

# MODERN SLAVERY STATEMENT

February 2021

This statement has been approved by the board of Mirvac SLS Development Pty Ltd on 22 February 2021.



Brett Draffen  
Director

This is a statement to cover Mirvac SLS Development Pty Ltd ABN 51 610 986 251 as trustee for Mirvac SLS Development Trust ABN 97 248 068 349 (SLS) for the year ending 30 June 2020 (FY20) (together for the report, references to 'SLS', 'Group', 'we', 'us' and 'our' refer to SLS). SLS is a trust that is owned 51 per cent by a subsidiary of Mirvac Limited and 49 per cent by a subsidiary of Ping An Real Estate. This Modern Slavery Statement has been published in accordance with the Modern Slavery Act 2018 (Cth) (Act). This is an FY20 Modern Slavery Statement and references in this report to a 'year' relate to the financial year ended 30 June 2020.





# OUR OPERATIONS AND ACTIVITIES

SLS has developed a residential apartment in St Leonards, Sydney NSW. Located in the heart of Sydney’s lower north shore and just 5km from Sydney CBD, the St Leonards development comprises of a combination of 560 residential apartments and commercial offices over two towers. They offer a ground floor plaza with retail outlets and resident facilities including a private spa and pool, gym, music room, movie theatre and lounge areas.

SLS’s supply chain relates to development management and construction management for this entity. Mirvac Limited (Mircvac) and its related bodies corporate provide these services.

Mircvac has, for almost 50 years, focused on creating sustainable, connected and vibrant urban environments for people to work, shop, live and play. They have a workforce of approximately 1,400 employees and operate primarily in Australia’s four key cities of Sydney, Melbourne, Brisbane and Perth. Mirvac has published its FY20 Modern Slavery statement.

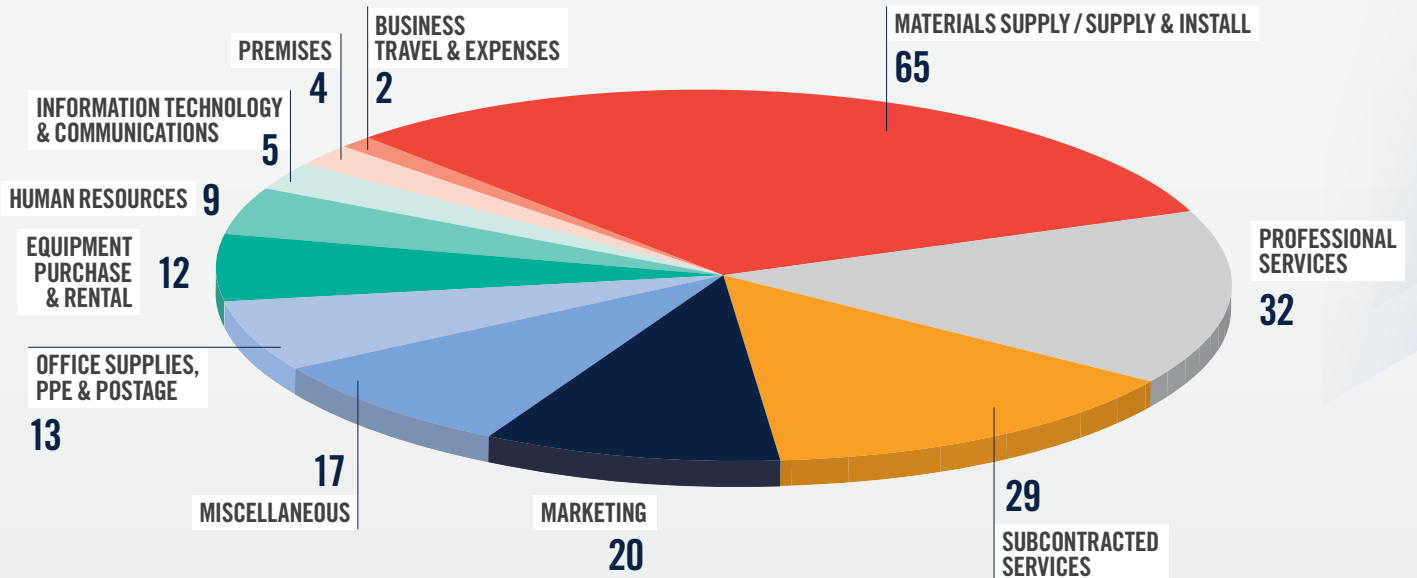
## Our Supply Chain

In FY20, SLS’s supply chain consisted of approximately 200 suppliers across development management and construction.

In FY20, 100 per cent of SLS’s procurement spend (by value) was with Australian entities. Mirvac recognises that these suppliers may procure materials from outside of Australia, and as such, Mirvac completed further assessments of our supply chain as described in the Risk Assessment section of this statement.

## SLS’S SUPPLY CHAIN

(shown in supplier numbers)<sup>1</sup>



1. Note that some suppliers are used across multiple sectors.



# RISK ASSESSMENT

SLS's development manager, Mirvac, has begun to assess modern slavery risks by completing an initial scan for risk, detailed risk mapping, developing a risk matrix and partnering with other property companies to develop a shared risk assessment questionnaire.

## Initial risk scan

Early in FY20, Mirvac conducted an [independent risk assessment](#) of the products and industries from which it buys. This work factored in the [Social Hotspot Database](#), literature evidence, spend-based risk, and our high exposure spending categories. The assessment created a snapshot of Mirvac's highest levels of potential risk exposure based on geographic origins and spending categories in its supply chain<sup>1</sup>.

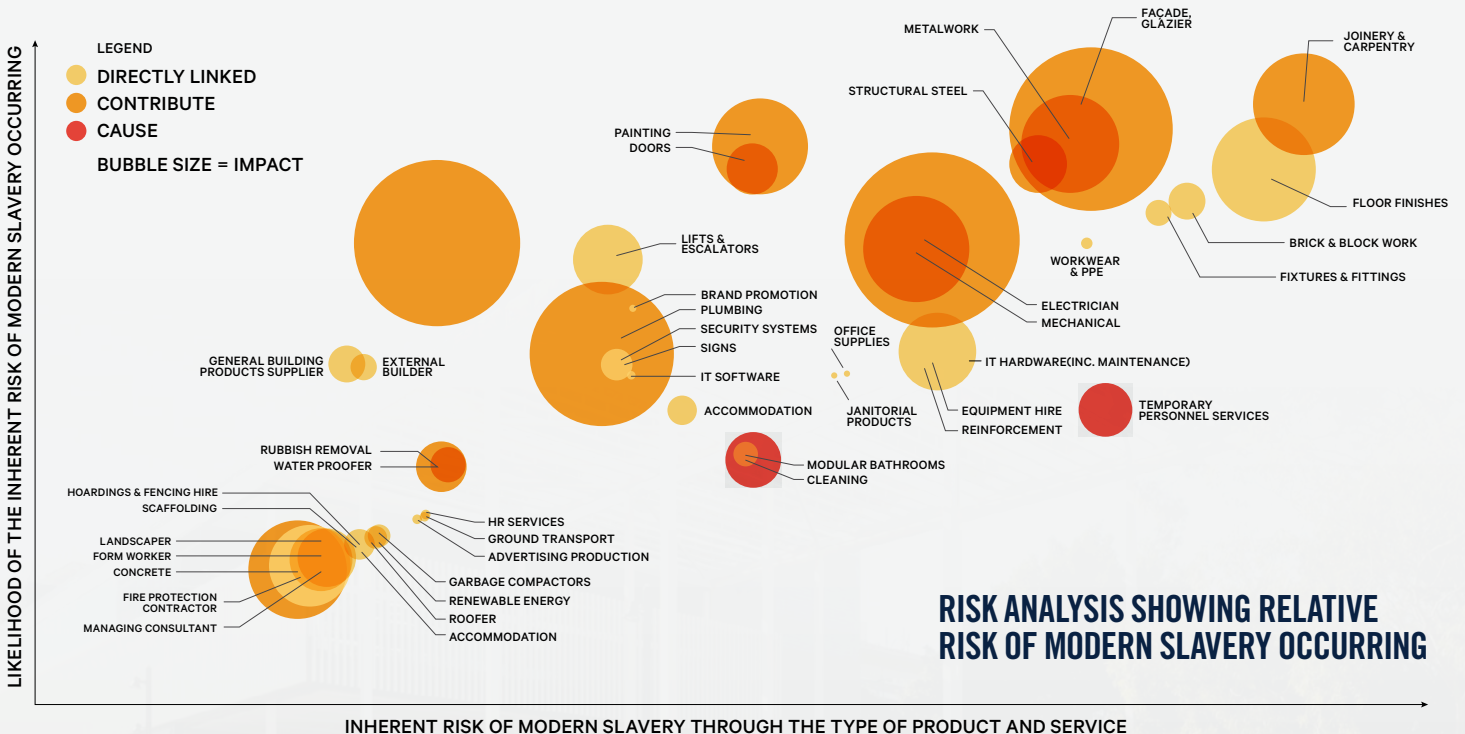
## Detailed risk map

Following this initial risk assessment, a detailed mapping of Mirvac's supply chain was completed to help highlight risks at a material and subcontractor level (as shown below). The analysis considered the following UN Guiding Principles:

- > **Principle 17**, which suggests focusing on assessing general areas of your operations and supply chains where modern slavery risks are likely to be most significant. Risk indicators include sector and industry, product and services and geographic by referencing the Organisation for Economic Co-operation and Development, US department of Labour lists and Global Slavery indexes.

- > **Principle 24**, which prioritises the risks we respond to first and focuses on the most severe risks (those that would cause the greatest harm to people) or scale and
- > **Principle 19**, which describes that the way that you respond to your modern slavery risks will depend on if you cause, contribute or are directly linked to them.

Using these principles, Mirvac developed a snapshot of risk in SLS's FY20 supply chain. The x-axis looks at the inherent risks of the industry and product, while the y-axis shows the geography and likelihood of the potential risk. The size of the bubble indicates its relative spend, while the colours indicate whether Mirvac's actions could cause, contribute or be directly linked to modern slavery.



1. The assessment did not factor in Mirvac's existing, internal controls to mitigate these risks.



# RISK ASSESSMENT (CONTINUED)

In addition, Mirvac developed a risk matrix to assess its suppliers by materials, location and known risk areas, helping us to identify the appropriate responses to these risks. This risk matrix is an enhancement to Mirvac’s current risk mitigation measures and will be deployed in stages in FY21 with a focus on high value, high risk contracts.

The risk management assessment incorporates a two-step due diligence process to guide Mirvac’s teams on the base-level assurance measures expected from suppliers.

## Modern Slavery supply chain due diligence

(This risk methodology is based on risk to human life and people’s welfare)

### STEP 1: RISK RATING

Identify the level of risk by selecting: 1. the type of entity  
2. where operations occur  
3. the vendor type

	Australia entity with overseas operations / supply chain						Non-Australian entity			
	Country Rating			Country Rating			Country Rating			
	Low	Mid-range	High	Low	Mid-range	High	Low	Mid-range	High	
Labour hire	3	4	6	6	2	5	6			
Contractor / Manufacturer	3	3	4	6	2	5	6			
Consultant	1	3	4	6	2	2	6			
Supplier	1	1	2	6	1	5	6			

#### Country rating examples

Australian entity	Country rating	Low	Mid-range	High
Australian entity is where the contracting entity is with an ABN / ACN	Country rating based on the Walkfree analysis 2018 overall (normalised, weighted) vulnerability score <sup>1</sup> and prevalence of modern slavery (high to low)	United States France Japan Singapore United Kingdom Germany Canada Norway Sweden Austria New Zealand	China Vietnam Malaysia Italy Slovakia Hong Kong Taiwan Czech Republic	South Sudan Afghanistan Syria Congo Somalia Sudan Yemen Iraq Pakistan Nigeria Korea Papua New Guinea India Russian Federation Turkey Bangladesh

1. <https://www.globallslaveryindex.org/2018/methodology/vulnerability/>

**Step 1:** an assurance level is derived by inputting the type of service provided and the geographical location<sup>2</sup> (see below). Assurance levels range from 1-6, with 6 representing the highest risk.

**Step 2:** from this, the corresponding actions required to be completed by the supplier are outlined. For example, a high-risk supplier would need to undertake a Mirvac risk assessment, in addition to having a contract. The assurance actions are matched to Mirvac’s existing legal and governance procedures, and utilise the Property Council of Australia (PCA)’s self-assessment questionnaire and the Supply Chain Sustainability School for education resources.

The process identified areas which are categorised as highest risk for Mirvac, which includes labour hire and cleaning. As a result Mirvac undertook a detailed traceability study into cleaning in its supply chain.

### STEP 2: ASSURANCE ACTIONS

Complete the following Action(s), based on the Risk Rating number

Risk Rating	Contract	Vendor assurance	Vendor self-assessment	Vendor training	Independent audit	Escalate to Anti-Slavery Committee (ASC)
1	✓					
2	✓	✓				
3	✓	✓	✓			
4	✓	✓	✓	✓		
5	✓				✓	
6	✓					✓





# GOVERNANCE AND REMEDIATION

## Governance

It is vital to ensure that the way we scan for and address human rights violations and modern slavery in our operations and our supply chains is continually improving. To this aim, SLS's development manager, Mirvac, has established an Anti-Slavery Committee (ASC).

The ASC has developed a set of priorities for the next two years, which aim to further strengthen Mirvac's approach to modern slavery and human rights. These priorities are to:

- > understand what modern slavery is, why it is important, and how it can have significant impacts on people in our supply chains, as well as those working on Mirvac's projects and in Mirvac's operations;
- > design and connect Mirvac's policies and processes to make it difficult for modern slavery to occur, as well as respond if and when we find instances;

- > generate changes in employee behaviour by sharing awareness, education and training about modern slavery, how to spot it, using Mirvac's tools and processes, and what to do if an employee suspect modern slavery is occurring; and
- > take a collaborative approach to share Mirvac's findings transparently.

Members of the Committee are in key leadership positions in Mirvac's corporate, development, and operational teams, with the authority to oversee policy compliance and work on remediation plans where necessary. Mirvac considers it vital that its capability building starts at this leadership level, and have worked this year to build a deep understanding and connection to this issue and its potential for serious human harm.

As a group, Mirvac has developed new tools and will continue to develop Mirvac's processes that align to our existing risk systems, to empower Mirvac's leaders to react to any non-compliance and reports of modern slavery. Mirvac's priority in this work is to achieve a positive outcome and remediation for victims.

In FY20, the Committee met four times and has participated in training provided by Better Sydney and the Supply Chain Sustainability School. The training responded to requirements set out in the Modern Slavery Act and covered topics such as grievance mechanisms, remediation and assessing effectiveness.

## ASC Governance Framework





# GOVERNANCE & REMEDIATION (CONTINUED)

## Policies

Within Mirvac's internal governance framework, it has a number of policies that set out our expectations for employees and suppliers to act ethically and honestly, comply with all applicable laws, rules, regulations, and to not discriminate unlawfully or engage in any behaviour that is harassing or bullying, or act in any way that puts the health or safety of any Workplace Participant at risk.

These policies, which can be found on Mirvac's website include our:

- > Code of Conduct
- > Inclusion Policy
- > Procurement Policy
- > Fraud Bribery and Corruption Policy
- > Whistleblower Policy
- > Health Safety Environment Policy.

Mirvac's aim is to ensure that human rights issues are understood, respected and upheld by all our employees and suppliers.

Mirvac defines its expectations with potential and existing suppliers through Mirvac's Vendor Code of Conduct, which includes requirements relating to modern slavery and human rights. Suppliers, including those engaged by Mirvac on behalf of SLS, must agree to adopt these supply chain engagement principles and practices and share them with their sub-contractors.

In addition, the Mirvac due diligence process with suppliers includes pre-qualification checks, contractual arrangements, and ongoing monitoring, including independent third-party corporate social responsibility audits for potential offshore suppliers of key construction materials.

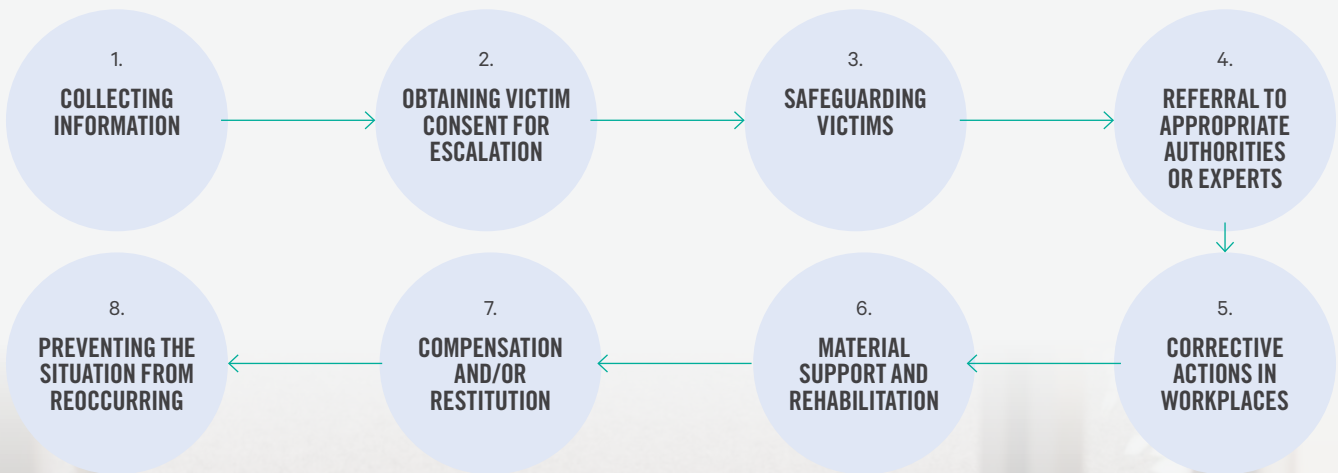
## Remediation

The ASC is responsible for undertaking the remediation process. We aim to address modern slavery by requiring that Mirvac's suppliers have modern slavery governance capability, train their workforces, promptly notify us as soon as they become aware of potential or suspected instances.

Vendors must, to the fullest extent possible, require their suppliers to implement their own binding guidelines for ethical behaviour and compliance with modern slavery laws.

The process of developing and embedding a modern slavery remediation framework (high level process shown below) is underway and it is planned to incorporate it within the existing incident management, whistleblowing and investigation procedures.

Remediation process includes:



# EFFECTIVENESS

Mirvac recognises the importance of continuous improvement in our approach to combating modern slavery risks. Mirvac has set measures to do this, such as establishing performance indicators, as well as establishing working groups and consultation processes with the business. In addition, we have collaborated widely and openly with a number of external experts to ensure that Mirvac's approach is appropriately scrutinised for effectiveness.

Mirvac's actions this year have been focused on raising awareness of the issue of modern slavery within our operations and supply chain. Mirvac has also sought to provide our senior leaders with a good understanding of how victims of modern slavery are exploited, and to start the discussion on what appropriate actions need to be taken when problems are found. We are in a phase of implementing procedures with the hope that the true impact of our actions will be felt in the coming years.

The following actions were completed during FY20 as part of a two-year plan that sets our foundation and leads to a pathway of good risk practice in Mirvac:



## ACTIONS TAKEN IN FY20

### Governance

- > Senior engagement endorsement of a two-year plan, developed with input and collaboration with our peers, and from across industries, to ensure it is robust.
- > Establishment of the ASC, comprised of key leaders across Mirvac's business.
- > Begun the process of linking modern slavery risk with our existing policies and procedures.

### Capability

- > Focusing Mirvac leadership on what modern slavery is and why it's important.
- > Delivering two sets of training by independent third parties to all members of the ASC.
- > Awareness-raising programs. Over the past two years, Mirvac has delivered training to its leadership teams including the ELT, ASC, Residential, Design, Marketing & Sales, Construction and Group functions, including HSE, HR, Risk, Procurement and Sustainability.
- > Training for all employees is currently under development.

### Risk

- > Independent input into an initial risk scan and feedback from its publication.
- > Testing the key questions to ask of our supply chain by working in collaboration with the PCA.
- > Testing our approach with the UN Global Compact membership, Procurement and Supply Australia, Supply Chain Sustainability School, Be Slavery Free & Clients.
- > Consultation across Mirvac to incorporate all learning into existing processes and systems to manage modern slavery risk.

## PERFORMANCE INDICATORS

### Governance:

- > Entities' attendance to the ASC.
- > Active governance framework being delivered.
- > Number of precedent contracts with modern slavery expectations included.
- > Internal audit of controls (planned for FY21).
- > Continuous improvement of the governance model.

### Capability

- > Number of employees completing training, content of which has been created by experts in the field.
- > Number of awareness-raising programs delivered within Mirvac and externally by Mirvac.
- > Policies and processes reviewed published and communicated.
- > Number of engagement with external experts and victim support groups.

### Risk

- > Number of cases brought to the ASC.
- > Number of cases remediated.
- > Risk assessment deployment.
- > Number of collaborations.

## WHAT'S NEXT?

SLS will continue to focus on robust governance, risk management and capability.



### Governance

- > Mirvac will focus on continuous improvement in monitoring, measuring, and reporting systems by embedding knowledge into decision making processes so that we can better understand Mirvac's effectiveness.



### Capability

- > Having focused on capability across Mirvac's leadership, Mirvac will now grow that capability across the organisation with several levels of training, by role and spend authority.
- > Mirvac will be progressively supporting our key suppliers with training and capability building by working with the Supply Chain Sustainability School to create resources aimed at small medium enterprises and expanding Mirvac awareness program.



### Risk

- > Mirvac will revisit Mirvac's detailed risk mapping study and consult with Mirvac's stakeholders to decide the next area for a traceability study, building on feedback from Mirvac's first experience and conducting a deep examination for risks.
- > Building upon Mirvac's risk matrix and response criteria, we will develop a process for risk management.
- > Mirvac will improve Mirvac's risk identification processes by scanning Mirvac's supply chain for related indicators; labour exploitation or human rights violations in other areas can often be indicators of conditions for slavery.

**Importantly, Mirvac will continue to work transparently and collaboratively on this subject with our peers, industry, certification bodies, research groups and victim support organisations so that Mirvac can continue to contribute to the abolishment of modern slavery.**

### Consultation with controlled entities:

This document was prepared by the ASC that includes senior managers from Residential, Design, Marketing & Sales, Construction and Group functions, including HSE, HR, Risk, Procurement and Sustainability. When preparing this document, senior managers were required to consult with their relevant business units, including where such business units are responsible for controlled entities.