



McMAHON SERVICES COMPANIES
JOINT MODERN SLAVERY STATEMENT 2021



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Introduction

This statement has been prepared by McMahon Services Australia Pty Ltd (ACN 097 072 565) to meet the requirements under the Modern Slavery Act 2018 (Cth) in relation to the financial year ending 30 June 2021. This is McMahon Services' second modern slavery statement.

All references to McMahon Services, our, we and us are references to McMahon Services Australia Pty Ltd (ACN 097 072 565) and our subsidiaries including Ballestrin Construction Services Pty Ltd (ACN 114 575 932) and also separately to Intract Australia Pty Ltd (ACN 097 072 565) where applicable.

Consultation

This statement was updated from the initial statement by the Legal Team, with input from our Training & Compliance Team and Tendering & Proposals Department.

Internal stakeholders across McMahon Services Australia Pty Ltd, Ballestrin Construction Services Pty Ltd and Intract Australia Pty Ltd were approached to provide comment and input including Senior Management across each of the entities, Divisional Managers and senior personnel from each shared service to ensure accuracy and relevance.

Commitment

McMahon Services has zero tolerance of exploitative practices including human trafficking, slavery, forced labour, child labour, and slavery-like practices and is committed to working with subcontractors and suppliers to ensure their practices are aligned with Company expectations concerning modern slavery and human rights.

We are committed to identifying our internal and supply chain risks of Modern Slavery practices and addressing those risks through remediation measures, training, contract management and good governance practices.

This statement was approved by the McMahon Services Australia Board of Directors in relation to McMahon Services Australia, its subsidiaries, and separately by the Intract Board of Directors.



David McMahon
Managing Director of McMahon Services

Our People are Central to What We Do

Operations

McMahon Services Australia Pty Ltd



McMahon Services is a leading Australian privately-owned environmental, infrastructure and building construction and services provider operating across all states and territories. Established in 1990 by brothers David and Andrew McMahon, the business has grown from an Adelaide-based company into a national award-winning contractor.

With 14 offices and workshops across South Australia, Queensland, Western Australia, New South Wales, Victoria, the Northern Territory and New Zealand, we employ over 900 staff delivering projects in capital cities, rural townships, isolated islands and in remote outback locations.

We service local, state, national and international customers within the commercial, industrial, transport, utilities, resources, defence and government sectors. Our reputation is built on our track record of delivering high-risk projects in some of the most challenging conditions.

Our highly qualified and experienced project management and construction management teams provide integrated multi-tiered project solutions across three service lines:

Environmental

Comprehensive environmental, demolition, waste management and remediation services for all industries:

- Asbestos and Hazardous Materials
- Environmental Remediation
- Demolition and Decommissioning
- Recycling and Waste Management
- Scrap Metal Services
- Industrial Services
- Emergency Response

Infrastructure

Diverse construction services including earthworks, civil infrastructure, road works, structural works, mechanical and piping across the commercial, industrial and resource market sectors:

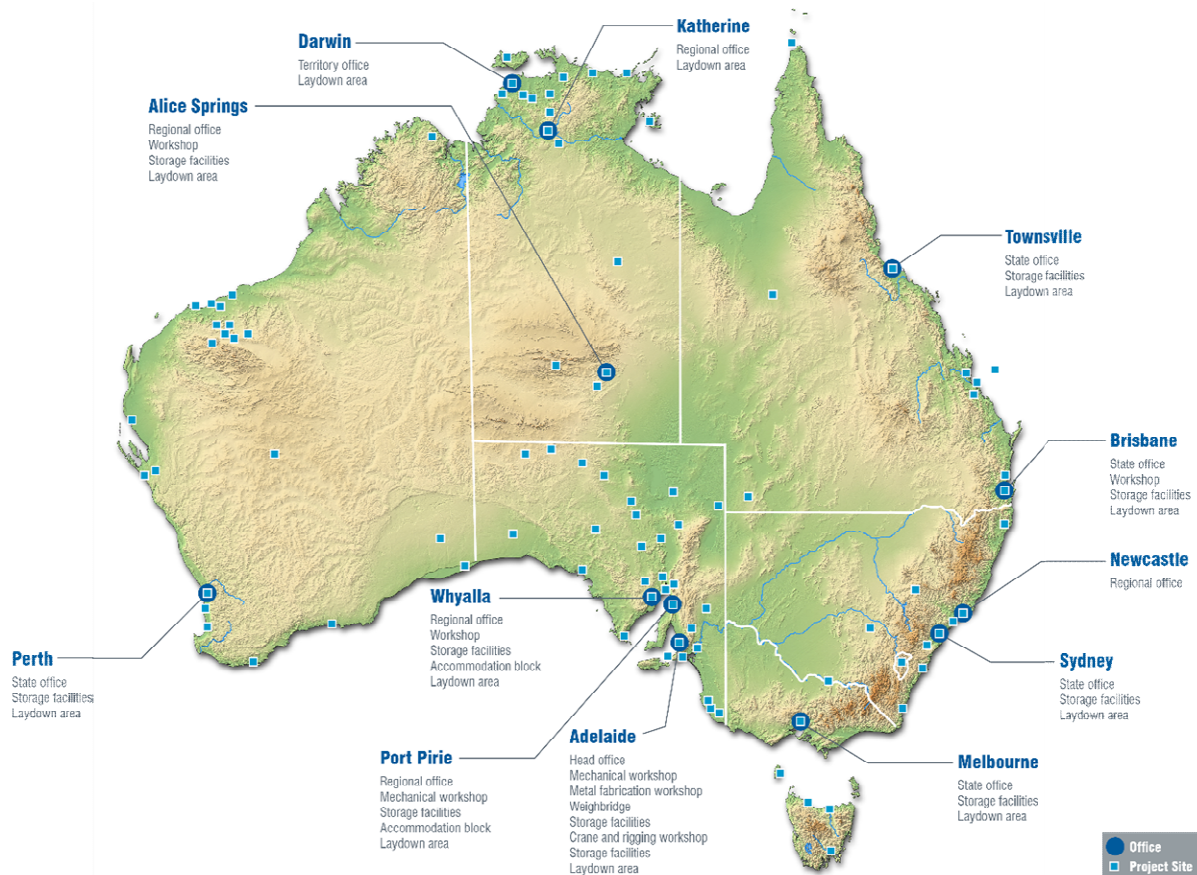
- Civil Construction
- Infrastructure and Transport Construction
- Industrial and Resources Construction
- Food and Beverage Construction
- Concrete Services
- Marine Services
- Crane and Rigging Services

Building

Broad building construction and service capabilities including construction delivery, external and internal refurbishments, fit-outs, and building maintenance and repairs:

- Building Construction
- Building Services
- Roofing and Cladding Services
- Scaffolding and Access Solutions
- Temporary Events Infrastructure

Our in-house skilled and experienced personnel are supported by a national fleet of plant, equipment, workshops and warehouses which allows us to self-perform the vast majority of works. We invest heavily in new technologies and boast a \$100 million network of company owned plant and equipment. Over 700 major plant items comprise of dozers, excavators, graders, rollers, loaders, dump trucks, batching plants, service trucks, water trucks, soil blending machines, prime movers, hook lift bin trucks, low loaders, semi tippers and cranes.



Through our multi-disciplinary, multi-tiered approach, we have successfully delivered more than a thousand complex and high-risk projects nationwide, with a combined value in excess of \$4.0 billion. Our work spans high-volume small-scale projects to complex multi-million-dollar projects sometimes managed over disperse geographical areas. We develop long-term collaborative relationships with clients, with more than half our work being for repeat clients across all industries.



Ballestrin Construction Services Pty Ltd

Ballestrin Construction Services (Ballestrin) offers comprehensive concrete construction and remediation services to the construction and maintenance industries. Established over 50 years ago, we have extensive project experience across a wide range of sectors from civil, resource and infrastructure through to water, industrial and defence.

With over 100 experienced tradespeople, project management and supervisory specialists, Ballestrin can deliver concrete construction and remediation projects of all sizes, from small complex works in challenging environments through to monolithic structures for large-scale projects.

With our strong focus on safety, quality and timely construction, and supported with the latest in concrete technologies, the Ballestrin team can rapidly mobilise resources to any location across Australia and complete complex works in short shutdown windows minimising delays to operational plant and facilities, or large-scale infrastructure projects service a wide range of sectors.

Ballestrin's team is able mobilise resources to any location across Australia and complete complex works in short shutdown windows, minimising delays to operational plant and facilities.

Capabilities include:

- Complex concrete structures
- Civil concrete construction
- Concrete repairs and remediation
- Pre-cast concrete



Intract Australia Pty Ltd

Intract Australia provides civil construction, building construction, building maintenance, asbestos remediation and demolition services for clients across Australia, and was established to provide Indigenous people with lifelong careers in the construction and building maintenance industries.

Intract Australia Pty Ltd (Intract) provides civil construction, building construction, building maintenance, asbestos remediation and demolition services for clients across Australia. We are remote and regional specialists, capable of delivering projects in any environment.

Intract is Indigenous owned and operated, and we are one of the largest private sector employers of Indigenous personnel. Our employment rate exceeds 90% Indigenous employment across all aspects of our business.

We are a Certified Supplier for Supply Nation, Australia's first Indigenous supplier diversity council. Other accreditations include AusRoads National Prequalification R1, Achilles Oil and Gas, CAL Northern Territory Contractor and we are a listed Territory Proud Contractor.

Intract is committed to meeting the goals of the Australian Government's National Indigenous Reform Agreement and the Closing the Gap campaign, aimed at improving life expectancy, mortality rates, education and employment opportunities for Indigenous Australians.

We were the first Indigenous company in Australia to achieve certification to the Federal Commission Scheme. All Intract projects operate under a single management system which is certified to the Federal Safety Commission Scheme, ISO 45001:2018 Occupational Health and Safety Management System, ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System.

Our head office is located in Darwin in the Northern Territory. Intract co-locates many of offices with McMahon Services, a 49% Shareholder providing a national footprint with access to 14 offices across most States and Territories, and a fleet of over 700 major items of plant and equipment enabling us to self-perform civil, building, asbestos remediation and demolition works.

Supply Chain

As an Australian multidisciplinary services provider with strong emphasis on local procurement practices, our supply chain is diverse. Across the company, we encourage the engagement of local small to medium enterprises and the use of the locally manufactured products to maximise benefits to the Australian economy.

During the financial year ending 30 June 2021, goods and services procured included:

- Professional services, trades and specialist subcontractors
- Construction equipment and machinery
- Mobile fleet of heavy equipment and vehicles, including parts
- Raw construction materials
- Fuel and explosives
- Personal protective equipment and clothing
- Cleaning, security and catering services
- Electronics and minor electrical equipment
- Office equipment and stationery
- Energy and utilities
- Information technology services
- Labour hire



Risks of Modern Slavery Practices

Modern slavery describes situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery can include human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage, and the worst forms of child labour.

We are committed to doing business in an ethical and transparent way, at all times avoiding modern slavery within our organisation and upholding human rights. We are also committed and continue to working with suppliers and contractors to ensure risks of modern slavery are adequately addressed, and that minimum standards in relation to modern slavery requirements are met.

We have identified the following risks in relation to modern slavery practices:

1. That we may cause modern slavery practices within our workforce;
2. That we may contribute to modern slavery practices within our subcontractors; and
3. That may be directly linked to modern slavery practices within our supply chain.

Assessment of Risks

We are committed to reducing the risk of causing, contributing to or being directly linked to modern slavery practices. Accordingly, we have implemented the following measures across our organization.

Due Diligence of Supply Chain

We have a supply chain which includes the purchase of materials required for day-to-day operations including manufactured construction products and equipment, raw materials, uniforms and protective equipment and office supplies. Our risk of modern slavery is likely the highest in the lower tiers of supply chains.

In FY20 we developed a “Modern Slavery: On-boarding Questionnaire” to screen all new subcontractors and suppliers to ensure they are not involved in any modern slavery practices. During FY21, we continued to screen all subcontractors and suppliers thoroughly and carefully using this questionnaire.

Contract Management

We enter into a broad range of contractual arrangements with suppliers and subcontractors in a field of industries. Our contractual models range from one off purchase orders with standard terms and conditions to high value bespoke multi-year contracts and alliance agreements.

We have introduced a modern slavery clause within our suite of template contracts in order to assist in reducing the risk that we will cause, contribute to or be linked with modern slavery practices. As our suite of template contract are amended and updated, the modern slavery clause is reviewed to ensure it remains suitable to reduce this risk.

Our contracts also contain provisions requiring subcontractors to certify that all statutory requirements and wages have been paid, and to comply with our extensive safety regime and standards, again reducing the risk that we will contribute to modern slavery practices.

Our safety, regulatory and modern slavery contract clauses are paramount. We do not engage with contractors that refuse to be bound by these terms, regardless of cost.

Employee Management

All of our direct employees are engaged under employment contracts or enterprise bargaining agreements that are in accordance with Fair Work Australia's National Employment Standards. We comply with all applicable employment legislation and industrial awards, and none of our employees are paid less than the minimum wage. We also comply with all superannuation and leave requirements.

We are dedicated to the safety of our employees. Our entire business is underpinned by a strong safety culture and our objective is to continually improve our safety performance to ensure a zero harm environment for our works, stakeholders and the wider community. We were awarded Federal Safety Accreditation in 2009 – the first multi-disciplinary construction services company in Australia to achieve this recognition.

Accordingly, the risk of modern slavery practices within our permanent workforce is negligible.

Our highest risk with respect to our workforce is third party labour hire providers. We have stringent requirements in our labour hire agreements with respect to payment of wages, and only engage local, reputable, licensed labour hire service providers.

We have also identified that migrant workers, particularly those without the legal right to work in Australia, are at the highest risk of modern slavery practices. Accordingly, we use the Department of Home Affairs' Visa Entitlement Verification Online system to confirm that our employees have the legal right to work in Australia.

Review of Practices

During the Financial Year 2020/2021 we were not aware of any modern slavery within our organisation, or any modern slavery which our organization has contributed to or is directly involved with.

Awareness and Training

We have commenced the development of a comprehensive training program that will include elements across procurement, employment practices, and legal compliance, as well as awareness initiatives through posters, email, and toolbox talks delivered through our centralised learning and development Academy (MAC).

Several key modules delivered by MAC cover elements relevant to Modern Slavery and ensure compliance with the legislation by implementing our Business Management Systems and Procedures. These modules include Building Code 2016 Compliance, Contract Management Equal Opportunity & Diversity, Bullying and Harassment, Industrial Relations, Recruitment, Hiring & Onboarding, and Subcontractor Engagement and Management.

In particular, our Recruitment, Hiring & Onboarding, and Subcontractor Engagement & Management modules will contain information on the Modern Slavery Act 2018, its implications, and practical advice on identifying potential signs of Modern slavery practices within our supply chain.

Policies

We have adopted a number of Policies which include our Modern Slavery Policy, Employment Practices Policy and a Whistleblower Policy, which apply to all staff and contractors.

In addition, our Corporate Code of Conduct sets out expectations for staff behaviour and legal compliance.

Governance

Led by the Risk Committee with oversight by the Managing Director the Company's Senior Management are committed to implementation of the Modern Slavery Risk Mitigation Strategy which includes the assessment of Modern Slavery Risks, development and implementation of policies, codes of conduct and procurement processes to assess and address the risk of modern slavery in our operations and supply chain.

We also maintain a corporate risk register which identifies the most significant risks across the business, including those associated with modern slavery and Human Rights. The business reports against the control measures set out within our risk register on an ongoing basis and is audited against compliance on an annual basis.

FY22

During FY21, we purchased a new subcontractor management system "Site Pass" which we will roll out across the Company in 2022. Site Pass will replace the current "Modern Slavery: On-boarding Questionnaire" and will contain a set of questions for our subcontractors and suppliers, and will allow us to continually assess the modern slavery risks across our organisation and supply chain. The new system will also provide automatic notifications for any information provided which might indicate any noncompliance with the highest ethical practices.

We will continue to implement our modern slavery clauses in all new contracts entered into, and perform reviews of modern slavery clauses contained within contracts provided to us. We will provide further training regarding modern slavery and the risks it presents to our business, particularly in relation to our supply chain and regulatory requirements.

Issues relating to modern slavery will continue to be reported to our risk committee where they arise in our organization.

We have adopted the following Key Performance Indicators against which we will assess the effectiveness of our actions during FY22:

- Reconciliation of our supply chain against the US Department of Labour List of Goods Produced by Child or Forced Labour during FY21 to identify potential modern slavery risks
- Undertake due diligence of any risks of modern slavery that we discover within our business or supply chain, including as part of our "Modern Slavery: On-boarding Questionnaire" process
- Remediate any modern slavery discovered within our business or supply chain
- Preparation of an Ethical Procurement Policy
- Commence development of specialised modern slavery training for personnel with potential interface with Modern Slavery Risks.



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