



Modern Slavery
Statement 2022





Ausco Modular

Modern Slavery Statement 2022

1. INTRODUCTION

This statement is in accordance with the Modern Slavery Act 2018 (Cth) (the Act); it relates to the specific reporting entity, Ausco Holdings Pty Ltd. Ausco Holdings Pty Ltd., headquartered in Brisbane, also owns other companies, including Ausco Acquisitions Pty Ltd, Ausco Asia Pty Ltd, Ausco Finance Limited, Ausco Modular Pty Limited, Ausco Modular Construction Pty Ltd and New England Trading Pty Ltd (together referred to as Ausco, we, us or our). This statement covers Ausco's financial year ending 31 December 2021.

Consistent with our commitment to operate our business ethically and comply with all applicable laws and regulations, Ausco is committed to improving our practices to combat modern slavery in our business and supply chains. We acknowledge that slavery can occur in many forms, as detailed in the Act, including human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, child labour and deceptive recruiting. Whilst we have already taken positive steps to comply with the legal requirements to combat various forms of modern slavery, we continue to work with our suppliers and employees to ensure that modern slavery does not take place within our supply chains or our business.

Over this reporting period, we have been running an audit on our supply chains, covering modern slavery issues. The audit is taking place, and we have the plan to do it annually. This statement therefore presents the actions we have taken and our ongoing plans to address modern slavery in our operations as well as supply chains.

2. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

Structure:

Ausco Holdings Pty Ltd (Ausco) is a modular building company incorporated in Australia and has its headquarter at 44 Formation Street, Wacol, QLD 4076. In the financial year 2021, our turnover was AUD 402 147 000, and we opened job opportunities for 147 employees.

Ausco is a wholly-owned subsidiary of BCP V Modular Services Holdings Limited, which operates in 24 countries in Europe and the Asia Pacific. Ausco Holdings Pty Ltd owns and operates through seven entities, including Ausco Acquisitions Pty Ltd, Ausco Asia Pty Ltd, Ausco Finance Limited, Ausco Modular Pty Limited, Ausco Modular Construction Pty Ltd, New England Trading Pty Ltd and New Zealand entity, Portacom New Zealand Limited. The six Australian entities largely operate with common board members, corporate functions, policies and procedures.





Operations:

Ausco’s primary operations consist of the hire, manufacture, sale, installation and repair of transportable buildings and the provision of accommodation via “Stayover” to our customers, both government and enterprises in Australia and New Zealand with corporate support in the form of sales, marketing, finance, design, procurement, human resources, legal, risk and compliance teams.

Further information about us can be found at: <https://ausco.com.au/>

Supply chain:

Depending on the products or services, we engage with our suppliers through different forms, such as one-off purchases or long-term supply contracts. For this reporting period, we partnered with 1,996 suppliers, of which 190 represent 80% of our spend.

At the time of writing this statement, we are running an ESG (environment, social and governance) audit of our supply chain. The data collected so far suggests that Ausco sources our goods and services mostly locally, from vendors and contractors based in Australia while 1.5% of our suppliers are from China. Of the replies received to date, 8.6% of our first-tier suppliers reported that they are a social enterprise, First Nations / indigenous people, or a company owned by under-represented groups (i.e. women, people with disabilities).

The majority of our vendors and subcontractors broadly cover the following categories of goods and services:

- Materials for buildings, including steel components, walls and panels, insulation, electrical components, plumbing supplies and flooring; and
- Sub-contract services for construction, catering and housekeeping services, specific delivery, installation, disassembly and repair/maintenance work

3. RISK OF MODERN SLAVERY PRACTICES IN OPERATIONS AND SUPPLY CHAIN

Direct business operation:

Within our direct business operation, we consider the risk of modern slavery to be low. We monitor and mitigate this risk through our existing governance and systems. We fully comply with the relevant national labour legislation as well as policies introduced by our parent company and have policies and procedures relating to employment of staff and their onboarding which includes our approach to modern slavery and intolerance of any form of bullying or discrimination.

Supply chain:

Using available data from various sources from international organisations and NGOs





concerning geographic locations for modern slavery risks, our supply chain audit data suggests that most of our key first-tier suppliers are based in a low-risk country (Australia) and 1.5% are found in a medium-risk country (China). We do not source goods from extremely high-risk countries.

We recognise that we may be exposed to modern slavery risks, directly or indirectly, especially beyond our direct suppliers, where we have no direct influence. We are therefore running an ESG audit of our key suppliers. We will use data collected from the audit to map potential hotspots of modern slavery across our supply chain, concerning geographic locations, industries, goods and services. This process will be completed in 2022.

4. ACTIONS TAKEN TO ADDRESS AND ASSESS RISK

To address and assess the risks of modern slavery in our business, Ausco has undertaken the following actions:

- Launched an audit of our key first-tier suppliers which covers modern slavery issue;
- Reviewed all internal operations processes to evaluate and ensure modern slavery compliance;
- Updated our Purchasing Order to include compliance to the Supplier Code of Conduct and a warranty from Supplier's that they will notify Ausco if they become aware of any breaches of the Act;
- Developed a specific action plan with clear key performance indicators (KPIs) to improve our response to modern slavery;
- Assigned responsibility for monitoring and addressing modern slavery risks to senior managers and kept our board reported on the issue;
- Set up a mechanism to allow people to safely report modern slavery risks in our business operations and supply chains through our whistleblower policy; and
- Implemented online learning modules to provide employees and managers with an improved understanding of the impacts and risks of modern slavery in operations and the supply chain.

5. ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

We have KPIs to measure the effectiveness of our practices in addressing modern slavery within our business operation and across our supply chains. Aligning with our Group's global activities, our actions and KPIs towards combatting modern slavery are regularly reviewed at our Group's Executive Committee and ESG forum to ensure we are on track.

In addition, our parent company – Modulaire Group – is signatory to the United National Global Compact (“UNGC”) (<https://www.unglobalcompact.org/what-is-gc/participants/144802-Modulaire-Group>). The assessment framework and reporting/communications mechanism of UNGC also help us assess the effectiveness of our measures in addressing modern slavery. We report annually for UNGC's Communication on Progress (advanced level qualification) (<https://www.unglobalcompact.org/participation/report/cop/create-and-submit/advanced/465298>)





We evaluated our actions in four following key areas:

Governance & Due Diligence:

Ausco has a governance framework to monitor and mitigate modern slavery risk. Our governance underpins how we conduct our business and interact with suppliers.

- Our Quality Management System (ISO 9001 certified) consists of policies and procedures related to human resources, health and safety, supplier management and the Supplier Code of Conduct.
- Our Supplier Code of Conduct, ESG & Sustainability Policy and Code of Ethics reflect our commitment to acting ethically and with integrity in all business relationships.
- To ensure that all those in our supply chain and our contractors comply with our values, we require vendors to adhere to our Supplier Code of Conduct, including a commitment not to use slave labour or participate in human trafficking. We seek acknowledgement of adherence at the stage of onboarding our suppliers.
- All of our new suppliers are provided with our Supplier Code of Conduct which covers modern slavery.

Training:

- In FY2021, 91.9% of our respective employees completed awareness training on modern slavery.
- We will continue to provide this training to relevant new employees in our organisation.

Communications and Whistleblowing:

- Ausco nurtures a transparent culture where anyone can raise concerns about our business without any fear of retaliation.
- Ausco Modular have a Whistle-Blower Policy, outlining information on how reports can be made and whistle-blower protections. This is further supported by the Speak-Up Policy of our parent company.

Continuous improvement of supply chain processes:

We recognise that modern slavery risk can be a rapidly evolving topic. As part of the continuous improvement in our supply chain practices, at the time of writing this statement, we are running a supply chain ESG audit on all our suppliers but with an initial focus on our large suppliers, together covering 80% of our spend. We set the target to have at least 40% of our key direct suppliers complete the ESG questionnaire.

The questionnaire used in our audit is developed from the UNGC's principles and the international sustainability rating framework of EcoVadis. EcoVadis is the world's largest provider of business sustainability assessment and ratings; its rating methodology focuses on four themes – environment, ethics, labour and human rights, and sustainable procurement.





Moving forward, we will:

- Develop a supply chain sustainability strategy based on gaps and opportunities identified through our ongoing supply chain ESG audit;
- Conduct supply chain ESG audit annually. In the next financial year (2023), we plan to expand it further to all of our direct suppliers;
- Vetted the vendors that form our supply chain by assessing their locations and their operating sectors;
- Require all new suppliers to complete a pre-contract ESG questionnaire, which assesses their position and risks concerning modern slavery and broader ESG issues;
- Upon renewing contracts with our current suppliers, we will require them to complete the pre-contract questionnaire; and
- Map our risks in modern slavery across our supply chain, concerning geographic locations, industries, goods and services.

6. PROCESS OF CONSULTATION

We have brought this statement to the attention of those in our Australian Procurement team, ESG & Sustainability teams and HR team as well as Group Procurement team. We discussed details of the Modern Slavery Act 2018's reporting requirements and our strategies to address these requirements; and provided them with relevant materials and updates. We have given them the opportunity to provide feedback, raise queries and have such queries answered. We have also involved our Legal and Procurement team (at both Group and Australian levels) in undertaking a further assessment of the risk of non-compliance in our supply chains.

7. OTHERS

Fully aware of the importance of businesses in combating modern slavery, Ausco and our parent company actively present our work at international and local forums to raise awareness of the issue. We also constantly learn from other organisations and quickly employ best practices to improve our actions on the topic.

8. ENDORSEMENT OF THIS STATEMENT

This statement was approved by the boards of Ausco Holdings Pty Limited and its subsidiaries.



Anthony Walsh
Manager Director: Ausco Holdings Pty Ltd
29 June 2022





Act Reference	Requirement	Compliance	Section of report
16	<i>Mandatory criteria for modern slavery statements</i>		
(1)	A modern slavery statement must, in relation to each reporting entity covered by the statement		
(1)(a)	identify the reporting entity	Yes	S 1; para 1
(1)(b)	describe the structure, operations and supply chains of the reporting entity	Yes	S 2
(1)(c)	describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	Yes	S 3
(1)(d)	describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	Yes	S 4
(1)(e)	describe how the reporting entity assesses the effectiveness of such actions	Yes	S 5
(1)(f)	describe the process of consultation with: (i) any entities that the reporting entity owns or controls; and (ii) in the case of a reporting entity covered by a statement under section 14—the entity giving the statement	Yes	S 6 (all entities follow the same process)
(1)(g)	include any other information that the reporting entity, or the entity giving the statement, considers relevant	Yes	S 7
(2)	A modern slavery statement, must include		
(2)(b)	for a statement to be given under section 14 (joint modern slavery statements) (i) details of approval by the relevant principal governing body or bodies; and (ii) if subparagraph 14(2)(d)(iii) applies—an explanation of why it is not practicable to comply with subparagraph 14(2)(d)(i) or (ii)	Yes	S 7
14	<i>Joint modern slavery statements</i>		
(2)	The entity giving the statement must ensure that it is:		
(2)(c)	prepared in consultation with each reporting entity covered by the statement	Yes	S 6
(2)(d)	approved by the principal governing body of (i) each reporting entity covered by the statement	Yes	S 7
(2)(e)	signed by a responsible member of (i) if subparagraph (d)(i) applies—each reporting entity covered by the statement	Yes	S 7
(2)(f)	given to the Minister: (i) within 6 months after the end of the reporting period for the entities covered by the statement, in a manner approved by the Minister	Yes	Present submission

