Pty Ltd
Dated: 09 August 2023