

# Modern Slavery Statement

Period 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022 (FY 2022)



## A Word from our CEO



*At City, we recognise the impacts that larger businesses have on important social issues like Modern Slavery.*

*Our leadership team welcomes the responsibility of ensuring that all our business operations are conducted ethically and with integrity.*

We have a zero-tolerance approach to modern slavery, and are committed to continually:

- Keeping abreast of appropriate legislation (Modern Slavery Act 2018)
- Assessing business risks associated with modern slavery
- Implementing and maintaining appropriate measures to minimise identified risks
- Educating and raising awareness of modern slavery amongst key stakeholder groups
- Facilitating open and safe communication channels across the entire business and supply chain

City understands the importance of initiatives like Modern Slavery Statements, and our third statement outlines how we will continue to improve our systems and controls to minimise the risk of modern slavery occurring in our business operations and supply chains.



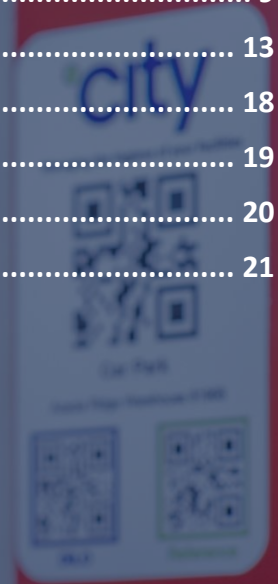
**Chris Winchester**

**Chief Executive Officer**

*This Modern Slavery Statement was jointly prepared by the City Modern Slavery Working Group, endorsed by the City Board, and approved by the Chief Executive Officer. This statement is for the 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022 financial year period.*

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# 1. About City and our Operations

City Holdings (Aus) Pty Ltd (City) provides innovative facilities management services and solutions to retail and commercial partners across Australia. Our partners (customer) sites include supermarkets, childcare centres retail stores, automotive service centres, essential health centres and fast-food outlets.

Our core facilities management services include reactive maintenance and planned preventative maintenance (PPM), security, cleaning, grounds, waste management and pest control. Our partners can also leverage off our additional, value-add professional and technical capabilities.

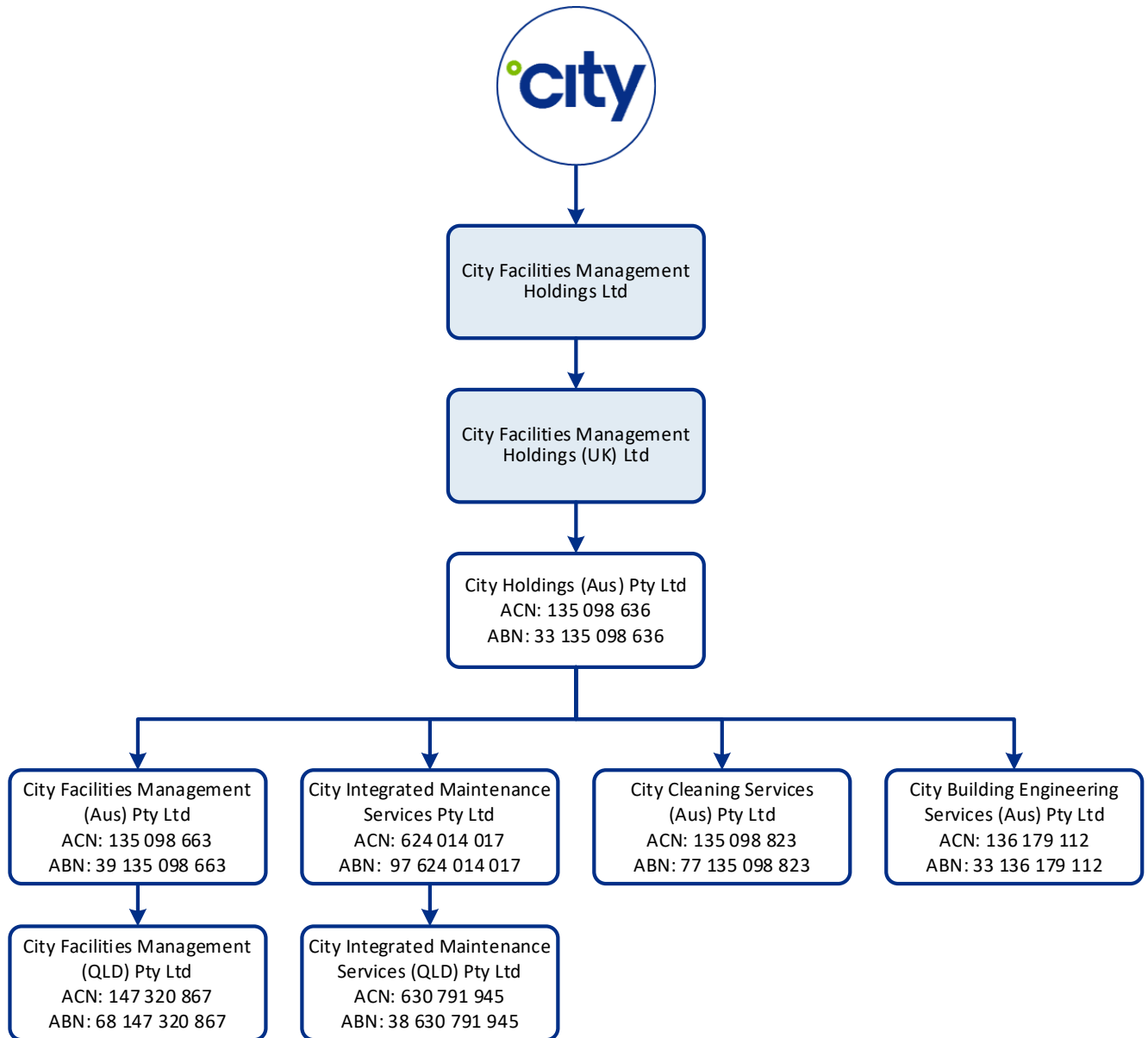
## Our Services



## Our Structure

City is a fully owned subsidiary of the UK based City FM Group, with offices in Europe, Australia, Asia and North America. Established by Lord and Lady Haughey in Glasgow, Scotland in 1985, the City FM Group are one of the largest privately-owned facilities management companies in the world.

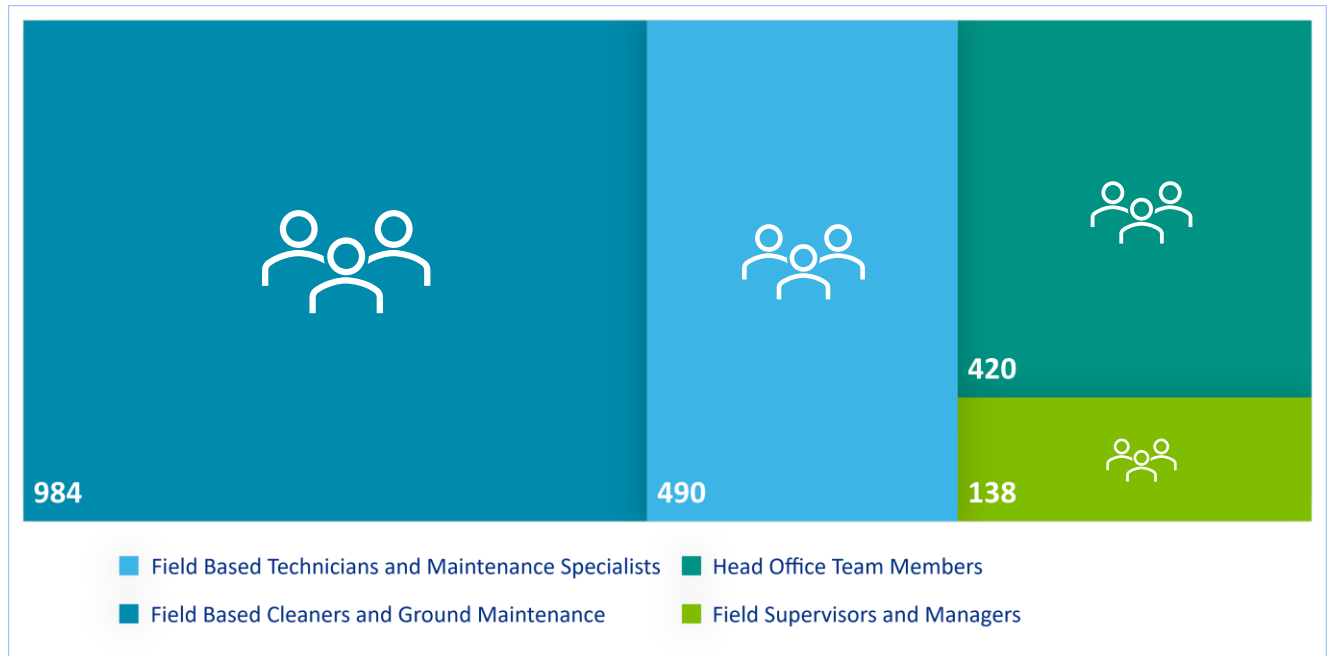
Within Australia, City Holdings (Aus) Pty Ltd (City) has six (6) controlled entities that are wholly owned by City, incorporated in Australia and only operate in Australia. City, including all controlled entities, are managed and governed by the same Executive Leadership Team and Board, operating as one organisation branded as City. The City entity structure is depicted below:



## Our Operations

City’s head office is located in Melbourne, with our registered address being:  
**10 Nexus Court Mulgrave, Victoria 3170 Australia.**

City employ 2,032 team members in Australia (as of May 2023), with roles broken down as follows:



City’s field-based team members perform facilities management services at partner (customer) sites throughout all states and territories of Australia, including metro and regional locations.

**196,389**  
**PPM Jobs Completed**



**4,837**  
**Partner Sites Serviced**



**549,658**  
**Calls Answered**  
**by Contact Centre**

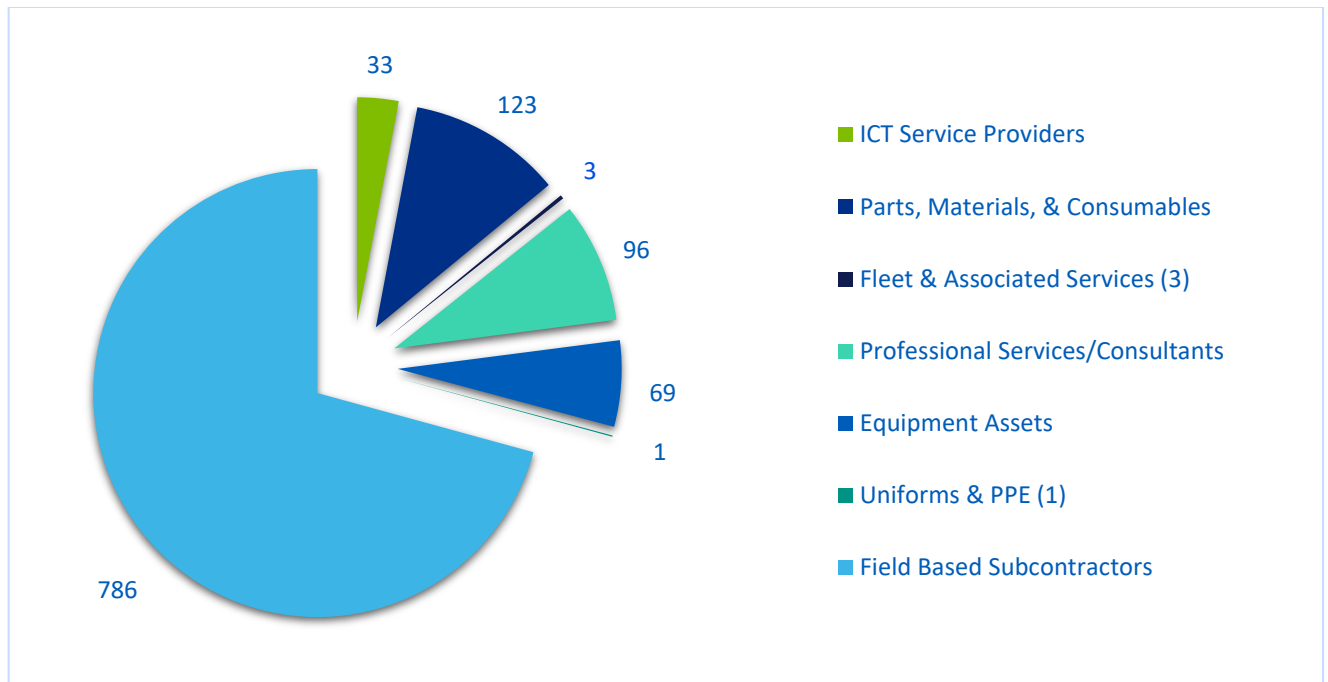
**748,963**  
**Reactive Jobs**  
**Completed**



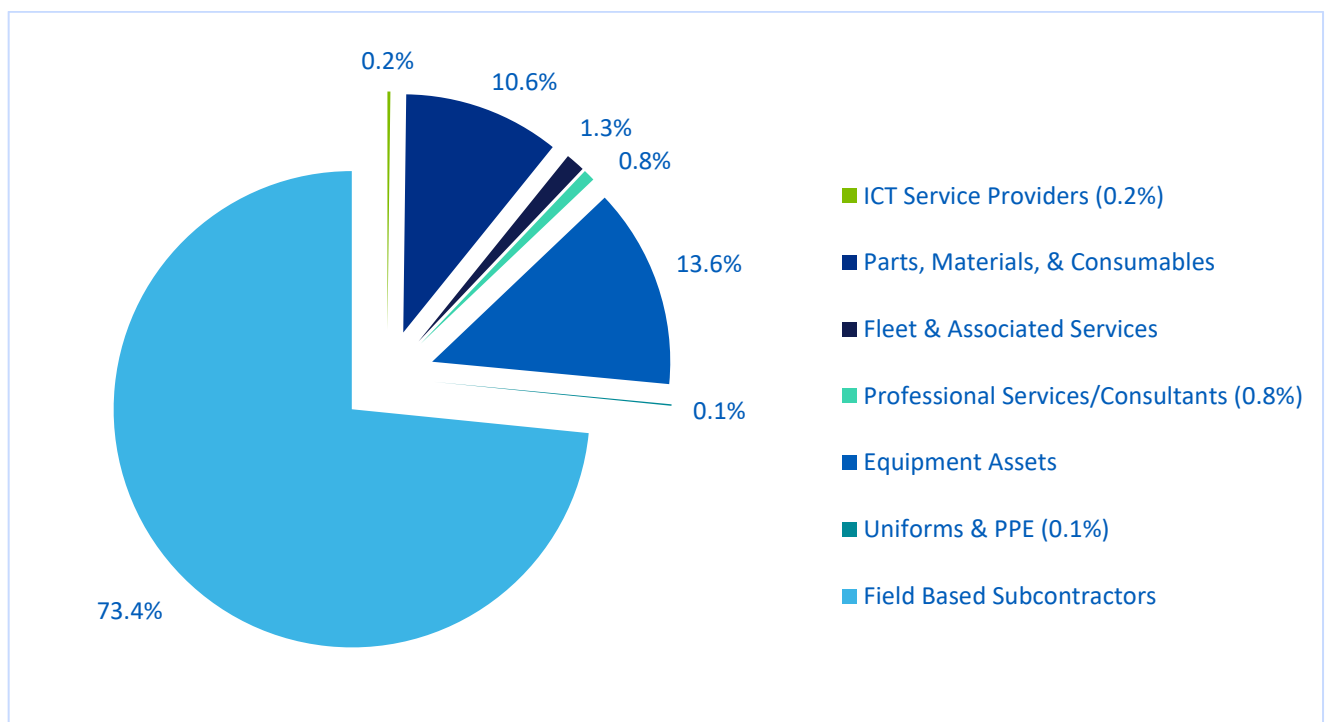
## 2. Our Supply Chain

City engage a broad base of sub-contractors and suppliers to enable the delivery of Facilities Management services to our partners. 100% of City’s direct sub-contractors and suppliers (tier 1 supply chain) are Australian based businesses (ABN/ACN provided), *except for several IT service providers*. Equipment, parts, and material suppliers are known to source some of their product from overseas regions such as Europe and Asia. City expect all sub-contractors and suppliers to comply to City’s modern slavery expectations. City’s supply chain is broken down as follows:

### Quantity of Vendors in Supplier Category



### Approximate Percentage of Total Vendor Spend



### Further Supply Chain/Vendor Information

Tier 1 Supply Chain / Vendor Category	Description of Goods or Services Provided by Vendor Category
<b>Field based (Blue Collar) Sub-Contractors &amp; Labour Hire Agencies</b>	Field based contractor and labour hire workers such as Licenced Trade Technicians, Maintenance Specialists, Grounds Maintenance, Field Supervisors and Cleaners working at Australian based Partner controlled sites performing FM reactive and planned preventative maintenance works
<b>Equipment Asset Suppliers</b>	Equipment (assets) such as Commercial refrigeration units, HVAC systems, catering equipment, compressors, switchboards, etc.
<b>Parts, Materials &amp; Consumables Suppliers</b>	Electrical, plumbing, refrigeration, HVAC, building, mechanical spare parts, materials and consumables, refrigerant gases, technician tools, etc.
<b>Professional Services Suppliers / Consultants</b>	Professional consulting services, training providers, recruitment consultants, test and calibration providers, etc.
<b>Fleet &amp; Associated Services Suppliers</b>	Company vehicle fleet lease providers, vehicle fit-out providers, vehicle service providers, fuel providers, etc.
<b>Facilities (Head Office) &amp; Associated Utilities</b>	Provision of City Head Office and associated costs (not accounted for in total vendor spend)
<b>Uniforms and PPE Suppliers</b>	Technician uniforms, PPE, etc.
<b>ICT Service Providers/Suppliers</b>	Cloud based infrastructure, IT Systems and Applications, Electronic Devices, Etc.
<b>City Asia - Global Support Services Team</b>	Contact Centre after hours service, Accounts Payable processing and IT support provided by City Asia.





### 3. Risks in our Operations and Supply Chain

In accordance with our Risk Management Framework, the City Modern Slavery Working Group have identified and assessed modern slavery risks related to our operations and supply chain. All modern slavery risks have been categorised, recorded and rated on a Modern Slavery Risk Register. An overview of our risk assessment approach is described below.



## Risk Indicators

The following indicators are reviewed to ensure potential modern slavery risks have been identified:

Type of Risk	Indicators
<b>Sector and industry risks</b>	Certain sectors and industries may have high modern slavery risks because of their characteristics, products, and processes.
<b>Product and services risks</b>	Certain products and services may have high modern slavery risks because of the way they are produced, provided, or used.
<b>Geographic risks</b>	Some countries may have higher risks of modern slavery due to poor governance, weak rule of law, conflict, migration flows and socio-economic factors like poverty.
<b>Entity risks</b>	Some entities may have particular modern slavery risks because they have poor governance structures, a record of treating workers poorly or a track record of human rights violations.
<b>Indicators of modern slavery</b>	A combination of these signs may indicate a person is in a situation of modern slavery and that further investigation and assessment is required.

City have referred to the [www.globalslaveryindex.org](http://www.globalslaveryindex.org) to identify countries that are likely to have an inherent high risk of modern slavery from a supply chain perspective.



## Risk Profile

A summary of City’s modern slavery risk profile is provided below.

Inherent Risk Contributing Factors / Existing Controls	Conclusion
<b>City Team Members (Employees) – Office Based Roles</b>	
<ul style="list-style-type: none"> <li>▪ All City team members are based in Australia and subject to Australian workplace/employment laws</li> <li>▪ Australia has a low Global Slavery Index Score</li> <li>▪ Majority of team members located in capital cities &amp; professional office environments</li> <li>▪ Team members are educated and know their rights</li> <li>▪ City office based operations do not inherently give rise to modern slavery conditions</li> <li>▪ Hybrid working arrangements available for office based team members</li> <li>▪ City have mature HR &amp; OH&amp;S policies, procedures, systems and controls</li> <li>▪ Modern Awards and Employment Contracts</li> <li>▪ Wages and benefits banding performed by independent party</li> <li>▪ Payroll audits</li> <li>▪ Team member satisfaction metrics and consultation practices</li> <li>▪ Whistleblower policy and reporting</li> </ul>	<p>City consider the risk of modern slavery practices to our team members to be low</p>
<b>City Team Members (Employees) – Field Based Roles</b>	
<ul style="list-style-type: none"> <li>▪ All City team members are based in Australia and subject to Australian workplace/employment laws</li> <li>▪ Australia has a low Global Slavery Index Score</li> <li>▪ Some team members working in remote locations</li> <li>▪ Trade team members educated and know their rights</li> <li>▪ Some field operations (e.g. cleaning industry) inherently give rise to risk of under payment</li> <li>▪ Some field team members may have migrated from countries with a high Global Slavery Index Score and may be prone to accept substandard field based working conditions</li> <li>▪ Field based employees are covered by an Enterprise Agreement that must be better off overall than the Modern Award</li> <li>▪ City partner with customers who have professional and safety controlled premises/inductions</li> <li>▪ City have mature HR &amp; OH&amp;S policies, procedures, systems and controls</li> <li>▪ Team member satisfaction metrics, regular toolbox meetings and consultation practices</li> <li>▪ HSE Field audits (sampling approach)</li> <li>▪ Job time logging and rostering systems</li> <li>▪ City payroll internal audit and spot checks</li> <li>▪ Whistleblower policy and reporting</li> </ul>	<p>City consider the risk of modern slavery practices to our team members to be low</p>

Inherent Risk Contributing Factors / Existing Controls	Conclusion
<b>Sub-contractor and Labour Hire Workforce</b>	
<ul style="list-style-type: none"> <li>▪ All sub-contractor and labour hire workers are based in Australia and subject to Australian workplace / employment laws</li> <li>▪ Australia has a low Global Slavery Index Score</li> <li>▪ Some workers are working in remote locations</li> <li>▪ Some field operations (e.g. cleaning / security industry) inherently gives rise to a risk of under payment</li> <li>▪ Some contractor workers may have migrated from countries with a high Global Slavery Index Score and may be prone to accept substandard field based working conditions</li> <li>▪ Some sub-contractor workers may not be fluent in English to enable them to understand their rights or employment conditions</li> <li>▪ City partner with customers who have professional and safety controlled premises/inductions</li> <li>▪ City procurement and sub-contractor accreditation policies, procedures and systems</li> <li>▪ HSE Field audits (sampling approach)</li> <li>▪ Sub-contractor payroll and employment condition audits (sampling approach only)</li> <li>▪ Whistleblower policy and reporting</li> <li>▪ Monthly / Quarterly Sub-Contractor management meetings held at National / State levels with key Sub-Contractors</li> <li>▪ City ethical sourcing policy and questionnaire systems</li> <li>▪ After hours Contact Centre and Accounts Payable team members based in City's Malaysian office, subject to City's HR Policies, systems and management oversight</li> </ul>	<p>City consider the risk of modern slavery practices to our sub-contractor and labour hire workers who only work in Australia to be low.</p> <p>Noting that the inherent risk of worker underpayments for some industries (e.g. cleaning) may be high.</p>
<b>Equipment, Parts &amp; Materials, and other Services Suppliers</b>	
<ul style="list-style-type: none"> <li>▪ Majority of suppliers (tier 1) based in Australia (ABN/ACN registered entities).</li> <li>▪ Australia has a low Global Slavery Index Score</li> <li>▪ Many high spend equipment, parts &amp; materials suppliers will be subject to the Modern Slavery Act mandatory reporting requirements</li> <li>▪ Some of City's suppliers (such as equipment, parts and material suppliers) may be indirectly linked to modern slavery practices through their international supply chains (if they source product or materials from countries that have an inherently high likelihood of modern slavery prevalence)</li> <li>▪ City ethical sourcing policy and questionnaire systems</li> <li>▪ Supply agreements that reference ethical sourcing policy requirements</li> </ul>	<p>Although City consider the risk of modern slavery practices to our supplier workers based in Australia to be low, City will continue to work with its key equipment, parts and materials suppliers, in accordance with our Ethical Sourcing Policy, to further enhance our understanding of suppliers' international supply chains, operations, risk profiles and modern slavery risk mitigation strategies.</p>

## 4. Risk Mitigation, Due Diligence & Remediation Processes

In accordance with our Risk Management Framework, the City Modern Slavery Working Group have continued to assess the effectiveness of existing risk controls and identify additional risk mitigation actions within a Modern Slavery Risk Register. An overview of our risk mitigation strategy (including due diligence and remediation processes) for the current reporting period and beyond is provided below.

Risk Mitigation / Control	Actions / Status Current Reporting Period	Planned Actions Next Reporting Period & Beyond
<p><b>City Risk Management Framework &amp; Risk Register</b></p> <p>Continue to assess the risks of modern slavery across City’s operations and supply chain and document / monitor within a Modern Slavery Risk Register.</p>	<p>City Risk Management Framework applied to the context of modern slavery for City’s Operations &amp; Supply Chain. A designated Modern Slavery Risk Register has been developed and maintained.</p>	<p>Continue to monitor modern slavery risks, record and assess annually to determine additional mitigation actions.</p> <p>City will continue to work with its key customers and suppliers, in accordance with our Ethical Sourcing Policy &amp; Questionnaire, to further enhance our understanding of suppliers’ international supply chains, risk profiles and modern slavery risk mitigation strategies.</p>
<p><b>City Modern Slavery Working Group</b></p> <p>The City Modern Slavery Working group is made of members of the City Senior Leadership Team, with the charter of:</p> <ul style="list-style-type: none"> <li>▪ Co-ordinating annual modern slavery risk assessments of City’s operations and supply chain</li> <li>▪ Determining additional risk controls / actions to further mitigate modern slavery risks and improve performance</li> <li>▪ Oversee the delivery of modern slavery training and awareness initiatives</li> <li>▪ Oversee preparation, approval and publishing of City’s Annual Modern Slavery Statement in accordance with requirements specified with the Modern Slavery Act (Cth) 2018</li> <li>▪ Review reported modern slavery breaches and coordinate required actions</li> <li>▪ Report modern slavery risk and compliance status to the Board</li> </ul>	<p>Modern Slavery Working Group has continued to meet on a periodic basis to identify and assess modern slavery risks and oversee the implementation of controls</p>	<p>Continue to meet on a periodic basis to ensure the City Modern Slavery Working Group Charter is effectively implemented and outcomes are reported to the City Board</p>

Risk Mitigation / Control	Actions / Status Current Reporting Period	Planned Actions Next Reporting Period & Beyond
<p><b>City Board Reporting</b></p> <p>Modern slavery reporting included in Board packs as an ongoing board meeting agenda item</p>	<p>Included as a standard board reporting agenda item</p>	<p>Continue to report on modern slavery risks and compliance status to the Board</p>
<p><b>City Modern Slavery Policy</b></p> <p>Confirm City’s commitment to contribute to ending all forms of modern slavery and outlines our approach to reducing the risk of modern slavery practices within our operations and supply chains</p>	<p>Policy existing</p>	<p>Continue to communicate and implement the requirements of the City Modern Slavery Policy.</p> <p>Review adequacy of the policy on an annual basis.</p>
<p><b>City Modern Slavery Act Compliance Framework Process</b></p> <p>Describes how City will ensure compliance to the Modern Slavery Act 2018 (Cth), City Ethical Sourcing Policy and City Modern Slavery Policy</p>	<p>Process existing</p>	<p>Continue to implement the requirements of the City Modern Slavery Act Compliance Framework Process.</p> <p>Review adequacy of the process on an annual basis.</p> <p>Conduct an internal desktop assurance review to ensure requirements of the process are effectively implemented within City.</p>
<p><b>City Ethical Sourcing Policy &amp; Questionnaires</b></p> <p>Describes City’s expectation of suppliers in relation to the ethical supply of goods and services</p> <p>Bi-annual Ethical Sourcing questionnaire issued to suppliers / sub-contractors based on spend.</p>	<p>Policy existing</p> <p>Ethical Sourcing questionnaire completed for 50+ key suppliers / sub-contractors</p> <p>Ethical Sourcing questionnaire revised to ensure adequate questions relating to transparency of supplier/sub-contractor supply chains and modern slavery / underpayment risk profiles.</p>	<p>Continue to communicate and implement the requirements of the City Ethical Sourcing Policy with suppliers.</p> <p>Review adequacy of the policy on an annual basis.</p> <p>Take necessary remedial action if high modern slavery risks are detected in supply chains via Ethical Sourcing Questionnaire responses.</p>
<p><b>City Code of Conduct</b></p> <p>Describes the high-level standards of integrity and ethical behaviour required by all City team members, including prevention of fraud and corruption</p>	<p>Code of Conduct existing</p>	<p>Continue to communicate and implement the requirements of the City Code of Conduct with team members.</p> <p>Review adequacy of the policy on an annual basis</p>

Risk Mitigation / Control	Actions / Status Current Reporting Period	Planned Actions Next Reporting Period & Beyond
<p><b>City Whistleblower Policy</b></p> <p>Describes City’s policy and processes in relation to any team member, partner team member, member of the public, supplier worker and/or contractor worker being able to report confidentiality (without fear of reprisal) any grievance where it is believed City’s policies or Code of Conduct have been breached.</p>	<p>Policy existing with reporting details established</p> <p>Implementation of an independent and anonymous Whistleblower reporting and investigation service (Stopline)</p>	<p>Continue to communicate City’s Whistleblower Policy and grievance reporting processes to City team members, partners, sub-contractors, suppliers and members of the public.</p> <p>Continue to take remedial action when confidential whistleblower grievances are received via reporting mechanisms.</p> <p>Review adequacy of the policy on an annual basis</p>
<p><b>Sub-Contractor Accreditation Processes and Systems</b></p> <p>Formal accreditation processes and systems used to approve new sub-contractors and monitor compliance status</p>	<p>Continue to accredit sub-contractors utilising City’s revised screening questions and requirements that includes modern slavery and employment obligations.</p>	<p>Ensure sub-contractors continue to complete the accreditation process upon initial onboarding and 2-yearly renewals.</p> <p>Continue to review adequacy of sub-contractors that may not meet minimum modern slavery or employment condition requirements as per accreditation questionnaires.</p> <p>Additional background checks to be conducted for sub-contractors from high-risk industries</p>
<p><b>Supplier Approval Process</b></p> <p>Formal approval process used to approve new suppliers</p>	<p>Existing process</p> <p>Supplier Approval Form revised to include additional modern slavery risk criteria</p>	<p>Continue to use the supplier approval form for new supplier applications to ensure Modern Slavery aspects are adequately assessed.</p>
<p><b>Supply Agreements</b></p> <p>Formal contracts in place with key suppliers that specify City’s standard terms and conditions</p>	<p>Existing supply agreement templates in place that specify Modern Slavery compliance is a stated term and condition of supply</p>	<p>Continue to ensure all new (or renewed) suppliers and sub-contractors are onboarded using the revised Supply Agreement template and/or Standard Terms &amp; Conditions.</p>
<p><b>Sub-Contractor Spot Check Audits</b></p> <p>Field based audit program that focuses on health and safety risks applicable to work being performed by sub-contractor workers in the field</p>	<p>Existing audit program</p> <p>Sub-Contractor Spot Check audit checklist revised to include questions relating to employment obligations</p>	<p>Take remedial action if modern slavery risks are detected during field spot check audits</p>

Risk Mitigation / Control	Actions / Status Current Reporting Period	Planned Actions Next Reporting Period & Beyond
<p><b>Training &amp; Awareness</b></p>	<p>Delivered additional modern slavery training to City procurement, executive and senior leadership teams</p>	<p>Continue to conduct refresher training and/or awareness campaigns for team members.</p> <p>Prepare a Modern Slavery related information share for sub-contractor workers (delivery model to be determined).</p>
<p><b>Remediation Processes</b></p>	<p>Defined in Modern Slavery Act Compliance Framework Process</p>	<p>Continue to maintain a confidential Modern Slavery remediation log to be monitored and actioned by the City Modern Slavery Working Group.</p> <p>City may develop a remediation plan or decide to not utilise the services of Suppliers that are not willing to share required information or are unable to demonstrate that they have a suitable modern slavery risk framework in place</p>
<p><b>Sub-contractor Employment Obligations Assurance Framework</b></p>	<p>Continue to implement sub-contractor accreditation process</p> <p>Continue to perform sub-contractor worker payments and entitlement audits with high risk category sub-contractors (e.g. cleaning, security, grounds, etc.)</p> <p>Developed an Ethical Sourcing Sub-contractor Assurance Framework that includes:</p> <ul style="list-style-type: none"> <li>▪ The classification of high-risk sub-contractor categories (taking into consideration inherent industry risk of under payment)</li> <li>▪ Conduct risk assessments of sub-contractors from high-risk categories</li> <li>▪ Development of a sub-contractor employment obligations audit program</li> </ul>	<p>Continue to implement the Sub-contractor Employment Obligations Assurance Framework and take remedial action if modern slavery risks / issues are detected during spot checks / audits.</p>



Risk Mitigation / Control	Actions / Status Current Reporting Period	Planned Actions Next Reporting Period & Beyond
<p><b>Supplier Ethical Trade Audits</b></p>	<p>City has commenced a process to identify its high-risk suppliers of goods and established a plan to conduct social audits from 2023, for selected key suppliers. The audits will be conducted using the Sedex Members Ethical Trade Audit (SMETA) format.</p> <p>The audits will enable City and its key customers to assess the manufacturing sites of the key suppliers to understand working conditions and to therefore help protect workers from unsafe conditions, overwork, discrimination, underpayment and/or forced labour.</p>	<p>Implement the key supplier social audit plan for 2023 utilising the Sedex Members Ethical Trade Audit (SMETA) format</p> <p>Work with our key customers (partners) and suppliers to ensure remedial action is taken as required based on audit findings.</p>

## 5. Assessing the Effectiveness of our Actions

City will continue to assess the effectiveness of our actions taken to address modern slavery risks. The City Modern Slavery Working Group will lead all aspects of assessing effectiveness and will report regularly to the City Executive Leadership Team and Board. How City will continue to assess the effectiveness of our actions is summarised below:

Assessment Description	Method
<b>City Modern Slavery Working Group</b>	Meet on a regular periodic basis to assess the overall effectiveness of the Modern Slavery Act Compliance Framework and associated policies, processes and risk controls.
<b>Modern Slavery Risk Register Reviews</b>	Conduct an annual Modern Slavery Risk Register review to: <ul style="list-style-type: none"> <li>Adjust risk context (based on available information)</li> <li>Review new or changed risks and assess</li> <li>Review status of planned or existing mitigation actions and effectiveness.</li> </ul>
<b>Internal Review of Modern Slavery Compliance Framework</b>	Conduct an internal review of the Modern Slavery Compliance Framework (and associated policies, processes and risk controls) and report findings directly to the Board.  Log and take corrective action for any non-compliances or opportunities for improvement that may be identified.
<b>Annual Review of Policies and Processes</b>	Conduct an annual review of all Modern Slavery related policies and processes. Update and recommunicate policies or processes that may have been revised (as required).
<b>Whistle-blower Grievances</b>	Conduct a confidential periodic review of the effectiveness of actions taken to address logged whistleblower grievances (as related to modern slavery concerns – if applicable).
<b>Supplier Reviews</b>	Conduct periodic supplier and sub-contractor reviews and report / action instances of noncompliance / improvement.
<b>Internal &amp; External Reporting</b>	The City Modern Slavery Working Group to provide regular periodic modern slavery compliance framework and risk status updates to the City Executive Leadership Team and Board.  City to report directly to key customer (partner) representatives on employment obligation matters related to sub-contractor and supplier workers.



## 6. Consultation with Controlled Entities

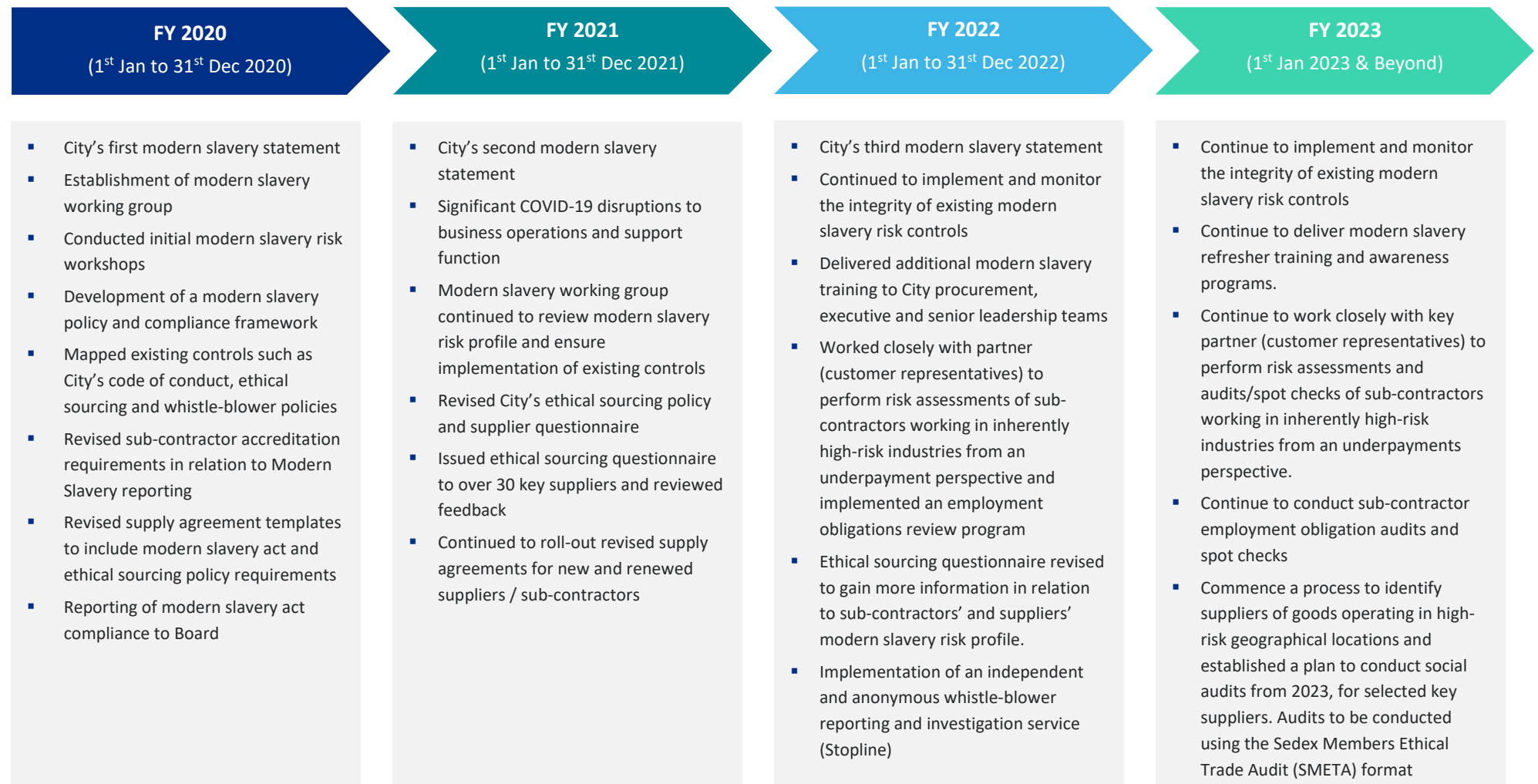
City Holdings (Aus) Pty Ltd and its controlled entities are treated as one entity (City) from a board, management structure, operational, resourcing and corporate governance perspective. Therefore, City did not need to consult separately with its controlled entities in the development of this Modern Slavery Statement.



## 7. Conclusion

City are committed to further strengthening our risk controls to ensure continued mitigation of modern slavery risks in our operations and supply chain. An overview of City’s progress to date (and future initiatives) is outlined below in City’s Modern Slavery Compliance Journey.

### City’s Modern Slavery Compliance Journey (Key Activities)



## 8. Compliance to the Mandatory Reporting Criteria

Modern Slavery Act 2018 (Cth) Mandatory Reporting Criteria	Reference in this Statement
1. Identify the reporting entity	Section 1
2. Describe the reporting entity’s structure, operations and supply chains	Section 1 & 2
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Section 3
4. Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address risks, including due diligence and remediation processes	Section 4 & 7
5. Describe how the reporting entity assesses the effectiveness of such actions	Section 5
6. Describe the process of consultation with any entities the reporting entity owns or controls; and, for a reporting entity covered by a joint statement, the entity giving the statement	Section 6
7. Include any other information that the reporting entity, or the entity giving the statement, considers relevant	Through-out Document, Introduction & Conclusion (Section 7)

