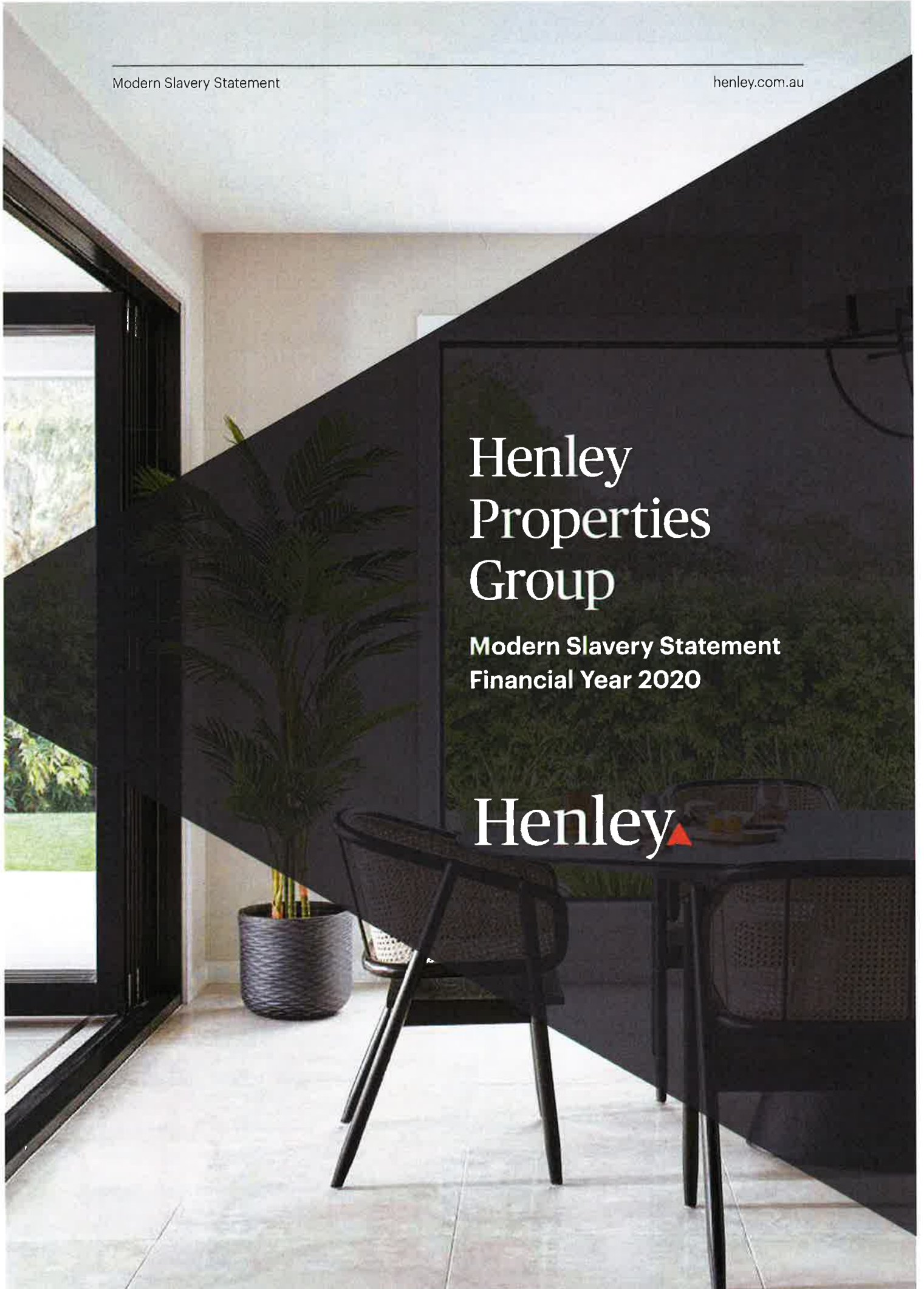


Henley Properties Group

**Modern Slavery Statement
Financial Year 2020**

Henley 





Introduction

This annual statement is made by Henley Arch Pty Ltd (A.C.N. 007 316 930) as trustee for the Henley Arch Unit Trust (ABN 61 415 474 786) (the "Henley Trust") in accordance with the Modern Slavery Act 2018 (Cth) and it relates to the financial year ending 31 December 2020.

The purpose of this statement is to outline the steps taken to ensure that the Henley Properties Group ("Henley") and its controlled entities has a comprehensive framework and governance processes in place to minimise the risk of modern slavery in our business operations and supply chain.

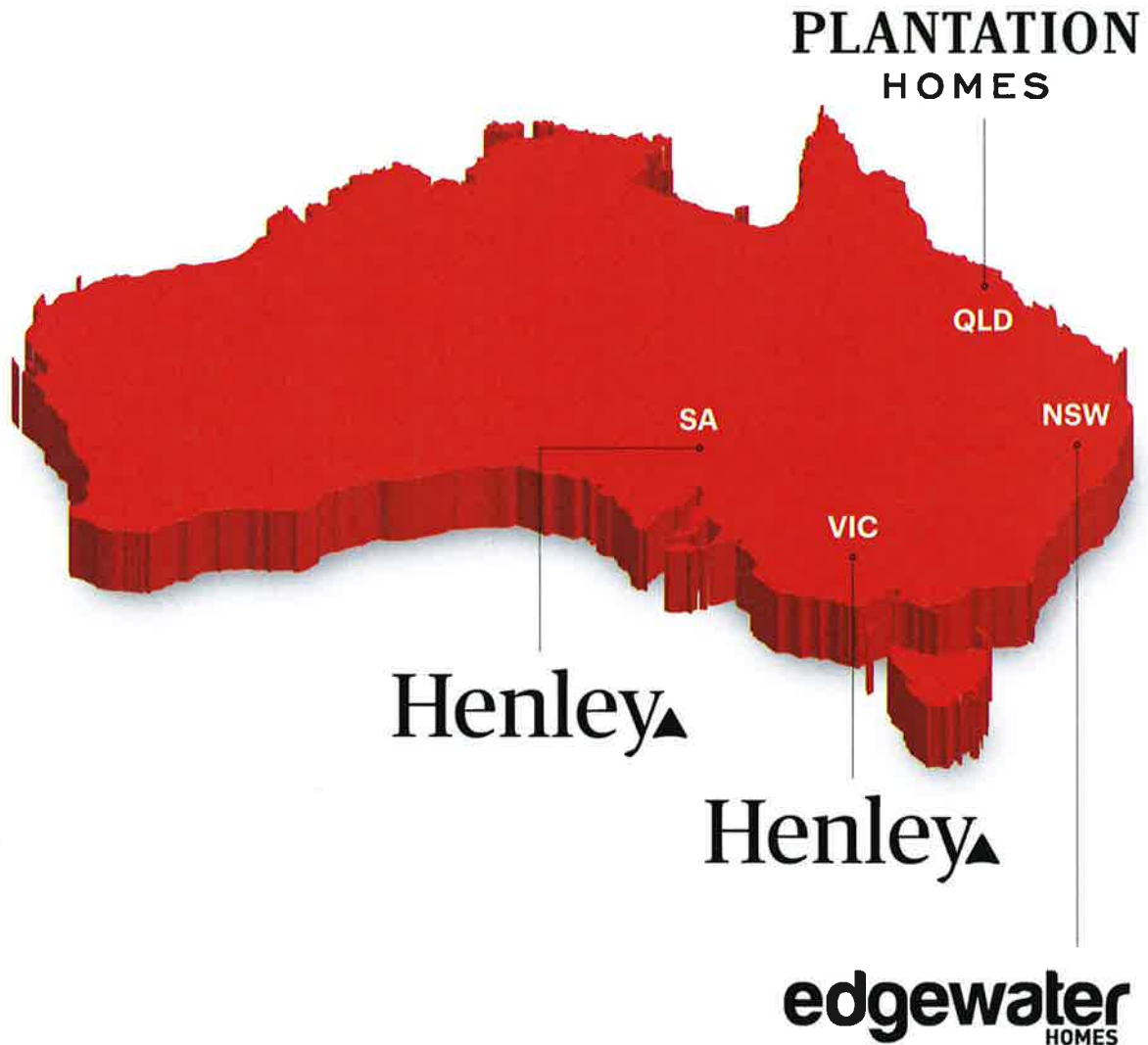
Henley acknowledges that slavery can occur in many forms including human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, child labour and deceptive recruiting.

Henley is committed to operating responsibly with the goal of identifying and working with its supply chain to prevent any form of slavery in our operations and supply chain.

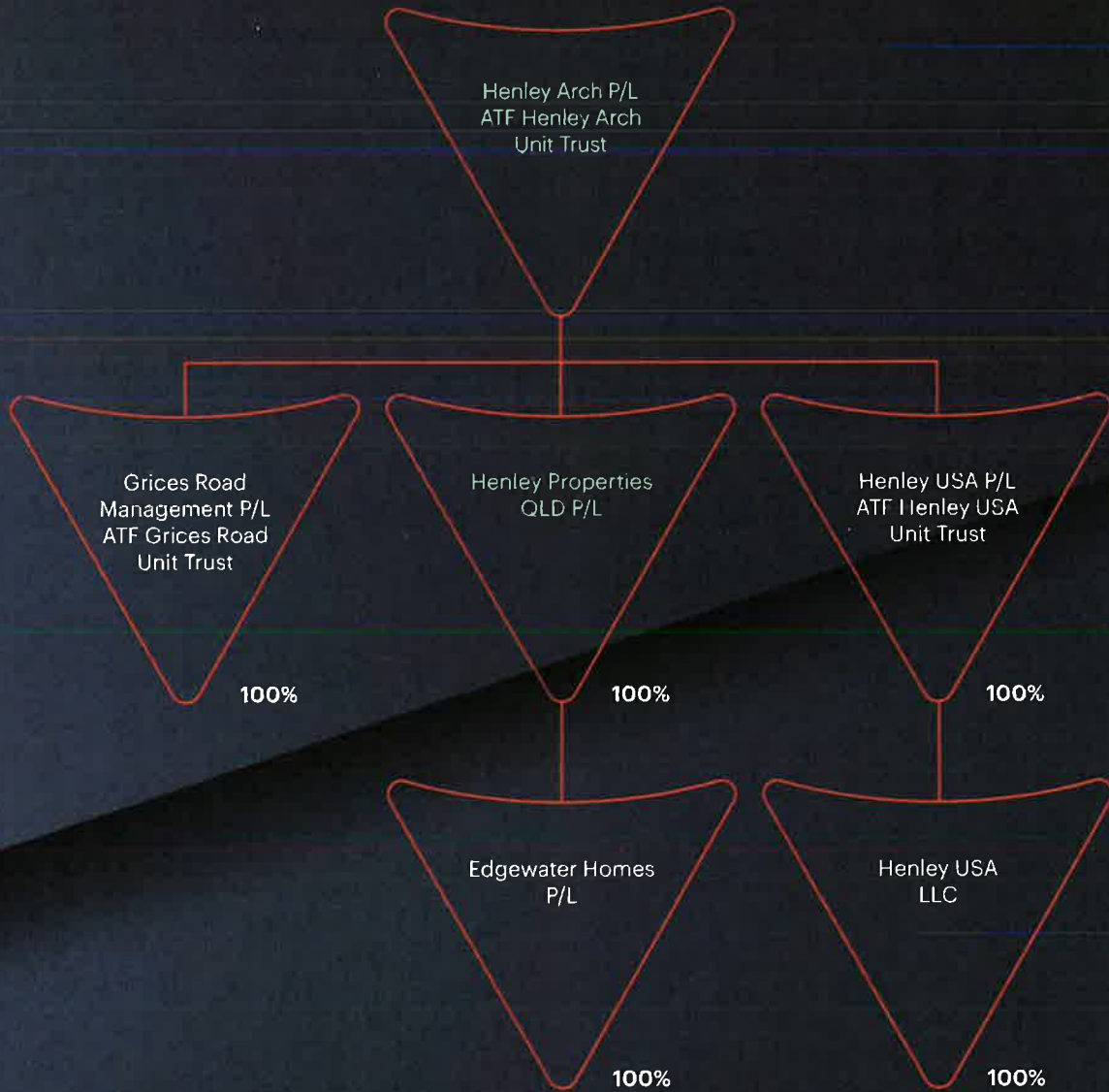
Our Company & Business Overview

Henley started in Victoria and by the late 1990s had quickly grown to become one of Australia's leading residential builders. Henley remains one of the largest and most prominent homebuilders to this day with operations in Queensland, NSW, Victoria and South Australia.

The Henley Head Office is based in Victoria and the core business is the sale and construction of residential homes and townhouses and the development of land for residential construction purposes.



Company Structure at 31 December 2020



NOTE

- 1) Henley USA LLC was sold to a related third party in April 2021.
- 2) Neither the Grices Road Unit Trust or Henley USA Unit Trust trade or have any employees.

For purposes of this statement, "Henley", consists of the Henley Trust and its controlled direct and indirect subsidiaries as outlined on page 04.

As of 31 December 2020, Henley had approximately 520 employees and with more than 2000 active suppliers and contractors.



Henley's major shareholder is Sumitomo Forestry Australia Pty Ltd, which is wholly owned by the Japanese listed company, Sumitomo Forestry Co., Ltd (Sumitomo Forestry).

Sumitomo Forestry is an advocate of Human Rights and a signatory of the 10 principles of the United Nations Global Compact. As a controlled subsidiary of Sumitomo Forestry, Henley shares the same beliefs and efforts regarding the importance and protection of Human Rights.

Corporate Governance

Henley is governed by a Board of Directors representing its owners. Reporting to the Board is the CEO of Henley who has a senior group of leaders in place to execute the policies of the Board and manage the business.

Supply Chain

We source various building materials from Australian suppliers which may source the materials or components from their overseas suppliers. We also procure professional services from suppliers based in Australia as well as overseas. In most instances, overall responsibility for the procurement of building supplies is centrally controlled.



Risk

Risk Identification

Henley direct operations and employees:

We consider that the employees of Henley represent a low risk in relation to modern slavery, with the Henley operations all residing in Australia and abiding by all relevant fair work legislation. In our daily communication with our contractors and sub-contractors including further sub-contractors at construction sites, we have not been aware of the existence of any forms of modern slavery in our operation, as such we consider the risk among our contracting relationships to be relatively low.

Building materials: Building materials are sourced from local and national Australian suppliers which may source materials or components from their overseas supply chains. We have not known how they procure the labour in the manufacturing process. **We have identified that we need to review the modern slavery risks associated with these service suppliers.**

Professional Services: We source professional drafting and design services from offshore suppliers. As at the 31st December 2020, these suppliers include businesses located in Vietnam and the Philippines. **We have identified that we need to review the modern slavery risks associated with these service suppliers.**



Risk Management

To manage the risks of modern slavery in its supply chain, Henley is implementing the following actions during the FY ending 31 December reporting period and/or prior to the date of this statement.;

- Implementation of a Modern Slavery Policy in addition to our Whistleblower Policy. The Modern Slavery Policy specifically addresses the need to be vigilant on modern slavery issues, while the Whistleblower Policy strongly encourages employees to report all violations of Henley policies and ensures there will be no negative repercussions for doing so,
- Introduction of a compulsory due diligence survey for all new suppliers to complete satisfactorily as a condition to onboarding as an approved supplier – planned for FY21;
- Introduction of a compulsory due diligence survey for all current suppliers to complete satisfactorily as a condition to contract renewal – planned for FY21, and
- Inclusion of Modern Slavery compliance as an agenda item at future Executive Team Meetings.



Planned Actions /Next Steps

- Education for staff on the risks and impacts of modern slavery through internal training,
- Improve contracting provisions to incorporate specific Modern Slavery clauses (including warranties and indemnities),
- The supplier Code of Conduct to be signed in on boarding/contract renewal processes to include clauses regarding modern slavery and anti-corruption,
- Raising awareness of the different types of modern slavery among suppliers.
- Agreements which makes it clear that any form of modern slavery is not tolerated.



Assessment of effectiveness of actions taken or to be taken

As this is our first Modern Slavery Statement and first compliance year, we have not yet had time to fully finalise and execute the actions taken or assess their effectiveness. However, we intend to establish a process under the direction of the Executive Team to review the completion and outcomes of assigned actions throughout the year and to review the overall effectiveness each year ahead of the annual Modern Slavery Statement filing deadline.

Group Consultation Process

This statement has been prepared after consultation with members of Henley responsible for Legal Counsel, Procurement, Health, Safety and Compliance and Human Resources. In addition, Henley engaged an external compliance and supply chain services consultancy, Compliance Pronto, to assist with the preparation of this statement as well as guidance around the development of modern slavery action plans.

All members of Henley will have accountability for execution of the action plans and standard actions relating to their respective suppliers and will be kept apprised of the activities and outcomes noted in this Statement.



Other Relevant Information

We are at the beginning of our modern slavery compliance journey and recognise the importance of transparency in our supply chains to avoid the exploitation and enslavement of people around the world. We are committed to ensuring we play our part in ensuring businesses do not profit from the mistreatment of others and look forward to ongoing improvements in our supply chains.

Approval

This statement was approved by the Board of Henley Arch Pty Ltd on 30 June 2021.

A handwritten signature in black ink, consisting of several fluid, connected strokes, positioned above a thin horizontal line.

Director

