

# Modern Slavery Policy Statement

This document contains Project1's policy and statement on modern slavery and human trafficking, reflecting international standards and principles including the International Bill of Human Rights, the United Nation's Guiding Principles on Business and Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and the Modern Slavery Act 2015. It sets out the steps taken by Project1 to prevent, mitigate and where appropriate remedy modern slavery in its operations and supply chain.

## Policy

Modern slavery is used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom, sometimes also involving clear physical indicators, such as physical confinement or confiscation of identity and travel documents.

The international framework defines modern slavery as including eight types of serious exploitation, namely trafficking in persons, slavery, servitude, forced marriage, forced labor, debt bondage, the worst forms of child labor and deceptive recruiting for labor or services. It can happen in any industry and any country. Victims are often vulnerable to exploitation due to their background, migration status or structural factors like poverty. Both adults and children can be victims of modern slavery.

However, modern slavery is only used to describe serious exploitation; it does not include practices like substandard working conditions or underpayment of workers, though these practices are also illegal and harmful and may be present in certain cases of modern slavery as well.

If not addressed, modern slavery in Project1's operations and supply chains can pose substantial reputational and legal risks and damage its commercial relationships.

Project1 is committed to conducting all aspects of its business in an ethical and transparent manner and has a zero-tolerance approach towards modern slavery and human trafficking in its own operations and its supply chain. It requires that all its contractors and suppliers do not engage in any modern slavery practices or knowingly contract with third parties which do, being intent on terminating any business relations with any contractor or supplier in breach of these obligations.

Such approach must be communicated to all business partners at the outset of Project1's business relationship with them and reinforced as appropriate thereafter.

## Statement

This document sets out the approach that Project1 has either already taken during the past financial year or intends to take during the current financial year, in order to prevent modern slavery and human trafficking in its business and supply chains.

Project1 seeks to apply the policies and procedures detailed herein across the relevant parts of its business, but acknowledges that it may take time to achieve consistent standards, especially within its supply chains.

## **Business and organisational structure**

Established in 2018, Project1 is based in Bucharest, Romania, and operates mostly on the territory of Romania. It consists of a strong team of professionals experienced in managing and delivering large and complex interior construction sites both domestic and abroad, in favor of both Romanian and foreign clients.

Project1 acts as a general contractor and, as such, provides management expertise to deliver interior construction projects for its clients. Most of its revenue is spent with sub-contractors and materials required to successfully perform its contractual obligations.

Project1 collaborates with various sub-contractors and, every day, a number of their employees will be working on its sites, being led and managed by Project1's employees.

Project1 also relies on a number of manufacturers, suppliers and distributors which, in turn, will source products from their respective supply chains. Consequently, Project1's supply chain is an integral part of how it operates, its success and reputation being inextricably linked to the performance and ethicality of such supply chain.

## **Employee overview**

Project1's is committed to creating and preserving a great work environment, such principle being at the heart of its business strategy.

Project1's recruitment policies envisage to attract exclusively skilled professionals that are not from vulnerable groups where slavery is a risk. It complies with local minimum age and wage laws (and does not employ child labor), performs performing all required registration formalities with the General Registry of Employees in due course and duly pays all taxes imposed by law to a Romanian employer.

Project1's employees are only paid by bank transfer (with payments made into third party bank account being prohibited) and vetted for the right to work on Romanian territory.

Furthermore, Project1 intends to implement a whistleblowing policy in the near future, thus encouraging its employees to report any wrongdoing (including exploitation) in any form.

## **Supply chain overview**

Project1 works with a significant number of companies across its supply chain, which fall into two main categories: suppliers providing goods and services required in order to run the company, such as IT, telecommunications, professional services and facilities, and sub-contractors and suppliers (including both manufacturers and distributors) used in client work (given that Project1 is primarily a management company) respectively.

In common with many companies operating in the construction industry, Project1's supply chain is complex; there are often many tiers of suppliers between Project1 (as the main contractor) and the source of the raw materials and corresponding labor we benefit of. However, all construction works delivered by Project1 are exclusively sub-contracted to Romanian companies, and most goods (equipment, furniture etc.) supplied to its clients are mainly purchased from EU and the USA.

Project1 is aware that the biggest slavery and human trafficking risks lie in its supply chains. Consequently, it has adopted, or is in the process of adopting, various procedures to ensure that both its existing and potential supply partners understand its values, standards and requirements regarding the prevention of modern slavery and human trafficking within supply chains.

## **Identifying and managing the risks of modern slavery**

In line with its Code of Conduct, Project1 only deals with sub-contractors and suppliers that provide their employees with good working conditions, fair treatment and reasonable rates of pay, respect workers' human rights and fully comply with all applicable laws. Project1's Code of Conduct specifically prohibits activities linked to slavery, servitude, forced labor and human trafficking.

Project1 conducts an on-going management process in order to identify, prevent, mitigate and account for how it addresses actual and potential adverse human rights impacts in its operations and supply chains (including modern slavery), thus constantly:

- reviewing existing information about its operations and supply chains;
- mapping its operations and supply chains so as to improve its understanding about what is happening in its supply chains;
- developing tools and procedures to monitor high risk suppliers and mitigate associated risks;
- bringing together main structures in its organization to help assess and respond to key risks, including Procurement, Human Resources, Finance, Legal/Compliance, Project Managers and Senior Management.

Such internal due diligence is permanently adapted to Project1's current size, sector, operational context, ownership and structure.

Furthermore, Project1's started preparing an action plan tackling modern slavery and human trafficking in its operations and supply chain, having the following main objectives:

- setting out clear internal rules, standards and expectations in relation to human rights and modern slavery (e.g. drafting a sub-contractor/supplier on-boarding questionnaire);
- providing a consistent and clear framework for how it will respond to any known or suspected instances of modern slavery that are identified within its supply chain, including remediation options and communication strategies;
- providing employees with the necessary knowledge about modern slavery (thus including Project1's obligations in relation to the applicable legislation) through a consistent process of communicating information to both current and new employees (e.g. training and induction).
- implementing rules and guidelines for what is expected of each individual employee (e.g. decision-making in routine procurement decisions or on-boarding of new sub-

- contractors and suppliers, pro-active obligation to notify Senior Management of any suspected instances of modern slavery or unsafe working practices etc.); and
- implementing a confidential, safe and effective whistleblowing mechanism for its employees, sub-contractors and suppliers and other members of the public to raise concerns (e.g. to a limited access e-mail account).

Project1 intends to roll out an on-boarding questionnaire regarding modern slavery to be filled in voluntarily by prospective foreign suppliers (to be completed as part of the on-

boarding process) and also to suppliers whose contracts are due for renewal. Such questionnaire will ask for confirmation/details on:

- the supplier's company structure, employees and recruitment practices;
- whether it has programs or policies currently in place to ensure that human trafficking and slavery do not exist in its operations and supply chains;
- whether it works with third parties to identify the overall risks of slavery and human trafficking in its supply chains;
- whether it conducts independent, unannounced audits of its operations and suppliers;
- whether it requires certification that all materials incorporated into its products were sourced, processed and manufactured in compliance with the human trafficking and slavery laws of the country or countries in which it operates;
- whether it provides training to employees, customers or suppliers on slavery and human trafficking in supply chains;
- whether it has had any instances of known or suspected modern slavery in its supply chain, claims or adverse media attention in relation to its human rights practices.

Whilst there may be no contractual obligation for either a prospective or a current foreign supplier to fill in the questionnaire, a commitment from the respective supplier to assist in the identification and tackling of modern slavery in its supply chains would no doubt be beneficial to future relationship and contracting opportunities with Project1.

Relevant guide on evaluating the aforementioned questionnaire will also be circulated with Project1's employees in due time.

## Training

Project1 updates its Code of Conduct whenever necessary, but at least every two years. Its employees take the mandatory training in the Code of Conduct on joining and repeat it on a regular basis, including after each update. Topics covered include human rights, anti-bribery and corruption, competition, conflicts of interest etc.

## Monitoring

We have Human Resource, Legal, Compliance and Internal Audit teams dedicated to ensuring compliance with law, policy and process across the business, including all those aiming to prevent modern slavery. We review our policies and procedures on a regular basis. Project1's Senior Management have overall responsibility for Project1's internal control and risk management system, thus including the primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it, and auditing all relevant internal control systems and procedures to ensure they are effective in countering modern slavery.

## Assessment of effectiveness in preventing modern slavery

Project1 understands that modern slavery risk is not static and will continue to improve its approach to mitigating such risk in the year ahead.

In order to assess the effectiveness of the measures taken by Project1, the following key performance indicators will be reviewed and reported on:

- employee training level;
- actions taken to strengthen supply chain auditing and verification (including the roll out of the action plan, the impact of the pending on-boarding questionnaire etc.);
- modern slavery risks identified in the supply chain;
- steps taken to upskill high-risk suppliers (including the assessment of their ability to detect and mitigate;
- investigations undertaken into reports on modern slavery and remedial actions taken in response.

Project1 regularly reviews and refines its policies and procedures for ensuring ethics, compliance and respect for human rights. Project1 aims to expand and extend its efforts in ensuring that there is no forced labor or human trafficking within its operations or supply chains, thus working closely with its clients, sub-contractors/ suppliers and industry partners.

Reviewed and approved by the Director/ Chief Operating Officer of Project1.



