

SUSTAINABLE SUPPLY CHAIN

Mirvac's progress towards managing and reporting on modern slavery risk in our operations and supply chains

INTRODUCTION

With the introduction of the Modern Slavery Act 2018 (Cth), Mirvac has developed a two-year plan to:

1. understand and assess modern slavery existence and its impacts upon people in our supply chains, on our projects and within our operations;
2. design and connect our policies and processes to make it difficult for modern slavery to occur; and
3. be able to respond accordingly to bring positive outcomes and changes in behaviour through awareness, education and training.

Our approach is an iterative, risk-based process to collaborate and to share our findings transparently. We are spending time with others in our industry, as well as leading Australian businesses outside real estate, to ensure our work is in line with best practice, and what we learn contributes to the broader goal of combating slavery.

MODERN SLAVERY MATTERS

Modern slavery is a significant global issue and one of the worst forms of human rights violations. It is covered by several Australian criminal offences. Criminology, however, doesn't address the conditions that drive modern slavery and may not make it less likely to occur. Australian businesses have an opportunity to help bring about a world free of forced labour, modern slavery, human trafficking, and child labour. In the property industry, we can really make a difference.

40.3 million people in modern slavery¹



66% (over 16 million people) of the world's total forced labour is exploited in the Asia Pacific²

The region is the main exporter of raw materials and products to Australia

18% of forced labour is exploited in the construction industry¹

(second only to domestic work)

15,000 people are living in conditions of modern slavery in Australia¹

Of migrant workers surveyed in Australia³

- > 4% had their passport confiscated
- > 5% paid an unlawful 'deposit' to commence work
- > 4% were exploited to pay 'cash back' to the employer

OUR JOURNEY TOWARDS COMBATING MODERN SLAVERY

FY13-FY18: Setting sustainable supply chain standard



FY19 – FY20 Collaborating to understand and manage slavery risks



FY21 and beyond: Reporting and continuous improvement



1. Global Estimates of Modern Slavery (2017), ILO, Walk Free Foundation <https://www.globallslaveryindex.org/2018/findings/country-studies/australia/>

2. Labour Exploitation in the Australian Construction Industry (2017), Australian Institute of Criminology

3. Wage Theft in Australia (The National Temporary Migrant Work Survey, 2017) 4,322 workers. 107 nationalities. Temporary migrants comprise up to 11% of the Australian labour market.

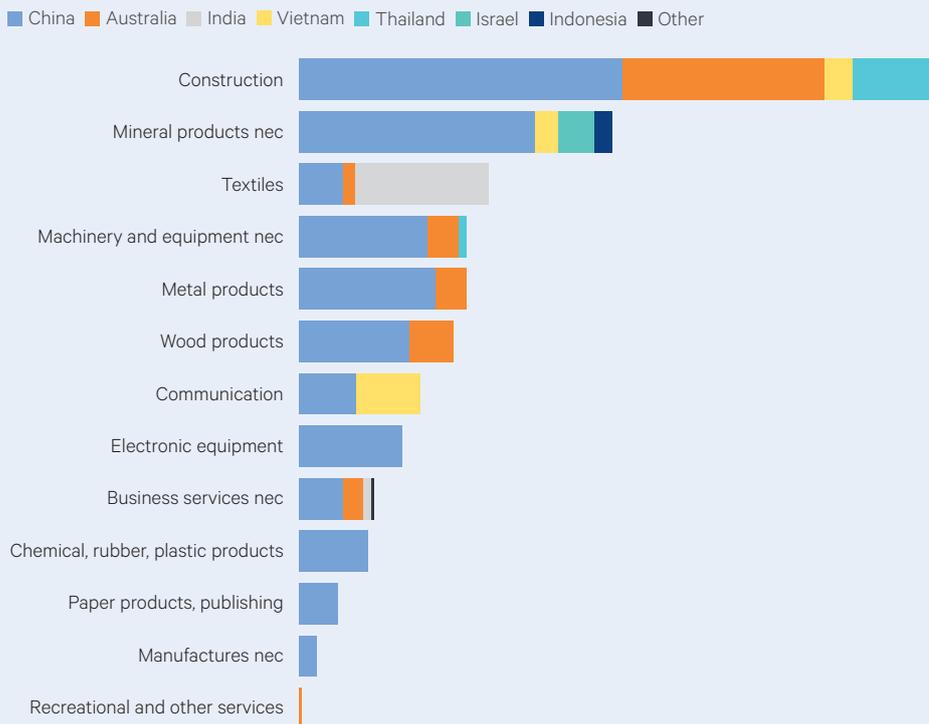
WE ARE HERE: INDEPENDENT INVESTIGATION INTO POTENTIAL SLAVERY RISKS IN OUR SUPPLY CHAIN

This is a profile of potential risk, which does not factor in existing controls, including Mirvac employment practices.

We engaged an independent consultant to screen the products and industries we buy from against the Social Hotspot Database, and consider literature evidence, spend-based risk, and our exposure. This chart is a snapshot of the risks present in the categories from which we procure. This work does not factor in existing controls, but is a high level examination of the potential for risk based on the geographic origins and spending categories within our supply chain. We have highlighted examples where there has been reported evidence of modern slavery, directly and indirectly.

Taking this approach allows a systematic identification of potential hotspots in Mirvac's supply chain, and helps us to understand where risks may lie and their relative magnitude. With these preliminary findings, we will focus on areas of concern where we can influence the supply chain and collaborate with vendors and other organisations to increase constructive outcomes.

For Mirvac, our goods sourced from China, labour conditions in the production of mineral products and business services, and fair payment of construction workers in Australia are exposures that may need increased controls. We also learned from this process where risks are present that are not currently part of our supply chain, for example carpets (textiles) from India is identified as high risk but our exposure to that risk is minimal as we do not procure any items from this geography.



DIRECT RISKS



Underpayment, indentured workers and exploitation of migrants in construction projects



Underpayment and exploitation of migrants in service subcontractors in cleaning, security services and business services

INDIRECT RISKS



Labour conditions and child labour in the supply chain of building products



Labour conditions and child labour in the supply chain of manufactured goods, such as electronic equipment, paper and motorised vehicles



Underpayment, indentured workers and exploitation of migrants in the supply chain of food and hospitality services



Labour rights in offshore financial and business services, including marketing. Risks in investment portfolios managed by third-party financial institutions

NEXT STEPS

Continuing our current theme of learning, and along with the actions in the above timeline, our next steps include:

- > Capability building internally with several levels of training, depending on role and spend authority and externally with key suppliers.
- > Building upon this first scan of our risk profile, we will conduct our first traceability project, which means taking a deep dive into a procurement category to examine it for risks, and develop a process for managing that risk.
- > Improving our 'production visibility' through the use of indicators (labour exploitation or rights violations often acting as an indicator of other issues)
- > Making our systems more robust and difficult for exploitation to occur
- > Developing monitoring, measurement and reporting to allow for continuous improvement with the aim of delivering longer-term program goals

We remain committed to transparency on this subject so that we can make a contribution to the standard that we and others are setting by working within the industry, certification bodies, victim support organisations, leaders in the abolishment of modern slavery and research groups.

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