



millennium

Millennium Services Group Ltd

ABN: 11 607 926 787

Modern Slavery Statement -FY 2021.

23 Dec 2021



Table of Contents

| | | |
|----|--|----|
| 1. | Purpose of statement..... | 3 |
| 2. | Overview of Millennium Structure & Operations..... | 3 |
| 3. | Millennium's Commitment & Policy Framework..... | 5 |
| 4. | Overview of Millennium's Supply Chain..... | 7 |
| 5. | Modern Slavery Risks and Action Plans..... | 8 |
| 6. | Assessment of effectiveness & Next Steps | 13 |
| 7. | Process of Consultation..... | 14 |



1. Purpose of statement

This is the second Modern Slavery Statement (Statement) made on behalf of Millennium Services Group (ASX:MIL) (ABN 11 607 926 787), and its subsidiaries pursuant to the Modern Slavery Act 2018 (Cth) (the Act).

This Statement sets out the actions taken by Millennium to identify, assess, and address Modern Slavery risks across our operations and supply chains in the twelve months ending 30 June 2021.

Millennium is a reporting entity for the purposes of the Act as it is a company that carries on business in Australia (see section 21 of the *Corporations Act 2001* (Cth)) with a consolidated revenue of over \$A100 million, during the reporting period.

2. Overview of Millennium Structure & Operations

Millennium Services Group Ltd (Millennium) is a public company that listed on the ASX in November 2015.

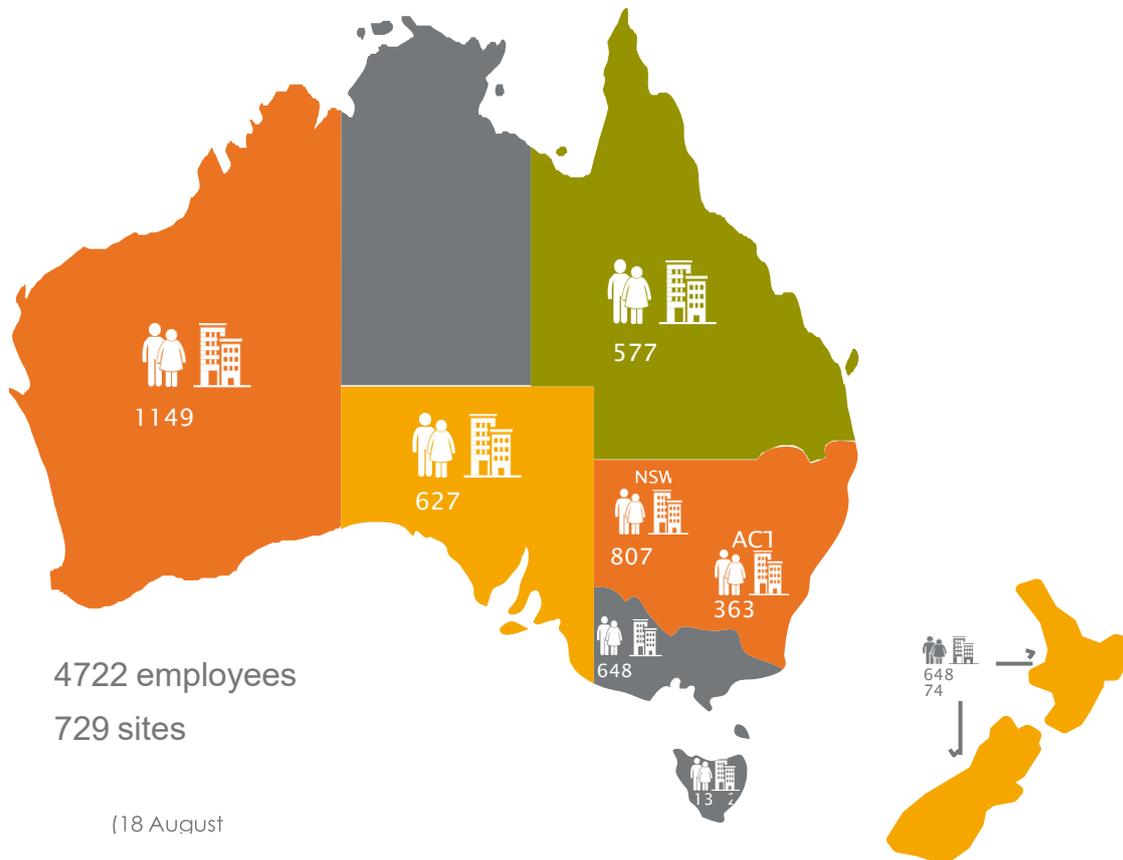
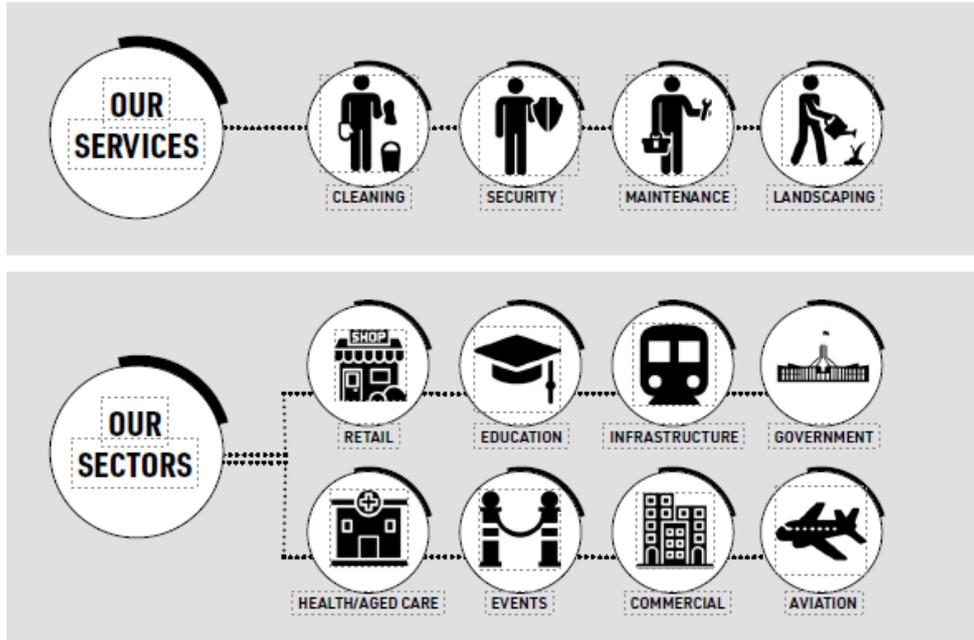
Millennium provides integrated cleaning, security and facilities management services in Australia and New Zealand.

This statement has been prepared on a consolidated basis for Millennium together with its wholly owned subsidiaries.

- Millennium Hi-Tech Group Pty Ltd
- Millennium Cleaning (Qld) Pty Ltd
- Millennium Cleaning (Vic) Pty Ltd
- Millennium Cleaning (NSW) Pty Ltd
- Millennium Cleaning (TAS) Pty Ltd
- Millennium Cleaning (WA) Pty Ltd
- Millennium Cleaning Specialist Services Pty Ltd
- Millennium Hi-Tech Holdings Pty Ltd
- Millennium Hi-Tech (SA) Pty Ltd
- Millennium Services Group Operations Pty Ltd
- Millennium Management Services (Aust) Pty Ltd
- Millennium Management Services (WA) Pty Ltd
- Millennium Security Specialist Services Pty Ltd
- Millennium Group (NZ) Pty Ltd

The team of over 4,700 provide critical cleaning, security and integrated services at over 700 sites. Our head office is in Melbourne and there are also offices in Sydney, Brisbane, Adelaide, Perth, Auckland, Wellington and Christchurch.

Millennium's integrated management system is triple accredited to Work Health and Safety ISO 45001:2018, Quality ISO9001:2015 and Environmental ISO14001:2015 standards with ongoing annual external audits. We seek and value continuous improvement in all aspects of our business.





3. Millennium's Commitment & Policy Framework

Millennium is committed to identifying and addressing risks and any potential instances of Modern Slavery in our operations and supply chains. We support the intent and goals of the Modern Slavery Act 2018 and understand our role in protecting the basic human rights of our people, suppliers and customers.

In addition, Millennium is committed to the principles under the United Nations Global Compact of corporate sustainability relating to human rights, labour, the environment and anti-corruption.

We work with our employees, contractors, partners and suppliers to further enhance our systems and controls to effectively identify and manage Modern Slavery risks within our business operations and supply chains.

We believe that how we work is as important as what we do.

Our business sustainability approach focusses on three key areas: getting the business fundamentals right for customers and shareholders; being a good employer and fulfilling our broader responsibilities to society.





Policy Framework

Millennium manages a range of risks through its policy framework as part of everyday business operations. This includes ensuring Millennium operates in an ethical and responsible manner to identify and reduce the risk of Modern Slavery in our business operations and supply chains. Millennium currently has in place the following policies and controls around Modern Slavery Risk:

- Millennium Modern Slavery Policy
- Employee Code of Conduct
- Corporate Social Responsibility Policy
- Whistle Blower Program
- Supplier Code of Conduct and
- Approved Supplier Prequalification Program including an annual review process

- In 2021 Millennium became a member of the Property Council Informed 365 platform <https://informed365.com> , and now adds all ongoing suppliers to the program to continually grow our understanding of overall and specific supply chain risk

- To further validate findings and support the growth of the Informed 365 platform, Millennium has invited a selected sample of suppliers to participate in a Bureau Veritas desktop data verification program this year – it is envisaged that once this pilot process has been validated, this additional control would be applied more widely to our supply chain

Millennium continues to review and improve our processes in relation to supply chain governance.



4. Overview of Millennium's Supply Chain

Millennium procures goods and services from over 400 suppliers.

These suppliers are all Australian or New Zealand businesses.

Approximately half of our suppliers have overseas operations or Tier 2 suppliers, from which goods and/or services are provided to Millennium including operations based in New Zealand, USA, UK, Canada, Netherlands, France, Germany, Turkey, India, Malaysia and China.

In all these instances, Millennium contracts with the Australian or New Zealand entity of the supplier.

See section 5 for our 2021 Supply Chain risk assessment

The table below sets out examples of the types of products and services Millennium procures.

| Procurement Category | Example products and services |
|-----------------------------|---|
| Cleaning products | Commercial cleaning consumables and supplies |
| Information Technology | Hardware, software, cloud services, IT consultancy services |
| Corporate Services | Consultancy, insurance, accounting, property lease & audit services |
| Security services | Licensed security services for major events |
| Capital equipment | Vehicles, commercial cleaning equipment |
| Clothing | Staff uniforms, footwear |
| Safety Consumables | General and Specialist PPE, First Aid & Spill kits |



5. Modern Slavery Risks and Action Plans

Millennium recognises that the Cleaning and Security service industries remain susceptible to Modern Slavery risks due to the nature of the industries themselves, their workforce and through the complex supply chains that support them.

The process of risk assessment and reduction is an ongoing and continual one that relies on partnerships with our clients and our supply chain partners

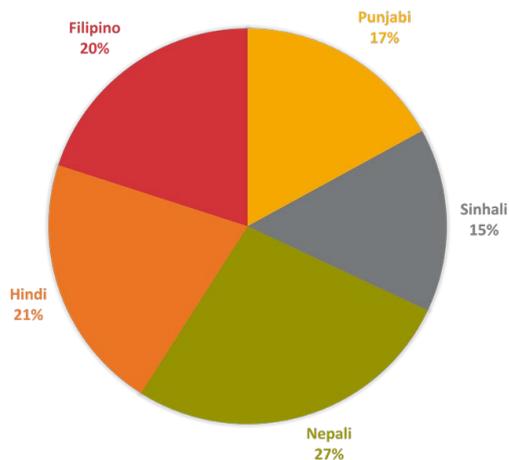
In FY2020, Millennium commenced initial reviews of both internal and external risks considering Industry Sector, Product and Service Type, Geographic Risks and Supplier Entity type.

In FY2021, progress has continued to develop risk assessments and action plans utilising 3rd party organisations and resources.

INTERNAL - Direct Workforce

Our team remains large and diverse - highly multi-cultural and includes a significant number of workers born overseas. They represent over 35 different nationalities. Our gender split across the workforce is approximately 47% female to 53% male.

A survey of team members in June 2021 showed the top five languages apart from English spoken at home were: Nepali, Hindi, Filipino, Punjabi and Sinhala



This diversity introduces potential linguistic and cultural barriers and increases the risk of our workers being vulnerable to systemic issues.

Our company documentation is currently not translated into any of these languages

Our operations are spread across Australia and NZ and vary significantly in scale and environment. This geographic spread introduces operational management and oversight challenges.



ACTION & CONTROLS

Millennium operates under a direct employment model and complies with all relevant Industry Award employment terms.

Our recruitment and employment policies, processes and procedures are all designed to ensure that legislative requirements are met.

Millennium holds Labour Hire Licenses in Queensland and Victoria - these provides reassurance that Millennium is a 'fit and proper' employer compliant with workplace laws . These licensing programs also ensure that any 3rd party labour sourced in those states is also sourced from licensed providers. The practices that allow Millennium to hold licences in these 2 states are also applied across all other Australia and New Zealand operations

Millennium is a long-term supporter of the Cleaning Accountability Framework (CAF) and has achieved certification to the CAF 3 Star Standard in one of our long-standing client properties. A CAF Star rating on a building provides assurance to investors, building owners and their tenants that cleaning services at that building are being procured, managed, and delivered in a manner that foregrounds respect for cleaners' labour rights

Our Code of Conduct, CSR and Whistle Blower Policies provide clear behavioural expectations at all levels and empower our employees to play an active role in the elimination of improper conduct in the workplace.

We use ENTO Workforce Management Software to manage rostering and attendance – this provides secure high compliance data to our payroll system.

Our operations whilst widespread are all in areas with low local risk of Modern Slavery.

In recognition of our multicultural workforce, Millennium will look to develop a multilingual Whistleblower program in FY 2022.

RISK RATING - LOW



EXTERNAL - Supply Chain Risk Analysis

Within our 403 Tier 1 suppliers, our Top 100 suppliers represent approx. 95% of expenditure.

| Supply Chain Assessment Profile | FY2020 - 2021 | |
|--|------------------|------------|
| All Direct Suppliers | 403 | |
| Supplier Type | No. of Suppliers | % of Spend |
| Category A Large Value Procurement - \$250,000 and above | 26 | 76% |
| Category B Medium Value Procurement - \$50,000 - \$249,999 | 58 | 17% |
| Category C Small Value Procurement - \$0 to \$49,999 | 319 | 7% |

Following the initial internal reviews conducted in FY20, these 100 suppliers have now all been added to the Informed 365 database in FY21 to gain further insight into Modern Slavery risks. Over 85 have now responded

The insights gained from the data received to date have allowed Millennium to review our suppliers against key risk aspects of: -

- Geography at Tier 1 & 2 level
- Industry /Service Type
- Awareness of Modern Slavery risks
- Workforce Hiring Practices



Geography

Tier 1 suppliers - all are based in low-risk countries

RISK RATING - LOW

Tier 2 suppliers Millennium supply chain includes overseas Tier 2 supply chain elements for 53% of Tier 1 suppliers.

ACTION & CONTROL Some major suppliers have mapped their supply chain - others are in progress or yet to start – this requires further analysis of Tier 2 and Tier 3 locations –

As part of our continuous improvement program, Millennium are currently reviewing opportunities to consolidate procurement in FY22 – this provides a significant opportunity to simplify our Tier 1 supply base and reduce risks of Modern Slavery.

RISK RATING – MEDIUM

Industry/Service Type

Labour Hire Suppliers - all are based and located in Australia or NZ. Predominantly used for events management or roster gap coverage.

Whilst the nature of the workforce involved is like our own direct team, the Modern Slavery Risks associated with these activities are recognised to be increased given third-party involvement

ACTION & CONTROL Risk is currently mitigated by using registered service providers who comply with individual and company state licensing requirements.

2nd party audits are conducted on a sample basis by Millennium managers.

Millennium are reviewing potential 3rd party audits and interviews with workers to confirm pay and employment arrangements

RISK RATING – MEDIUM

Apparel (uniform) suppliers – The apparel industry is ranked # 3 by Global Slavery Index.

ACTION & CONTROL Millennium's Tier1 uniform providers are based in Australia.

Requires verification of Tier 2 supplier details and locations and potentially on-site 3rd party ethical sourcing reviews before risk can be reassessed in FY22

RISK RATING – HIGH

Tier 1 Supplier Modern Slavery Awareness

44% of Top 100 suppliers have yet to commit to assessing their own Supply Chain Modern Slavery risks

ACTION & CONTROL communication and training from Millennium and Informed365 will continue, to drive this number lower and improve quality and depth of risk assessment throughout our supply chain

RISK RATING – MEDIUM



Workforce Hiring Practices

Over 40% of Tier 1 suppliers report using Tier 2 subcontractors or third-party organisations to source workers increasing Modern Slavery risks by reducing visibility of recruitment processes.

These risks include the potential for debt bondage or wage theft at Tier 2 (or 3) levels.

ACTION & CONTROL Further training and investigation is required into nature, level and location of these employment arrangements with affected suppliers.

This may require on site 3rd party ethical sourcing reviews before risk level can be reassessed in FY22

RISK RATING – MEDIUM

| Top 100 Supplier Analysis % | |
|--|-----|
| Company Base | |
| Australia | 89% |
| New Zealand | 11% |
| Category Type | |
| Labour Hire Suppliers | 32% |
| Commodities; High Risk - Uniforms | 4% |
| Goods & Services | 64% |
| Geographic Risk | |
| Products sourced from overseas | 53% |
| Products sourced from Australia | 47% |
| Review Modern Slavery in Operations and Supply Chain | |
| Yes; Third Party Utilised to Undertake Assessment | 3% |
| Yes; Internal Risk Assessment | 16% |
| Yes; Understanding of Risk but Not Assessed | 24% |
| No; Review Planned Within Next 12 Months | 10% |
| No; Not Assessed | 44% |
| Other | 3% |
| Labour Hire Practices | |
| Use of Subcontractors or Third Party Organisations | 44% |
| Do Not Use Subcontractors or Third Party Organisations | 56% |
| Outsourced Recruitment | |
| Direct Recruitment | 46% |
| Uses Agency or Labour Provider | 16% |
| Uses Certified Labour Hire Companies | 12% |
| Contracts of Employees are Readily Available | 17% |
| Monitored Third-Party Labour Providers or Subcontractor Fees | 4% |
| Other | 4% |



Impact of COVID 19

Millennium has maintained existing relationships with our Supply Base throughout the pandemic – this has not only ensured good continuity of service but also reduced the risks of engaging with new unknown suppliers sourcing material or services from Tier1 or 2 suppliers with higher risk of poor business practices including Modern Slavery.

We reviewed our workforce eligibility for government support and prioritised providing active employment to those more vulnerable workers who were ineligible for such support. This retained our skilled workforce and allowed those workers to avoid being forced to seek alternate, potentially higher risk employment

Millennium has continued to provide essential services throughout the pandemic, many of the Millennium team have worked on the front line every day under extraordinary circumstances supported by others working from home for the first time. Millennium's systems have adapted and risen to these unique challenges.

The safety of our team, clients and customers has been, and continues to be, paramount in everything we do. New processes and protocols were developed and implemented in a rapidly changing environment.

Our supply chain partners have been similarly challenged. Logistics around access and travel to many locations has continued to be problematic. Internal training and the progressive reviews of both Tier 1 and Tier 2 suppliers were delayed.

6. Assessment of effectiveness & next steps

No specific examples of Modern Slavery were identified in our operations and supply chain in FY2021.

The adoption of the PCA Informed 365 platform in FY21 has provided significant insight into areas we should focus on in FY22 and beyond. The annual update of supplier data within the program will allow us to track progress and prioritise our ongoing activities

Millennium recognise that risks can be reduced but not necessarily eliminated and that this is a journey and partnership with our suppliers and our clients.

Key next steps

- Ongoing training at all levels internally – including consideration of language and culture
- Working with our Supply Chain partners to grow and share awareness of risks and understanding of how to control them
- Simplifying Supply Chains
- Verification of outcomes using accredited 3rd party agencies



7. Process of Consultation

The purpose of the Statement is to provide general information only as required by the Act and is correct as at the date of publication.

In preparing this Statement, Millennium consulted with and received input from representatives across the company, the company compliance group and the Senior Executive Team.

This Statement has been approved by Millennium's Board of Directors, the company's principal governing body on 23 December 2021

Scott Alomes

CEO, Millennium Services Group Ltd

23 December 2021.