



MAINBRACE
CONSTRUCTIONS

MODERN SLAVERY STATEMENT
FY21

**WE ARE RETAIL
SPECIALISTS**

MODERN SLAVERY STATEMENT FY20

INTRODUCTION

A fundamental strategy of our business is the creation of shared value and in doing so we acknowledge the potential for any of the eight types of serious exploitation defined in the Act to occur in our operations and extended supply chains. We understand and accept our continuing obligation to assess and address these risks.

The statement is issued in compliance with the Modern Slavery Act 2018 (Cth) (the Act) requirement to report on the risks of modern slavery in our operations and supply chains for the reporting period of 1 July 2020 – 30 June 2021.

REPORTING ENTITY

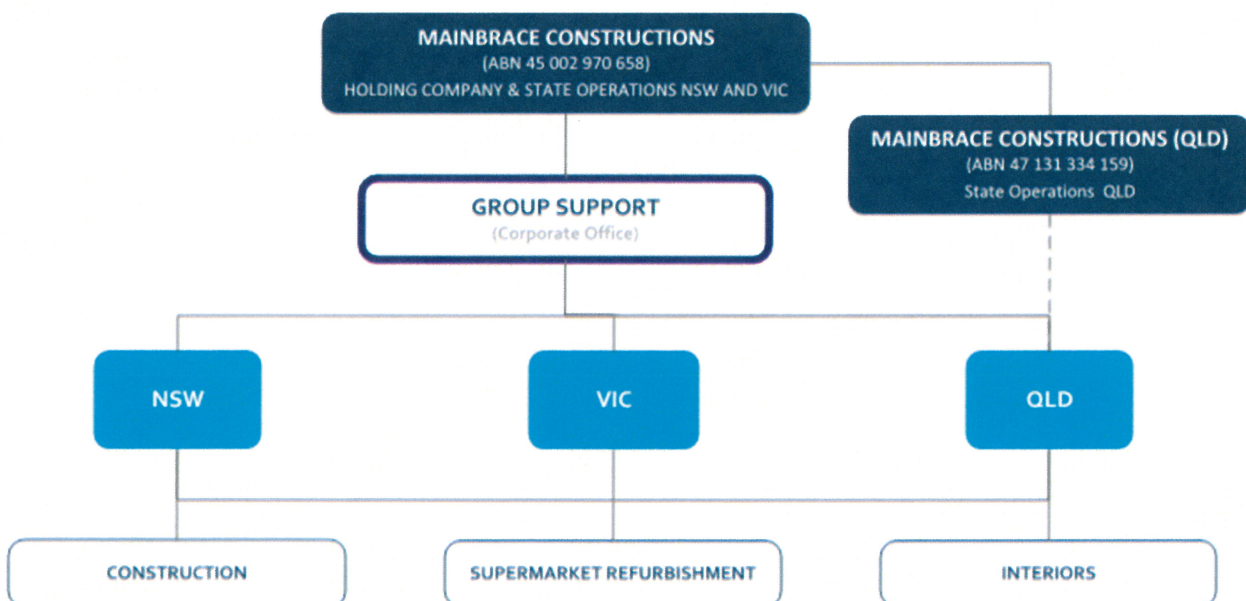
The reporting entity is Mainbrace Constructions Pty Limited (ABN 45 002 970 658) and its wholly owned subsidiary Mainbrace Constructions (QLD) Pty Limited (ABN 47 131 334 159).

Mainbrace Constructions Pty Limited and Mainbrace Constructions (QLD) Pty Limited both operate in the retail sector of the construction industry. Both companies have shared ownership and directorship, a shared corporate office (Group Support), shared systems, policies and processes and many shared suppliers. Accordingly, all reports of actions to assess and address modern slavery have been consolidated for both entities in this statement.

STRUCTURE, OPERATIONS AND SUPPLY CHAINS OF THE REPORTING ENTITY

Mainbrace is a retail construction specialist having successfully completed more than 1,600 projects over the past 32 years with a consolidated revenue of \$373m in FY21.

Mainbrace’s Organisational Structure is as outlined below:



There are three main construction divisions within the business:

Construction

Retail construction is the core of our business. The division encompasses a wide range of projects from large format retail, to supermarket rollouts, to refurbishment of existing retail centres, to retail logistics and new greenfield retail centres.

Supermarket Refurbishments

A specialist division focussing solely on the refurbishment of supermarket spaces. From the inception of our business, we have successfully delivered on-time over 600 supermarket refurbishments in the last 32 years, operating in a live trading environment without compromising safety, hygiene or quality.

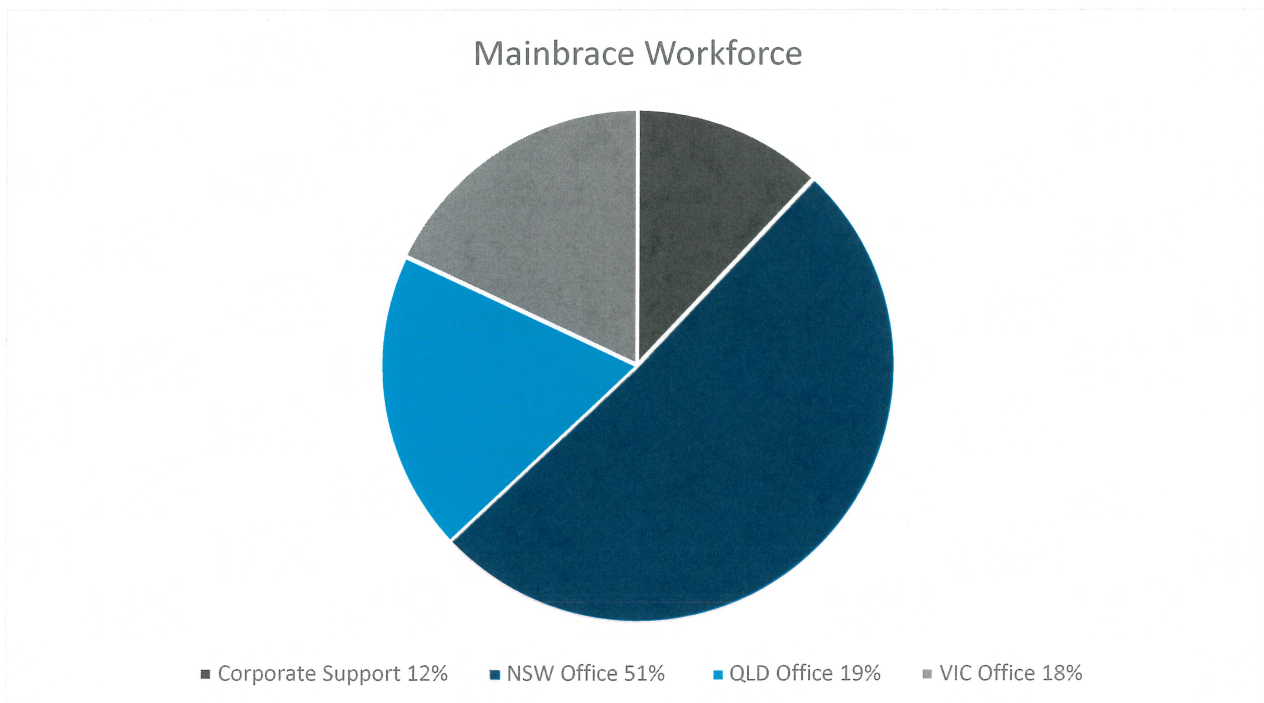
Interiors

Interiors is essentially our small works division focusing on internal changes and upgrades to shopping centres including new shop fit-outs, rebrands, centre amenity upgrades and many other smaller works within complex trading environments.

Our People

Mainbrace employs approximately 214 people, 100% of which reside in Australia and 86% of which are permanent salaried employees with the remainder employed under Industry awards and agreements.

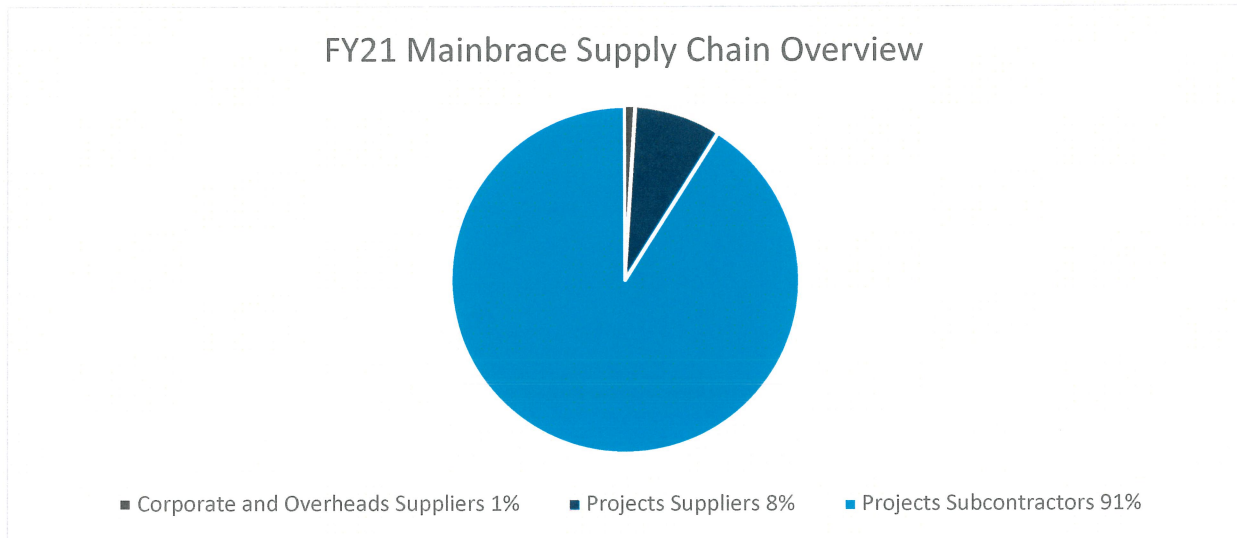
The distribution of the workforce across the business is as follows:



Supply Chain Procurement

Mainbrace as a head contractor manage the construction process and is largely dependent on our suppliers and subcontractors to procure the goods and services used directly and indirectly in our business.

In FY21 our supply chain consisted of 2,218 Australian based entities distributed across the business as follows:



The median spend with a supplier in our supply chain amounted to \$11,726.44 + GST and the average spend \$148,777.25 + GST.

Group corporate procurement consisting of our offices, consumables, equipment and technology totalled 1% of our supply chain spend with our projects under construction amounting to 99% of our spend.

All subcontractors and suppliers where goods and services were procured by Mainbrace in FY21 were Australia based. Nonetheless we recognise that our supply chain extends overseas and with that the higher propensity for modern slavery practices to exist.

To maintain the integrity of our operations, Mainbrace employ a documented procurement procedure incorporating supplier performance management processes. This multi-level approval process ensures what is supplied meets the expectation of our business and is fit for their intended purpose.

RISKS OF MODERN SLAVERY PRACTICES IN OUR OPERATIONS AND SUPPLY CHAINS

Due to the nature upon which our direct employees are engaged there is no risk of modern slavery in this element of our operations.

Determining the risk and extent of modern slavery practices in our greater supply chain is challenging due to the lack of transparency in any extended supply chain and the underground nature of modern slavery practices. The challenge is further compounded by the complexity of the extended supply chains and data limitations.

The Global Slavery Index 2018 provides that the top five imported products into Australia at risk of modern slavery are electronics, garments, fish, rice and cocoa. Of the five, only electronics and garments feature in our supply chain. However, we additionally acknowledge that there will be numerous other products

ultimately procured from overseas markets which could have been produced by labour working in unregulated labour conditions.

The extended labour resources used in our operations and the physical construction process on our projects present a very low risk for the existence of modern slavery practices. Notwithstanding this fact there are certain trades in the construction industry such as cleaning, security and general labour hire in which low skilled, unskilled and temporary workers are employed that potentially present a higher risk of engaging in modern slavery practices.

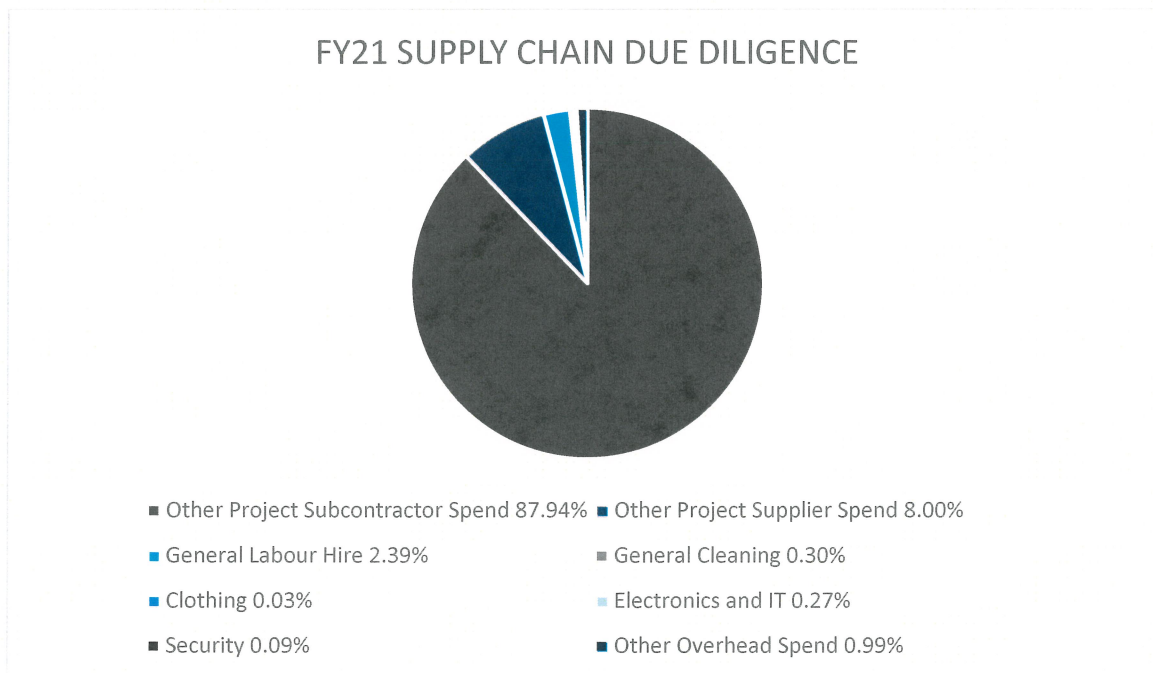
ACTIONS TAKEN TO ASSESS AND ADDRESS THE RISK OF MODERN SLAVERY PRACTICES

Due Diligence

In our inaugural statement we outlined our commitment to focus our resources where we could influence change with our larger immediate suppliers and also target those areas of our supply chain considered to potentially pose a higher risk for the existence of modern slavery practices.

To ensure our strategy remains current it was necessary to again in FY21 consider our supply chain and our spend data.

The resultant cost data provided the following:



While we acknowledge that modern slavery has the propensity to exist anywhere in our supply chain, from this macro perspective there was a lesser risk of modern slavery practices being employed in 96.95% of our FY21 supplier spend with only 3.05% of our FY21 spend representing potentially high-risk suppliers.

The actions taken in FY21 to address this risk are described in the next section.

Actions Taken

Supply Chain Risk Assessment

In order to assess potential risk of modern slavery practices existing in our FY20 Tier 1 supply chain and our higher risk suppliers the Australian Government produced *Supplier Questionnaire – Identifying modern slavery risks* was adopted, revised and used to assess their policies and procedures and in FY21 our initial modern slavery risk assessment was completed.

Key Findings

- The participation rate of 73% was strong.
- Only 13% of our supply chain are obliged to report under the Act and as such the vast majority of those who participated were not aware of the Act and the intent of the Act.
- Visibility, verification and monitoring of supply chain modern slavery risk levels was found to be generally low.

Recommendations

- Risk of modern slavery is increased when there is a lack of awareness, or a lack of effective risk management and as such we will use our procurement process to continue to educate our direct supply chain on the intent of the Act.
- Modern Slavery Questionnaires are now to be completed by direct suppliers as part of our procurement process.

Modern Slavery Awareness Training

General awareness training has been undertaken across the business from board level down to project and operational teams. This will continue this year.

Specific training on the changes to our procurement policies and procedures to address modern slavery has been provided to our procurement teams and many of these have been active in the send out, education and subsequent collation of questionnaires from our suppliers.

Procurement Policies and Procedures

The methodology used to procure goods and services on our projects have been refreshed to educate our primary supply chain on the risks of modern slavery and to contractually obligate them to assess and address modern slavery risk.

Our subcontractors are contractually obliged to:

- take reasonable steps to identify, assess and address risks of modern slavery practices in the operations and supply chains used in the provision of the Goods and/or Services;
- ensure personnel responsible for managing the operations and supply chains used in the performance of the subcontract works have been given suitable training to be able to identify and report Modern Slavery;
- at any time they become aware of modern slavery practices in their operations and supply chains used in the performance of the subcontract works:
 - promptly notify Mainbrace of the modern slavey practices identified
 - take all reasonable action to address or remove these practices, including where relevant by addressing any practices of other entities in its supply chains;
 - take all reasonable steps to remediate any adverse impacts caused or contributed to by the subcontractor from these practices; and

- consult with Mainbrace and provide regular updates on the actions taken to address or remove these practices and remediate the adverse impacts.

Human Resources Policies and Procedures

Our review of our policies culminated in the development of our Modern Slavery Policy and Code of Conduct, and our Modern Slavery Whistle Blower Policy.

Both policies have been communicated to all within the business and are accessible within our intranet system and on our website.

Remediation Process

To date we have not identified nor have we been made aware that our business practices have caused or contributed to modern slavery. Should an instance become known we will cooperate in the investigation of the circumstances and partake in the remediation of the impact in accordance with The UN Guiding Principles.

ASSESSMENT OF THE EFFECTIVENESS OF OUR ACTIONS

As a business operating solely in Australia and as such in an environment in which there is a low risk of modern slavery practices existing we have determined that our actions to date have been effective in promoting modern slavery awareness within our business, amongst our primary suppliers and amongst our higher risk suppliers.

From the course of our actions to date and the shared sentiment derived from our modern slavery risk assessment greater general awareness and education is required in order for our supply chain to effectively assess and address the risk of modern slavery in their own business's and subsequently in the extended supply chain.

PROCESS OF CONSULTATION

The consultation process commenced in FY20 with the establishment of a working committee within our Group Support office. Group Support have authority over the business practices employed by both entities. The process continues to be promoted with consultation with senior management involved in the operations of the business. This on-going consultation process will ensure our business operations align with our modern slavery obligations.

From an industry perspective Mainbrace actively consults and collaborates with our industry peers who often share the same method of operation and supply chains to ensure consistency in our approach to modern slavery.

OTHER RELEVANT INFORMATION - CONTINUOUS IMPROVEMENT

Our modern slavery strategy is built on progressive leadership within our business to increase awareness of the issue which together with a framework of continuous improvement in our policies and processes and the on-going education and training of our employees will together serve to exclude modern slavery practices from our operations and supply chains.

Over the FY22 financial year our key actions will be to:

- increase our supply chains awareness of the risk of modern slavery practices by continuing to educate our primary supply chain on what is modern slavery and by providing them with access to modern slavery resources so that they in turn can assist in assessing and addressing the potential for modern slavery practices in the extended supply chain;
- promote the completion of our modern slavery questionnaire across our primary supply chain so that they can assess their policies and procedures in relation to modern slavery risk;
- continue to develop our human resources policies and procedures to reduce the likelihood of modern slavery practices in our operations;
- continue to promote our modern slavery whistle-blower policy in all our workplaces;
- continued education of our team about modern slavery, the risks and their obligations should they encounter possible cases; and
- continued learning, consultation and collaboration with our Industry peers and other stakeholders in addressing modern slavery.

APPROVAL

The Board of Mainbrace has approved this joint statement on behalf of Mainbrace Constructions Pty Limited and Mainbrace Constructions (QLD) Pty Limited on 15 December 2021.



Robert Doust

Managing Director