

Built.

Built.

*Modern
Slavery
Statement*

July 2019 – June 2020

Built Modern Slavery Statement FY 2020



Built is a national diversified general contractor operating across Australia, with two overseas satellite offices in New Zealand and the United Kingdom. Built works across all major property sectors including commercial office, retail, residential, hotels and hospitality to health and aged care, education, government and transport. Built's core area of operation is building construction, including fitout and refurbishment.

This Modern Slavery Statement (MSS) is prepared pursuant to the Modern Slavery Act 2018 ("Act") and sets out the actions taken to assess and address modern slavery and human trafficking risks in our business and supply chain for the financial year ending 30 June 2020.

Summary of Approach and Progress to Date

This is Built's first MSS and summarises actions taken to establish a consolidated response across its operations to the requirements set out in the Act. Built established Modern Slavery and Social Procurement Working Groups to identify both risk and opportunity within its supply chain to drive positive procurement outcomes. Guided by its Built Worthy corporate values, Built developed a number of policies, processes and changes to procurement methodologies to identify and address modern slavery risks associated with labour on construction sites and construction materials.

Built's vision is that the collective actions taken as outlined in this MSS will progressively reduce the risk of modern slavery within its supply chain.

Mandatory Criteria

The following sections set out Built's response to each of the mandatory criteria listed in section 16(1) of the Act.

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

This MSS relates to proprietary limited construction and development businesses that trade predominantly under the Built trading name, which are ultimately controlled by a privately owned entity Pharsalus Investments Pty Ltd (ACN 163 462 637). Built's operations are mainly Australian-based in the states of NSW, ACT, Vic, Qld, SA, and WA. Built also has international offices in New Zealand and the UK, operating fitout and refurbishment businesses. In NSW, Built is delivering some major projects in a joint venture with Obayashi Corporation.

Built also operates a small property development arm that has to date exclusively procured its construction undertakings, in NSW, via the Built construction businesses referenced above. In addition, Built operates a joinery manufacturing business located in Qld through Mayneline Joinery Pty Ltd.

Built's operations directly employ approximately 900 staff in corporate, project delivery, and manufacturing (Mayneline) roles.

Whilst Built's supply chain includes the procurement of typical goods and services required to operate and administer a business, Built's supply chain spend is dominated by the contracted supply and installation of construction related materials, plant and equipment, and services procured via its main Australian-based contracting entities Built Pty Ltd, Built Qld Pty Ltd, and Mayneline Joinery Pty Ltd. The consolidated revenue for these three entities was circa \$1.6bn for the FY20 reporting period, representing some 95% of the overall controlling entity revenue.

The aforementioned materials, plant, equipment and services originate from both Australia and overseas. Whilst Built's supply chain is made up of over 2,000 suppliers and contractors who are directly engaged by Built on a project-by-project basis, a total of just 20 of those suppliers and contractor made up >30% of all spend.

Mandatory Criteria (c): The Risks of Modern Slavery

The Risk of Directly Causing Modern Slavery

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

The Risk of Contributing to Modern Slavery

Built 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 Built's procurement practices are governed by a layered approval process, this risk is considered to be an unlikely occurrence. The additional pre-qualifications and awareness raising actions described below (refer Mandatory Criteria (d)) will further reduce this risk.

Direct Link to Modern Slavery

Built acknowledges that it is at risk of being connected to modern slavery through the activities of other entities that we have business relationships with, namely our suppliers and contractors. Further, supply chain partners of our direct suppliers and contractors also present risk. Given the diversity and depth of parts of our supply chain, it is links of this nature that are considered Built's most significant risk of exposure to modern slavery.

In particular, the risks of modern slavery are most likely to arise from:

- 1. Materials sourced from overseas regions at risk of modern slavery; and**
- 2. Local trades where unskilled or semi-skilled labour is sourced.**

Given the above, actions taken to date (refer Mandatory Criteria (d) below) have prioritised assessing and addressing these risks.

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

The actions taken by Built to assess and address the risks of modern slavery, including due diligence and remediation, can be summarised by the following actions which have been integrated into Built's operating framework:

- A Supplier Code of Conduct which sets out Built's expectations of its supply chain, including in respect of modern slavery.
- A Sustainable Procurement Policy which outlines Built's commitment to socially responsible procurement including a commitment to work towards eliminating modern slavery from its supply chain.
- A Whistleblower Policy, which provides a safe means of reporting wrong-doing.
- An analysis of modern slavery hot spots in its supply chain.
- A 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.

- A modern slavery risk assessment carried out for key tenders.
- Additional prequalification requirements for trades identified as being at risk of modern slavery.
- Contractual arrangements with our supply chain aimed at engaging with our supply chain in respect of our modern slavery commitment.
- A training program for staff raising awareness of the risks of modern slavery both in our supply chain and on construction sites.

A summary of each of the above is provided below.

Supplier Code of Conduct

The Supplier Code of Conduct sets Built's minimum expectations and non-negotiable requirements of all participants in its supply chains in relation to:

- human rights and labour practices;
- environmental management;
- professional conduct;
- governance; and
- community engagement.

Sustainable Procurement Policy

The Sustainable Procurement Policy outlines Built's public commitment and expectations of employees, subcontractors and suppliers in three key areas:

- environmental sustainability;
- social procurement; and
- modern slavery.

Whistleblower Policy

The Whistleblower Policy sets out Built's commitment to the reporting and investigation of misconduct or improper states of affairs or circumstances such as those not aligned with our Supplier Code of Conduct and Sustainable Procurement Policy. The policy, which complies with the requirements of the Treasury Laws Amendment (Enhancing Whistleblower Protections) Act 2019 provides employees, supply chain participants, and our clients opportunity to report suspected instances of modern slavery anonymously and with appropriate protection. Transparent investigations of any reported instances of potential modern slavery will recommend appropriate actions to address the risks.

Modern Slavery Hot Spots

Built commenced its risk assessment journey via analysis to identify modern slavery hot spots, which involved both external experts and an internal consultation committee, including key members of the construction delivery team, to test and verify the data (Built Modern Slavery Hot Spot Risk Analysis). The Built Modern Slavery Hot Spot Risk Analysis is a key reference point for other actions and initiatives as described below.

Supplier Engagement Program

Built commenced engaging with its supply chain partners to:

- raise awareness of and identify modern slavery risks in its supply chains;
- foster efforts to collaborate with its suppliers to address these risks;
- improve supply chain transparency; and
- identify areas for further supplier due diligence.

Built initiated engagement via direct discussion and Supplier Surveys which are self-assessment questionnaires for Australian and offshore suppliers and subcontractors designed to support Built in achieving the above.

Using the Built Modern Slavery Hot Spot Risk Analysis as a guide to risk, Built identified its largest suppliers and contractors (by Built spend) and is speaking directly to company owners, discussing the Modern Slavery Act and understanding their current awareness and approaches to responding to the Act. Each of these supply chain partners is issued with Supplier Surveys which ask detailed questions on due diligence processes around supply chain slavery identification and redress and require submission of relevant supporting documentation.

Risk assessment for key tenders

The Built Modern Slavery Hot Spot Risk Analysis is used within key project tenders (targeted projects with a value >\$25m) to evaluate trades for risk of modern slavery exposure. If specific risks are identified that are a consequence of client materials preferences, consideration is given to suggesting potential mitigation measures, including alternative selections within our offer. Provided the opportunity, Built will discuss these issues with our client with a view to influencing an outcome aligned with our commitment to reducing modern slavery.

Additional prequalification requirements

Prior to engaging subcontractors and suppliers on key projects, project delivery teams reference the bid phase risk assessment and Built Modern Slavery Hot Spot Risk Analysis to confirm the project specific modern slavery risks. Identified high risk trades are issued a targeted Supplier Survey for response and evaluation by Built prior to engagement. Where risks are identified as part of the evaluation, mitigation strategies are explored, including investigation of alternative materials or, if risk cannot be sufficiently mitigated through the trade contractor, alternative contractors.

Contractual arrangements

Terms relating to modern slavery and the Supplier Code of Conduct have been incorporated into supplier and contractor engagement contracts. The modern slavery provisions require, amongst other things, transparency in respect of supply chains. Built's terms, including its dispute resolution provisions can be used to facilitate compliance and, if breaches are not able to be remedied, to terminate engagement.

Training

Face-to-face and online training for modern slavery awareness, focusing on the risks associated with overseas sourced materials and the potential risks associated with labour on our construction sites. Training commenced in the reporting period and will continue to be rolled out.

In addition, face-to-face training for the Commercial discipline team, who oversees all subcontracts and supply agreements, is carried out regularly to ensure appropriate implementation of supply chain due diligence.

Mandatory Criteria (e): Measuring Effectiveness

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

- The entire framework is subject to a Continual Improvement program managed by a dedicated Continual Improvement Manager. The program via its content owners, continually assesses effectiveness and implements improvements accordingly.
- Built's Internal Audit program measures compliance with our operating framework.

- The record keeping required by the framework will enable analysis of effectiveness year on year, including in instances where specific modern slavery risks are identified.
- Supplier Surveys from our supply chain partners are required to be updated biennially, enabling Built to track increased comprehensiveness of responses and improved engagement practices within supply chains.
- Awareness training includes assessment of attendees understanding of content.

As implementation of our modern slavery actions in the reporting period was in relatively early stages, assessment of effectiveness has been limited to date. This will be further addressed in Built's next MSS.

Mandatory Criteria (f): Consultation with Entities

Consultation and collaboration with the various entities that are the subject of this MSS has been undertaken as follows:

- Content owners of the each of the impacted disciplines in our operating framework have been actively involved in formulating Built's response to modern slavery. For example, the Commercial discipline which oversees all subcontracts and supply agreements in our contracting businesses assisted in the formulation of relevant aspects of the response in consultation with a collaboration group of commercial discipline managers across the various entities and business units.
- The response in relation to our manufacturing facility (Mayneline Joinery) was formulated in collaboration with the entity managers to ensure the particular risks associated with its supply chain were appropriately addressed.
- Our modern slavery training program, the roll out of which is in progress, will cover all relevant staff from the various entities.

Mandatory Criteria (g): Other Relevant Information

External Collaboration

Prior to the establishment of the Act, Built was actively involved in the Responsible Construction Leadership Group's Modern Slavery Sub Committee, undertaking research into areas of concern and best practice responses to the issue of modern slavery.

In addition, Built participated in the Green Building Council of Australia's Human Rights Working Group, informing the development of social sustainability requirements into the Green Star for Buildings rating tool.

These industry collaborations have shaped Built's understanding of best practice responses and guided our initial modern slavery actions.

COVID-19 Impacts

As a result of COVID-19, Built has put on hold any overseas travel to visit manufacturing facilities. To date, our due diligence of overseas supply chain has happened via discussions with local operatives, completed surveys and engagement with direct Australian-based subcontractors. When overseas travel is practical, these efforts will be supplemented by direct contact and observation.

Built is also aware of the local and global economic impacts of COVID-19 and the potential for these impacts to lead to an increased exploitation of human resources. Built will consider these potential impacts in its continuing response to modern slavery and provide an update in its next MSS.

Next Steps

Continued implementation of the actions outlined in this MSS and measuring the effectiveness of our actions has been and will continue to be our focus in the next reporting period (July 2020 – June 2021).

Built will continue to engage its stakeholder groups to seek opportunities for improved due diligence and cooperation amongst all parties.

Approval of this Modern Slavery Statement

This statement has the approval of the Statutory Board.



Brett Mason
CEO & Managing Director