

MODERN SLAVERY STATEMENT

This is a statement on behalf of:

Salta Properties Pty Ltd as Trustee for Tarascio No 2 Family Trust
ABN: 28 166 343 301

For the Financial Year Ending 30 June 2022



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1.ABOUT THIS STATEMENT

The Modern Slavery Act 2018 (the Act or MSA) requires certain entities to prepare and publish an annual modern slavery statement. This Modern Slavery Statement (Statement) has been prepared and approved as required by Section 14 of the Act, by Salta Properties (Salta, we, us).

References to Salta in this Statement relate to the reporting entities jointly. Salta Properties Pty Ltd is a privately held entity with headquarters in Melbourne. Its registered office is located at Level 26, 35 Collins Street, Melbourne VICTORIA. For further information, please visit <https://www.salta.com.au>

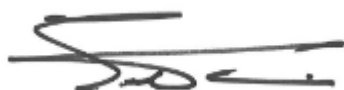
This statement covers the period starting on 1 July 2021 and ending on 30 June 2022 (Reporting Period or FY22). It describes how Salta has identified, assessed and addressed the risks of modern slavery in our operations and supply chains and summarises our achievements and aspirations over time to continuously mature our response to modern slavery risks.

This statement includes the mandatory reporting criteria specified in Section 14 of the Act, as referenced below.

The Modern Slavery Act Mandatory Reporting Criteria	Section
Identify the Reporting entities	1
Describe Salta's structure, operations and supply chains	4
Describe the risks of modern slavery practices in Salta's operations and supply chains	4
Describe the actions taken by Salta to assess and address those risks	5
Describe how Salta assesses the effectiveness of such actions	6
Describe the process of consultation within Salta covered by this modern slavery statement	3
Other information that Salta considers relevant	6.1

2.APPROVAL OF STATEMENT

The Board of Salta Properties Pty Ltd approved this statement and authorised it to be signed by the Managing Director on 29th August 2022.



Sam Tarascio
Managing Director, Salta Properties Pty Ltd

3. OUR APPROACH

3.1. APPROACH

Salta conducts operations with the attitude that our actions of today will have an impact for generations to come. Salta regards sustainability and wellbeing as our legacy for the future and approached the issues and risks of modern slavery with the same attitude. Salta recognises that Modern Slavery is a serious global issue and one that requires an effective societal response from business leaders that strengthens over time. Salta recognises that it has a role in this response and a responsibility to generate awareness and implement steps to uphold human rights and minimise the risk of modern slavery practices occurring in its operations and supply chains.

The risks of modern slavery practices means the potential for Salta to cause, contribute to, or be directly linked to modern slavery through its operations and supply chains. This Statement captures the steps that we have taken during Year One – FY22 of our journey to assess, address and remedy the presence of potential modern slavery in Salta’s operations and supply chains.

In FY22 we have conducted a high level analysis of our supply chain to rank the supplier category based on their proportion of our supply chain by cost and modern slavery risk. Surveys were issued to all contractors in these categories either at tender or post tender if they were already engaged. We have been proactive in raising the awareness within our own team with training materials and have also provided these materials to our suppliers in conjunction with the survey to assist with identifying areas for improvement in their own systems and policies. Members of Salta’s leadership group have attended seminars and webinars on the topic and engaged with the materials and events hosted by the Property Council of Australia.

Key to an ongoing, continuously improving modern slavery response over time is stakeholder engagement. Our aim is to assist both our internal and external stakeholders to improve their understanding, due diligence processes and performance regarding human rights while maintaining legislative compliance and upholding our own corporate values.

Going forward into Year 2 – FY23 of our journey, we will seek a unified organisational approach in response to our increased awareness and findings in FY22. Our response will be developed at a group level and may include revising our procurement policies and practices, risk assessment methodology, supplier diligence and response mechanisms to apply equally across all entities Salta owns or controls.

We will aim to align to internationally recognised standards and principles, including the UN Guiding Principles on Business and Human Rights, International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, and the ISO 20400 Sustainable Procurement – Guidance.

We have described our governance structure and reporting arrangements in section 6.0.3. Before approval, Salta’s Head of Sustainability and Operations Strategy, Director, Project Management, Director, Asset Management and other internal stakeholders having responsibilities across Salta Properties had input into this Statement. The Salta Board has also reviewed the draft Statement.

Figure 1 - FY22 Roadmap

FY21-23 ROAD MAP		
FY21	FY22	FY23
Questionnaire included in new suppliers contracts	Supplier Questionnaire	Unified response
	Supply Chain Interrogation	Review policies
	Training Materials	Risk assessment methods
	Industry Events	Supplier Diligence
	Engage with peak Bodies	Respond to the UN Guiding Principles on Business and Human Rights

3.2. FY22 OBJECTIVE STATUS

During FY22 Salta delivered the 4 items on the road map for FY22. Please see the items in the table below.

Figure 2 – FY22 Status

FY22 OBJECTIVE STATUS
Supply chain interrogation – high level analysis
Supplier Questionnaire – FY22 questionnaire completed
Training materials – provided to Salta team and suppliers
Attended industry events – Salta leadership team

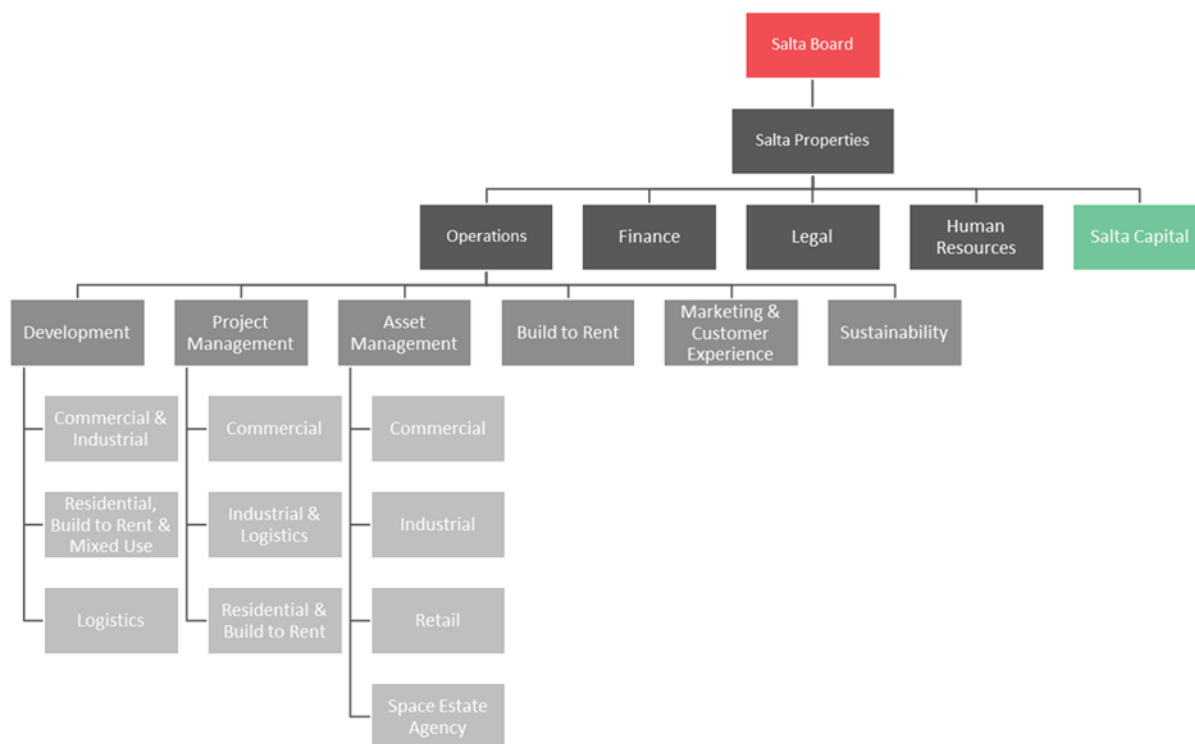
4. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

4.1. OUR STRUCTURE

Salta is an Australian owned and managed property development company that operates solely in Australia.

Salta has taken steps to understand and raise awareness about modern slavery within its core stakeholders, internal team and suppliers.

Figure 3 – Salta Structure Diagram



4.2. OUR OPERATIONS

As a real estate investor and manager, our operations encompass the acquisition, management, administration, leasing, development and disposal of property assets, with our operations undertaken by an in-house team of legal, asset, facilities, project, finance and property professionals.

In this Statement 'operations' means the activities undertaken by Salta, or an entity owned or controlled by Salta, to pursue business objectives and strategy.

Figure 4 – Products and Services

SALTA PRODUCTS AND SERVICES
- Residential Property development for sale
- Office property development for lease
- Retail property development for lease
- Industrial property development for lease
- Hotel & Accommodation development
- Build to rent residential accommodation
- Salta Capital Investments
- Asset Management

4.3. OUR SUPPLY CHAIN

In this Statement ‘supply chain’ means the products and services (including third-party labour) that contribute to Salta’s products and services, as shown in Figure 4. This includes products and services sourced domestically or overseas and extends beyond direct suppliers.

As managers of property assets, the greatest expenditure and exposure to modern slavery practices resides in the supply chains of our service providers, and the goods and materials they supply in the construction, maintenance, repair and operations of these properties.

Figure 5 – Types of Exploitation and Risk Indicators

TYPES OF EXPLOITATION	RISK INDICATORS	INHERENT MODERN SLAVERY RISK
<ul style="list-style-type: none"> - Trafficking in persons - Slavery - Servitude - Forced Labour - Forced Marriage - Debt Bondage - The Worst Forms of Child Labour - Deception Recruiting for Labour or Services 	<ul style="list-style-type: none"> - Use of unskilled or temporary labour - Short-term contracts or outsourcing - Foreign workers - Child labour in hazardous conditions - Recruitment strategies - Reported exploitation via ILO or NGO - Country not ratified international conventions - Weak rule of law - Opaque supply chains 	<ul style="list-style-type: none"> - Within sector & industry - Within country & geographical region

Salta maintains a 'customer focused approach' to supplier engagement. This involves actively engaging with key identified groups to better understand industry specific risks and opportunities and how to effectively develop our supplier relationship to reduce the risk of modern slavery. This approach is supported by encouraging stable, long-term relationships with reputable suppliers, who can be evaluated and monitored on an ongoing basis, particularly regarding the types of exploitation and risk indicators highlighted in Figure 5. A further description of key risk indicators per industry is shown in Figure 6.

An example of Salta's engagement process with suppliers is included in our case study of a supplier response in Section 6.0.2.

We note that the global Covid-19 pandemic may have caused an overall increase in the prevalence of modern slavery across industries worldwide.

Figure 6 – High Risk Category Indicators

High Risk Category Indicators		
Risk Type	High Risk Category	Indicators
Product & Services Risk	IT Equipment Office Supplies Consumables IT Services Building maintenance and repair materials Construction supplies Telecommunications	<ul style="list-style-type: none"> - Use of unskilled, temporary or seasonal labour. - Use of short-term contracts and outsourcing. - Use of foreign workers or temporary or unskilled labour to carry out functions which are not immediately visible because the work is undertaken at night time or in remote locations, such as security or cleaning. - Use of child labour in hazardous conditions, such as underground, with dangerous machinery or tools, in unhealthy environments (including where they are exposed to physical or sexual abuse), or for long hours. - Recruitment strategies by suppliers, their agents or labour hire agencies target specific individuals and groups from marginalised or disadvantaged communities.
Sector and Industry Risk	Catering Travel & accommodation Cleaning & janitorial services Security Services Building maintenance & repair services	<ul style="list-style-type: none"> - Cost requirements or delivery timeframes might require suppliers to engage in excessive working hours, make cost savings on labour hire or rapidly increase workforce size. - The development of the product or delivery of the services has been reported as involving labour exploitation by international organisations or non-governmental organisations (NGO's). - Children are often used in the development of the product or delivery of the service, such as carpet weaving. - The product or components of the product made in countries where there is a high risk of labour exploitation reported by international organisations or NGO's. - The services are provided in countries where there is a high risk of labour exploitation by international organisations or NGO's. - The product is made from materials or using services reported to involve a high risk of labour exploitation by international organisations or NGO's.

5. OUR ACTIONS TO IDENTIFY, ASSESS AND ADDRESS OUR MODERN SLAVERY RISKS

5.1. OUR OPERATIONS

We have engaged the operations team in workshops and provided training material to raise awareness of the issues and risks of modern slavery. We are keeping updated with events and webinars of key industry peak bodies. Whilst we are not aware of any instances of modern slavery within our operations or sphere of influence we do, however, recognise the existence of risks when recruiting and managing staff in our corporate operations.

5.2. SUPPLY CHAINS

5.2.1. High Level Review of Supply Chain

A high-level assessment of our supply chain considered the presence of modern slavery risk associated with the provision of goods and services was considered across 85 categories.

Salta has assessed our supply chain and ranked the supplier category based on their proportion of our supply chain by expenditure and modern slavery risk these were as follows:

- Builders 84% of supply chain by expenditure
- Repairs and maintenance 2.5% of supply chain by expenditure
- Cleaners 1% of supply chain by expenditure

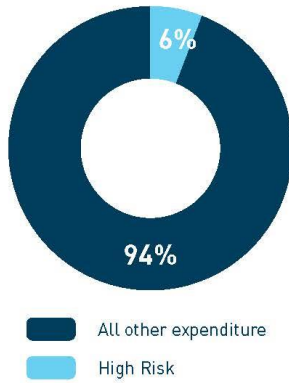
Category ranking of our suppliers is the first step to developing a risk-based approach to managing existing and new suppliers.

By prioritising suppliers based on industry, expenditure and capacity to influence the supply chain, resources are focused on where they can add most value. As the inherent risk and capacity to influence increases, so does Salta's expectation of suppliers to complete comprehensive enquiries into their own supply chain practices.

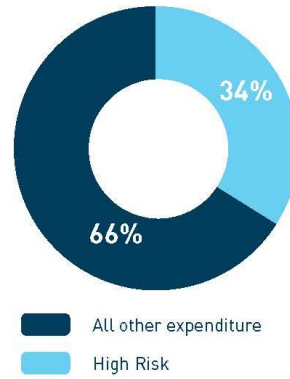
Figure 7 illustrates high risk expenditure specific to the property industry as a component of corporate expenditure Australia wide.

Figure 7 - High Risk Expenditure Australia Table

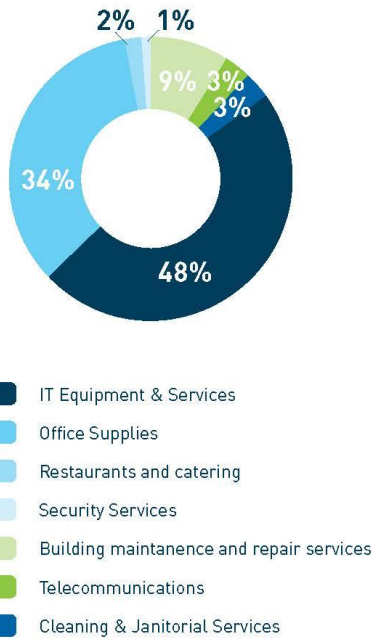
HIGH RISK CORPORARE EXPENDITURE



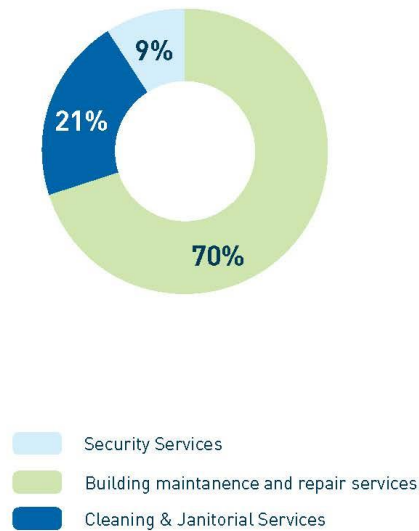
HIGH RISK PROPERTY EXPENDITURE



HIGH RISK CORPORARE EXPENDITURE BY INDUSTRY



HIGH RISK PROPERTY EXPENDITURE BY INDUSTRY



5.2.2. Supplier Questionnaires

In the FY22 period, Salta has conducted a survey with our direct suppliers with the aim of understanding how modern slavery is perceived, identified and remedied by our suppliers. This will enable Salta to embed these considerations into our procurement process, and categorise suppliers based on the inherent risk of modern slavery. Through questioning and categorising suppliers, there will be a correlated capacity for Salta to influence the engagement of these suppliers. Salta’s capacity to influence can be determined not only by the transactional expense, but also by the term and frequency of engagement.

Salta has developed a modern slavery questionnaire to increase awareness and capacity building prior to formal engagement with a more comprehensive platform. The modern slavery questionnaire assesses the following criteria:

- General understanding of the concept and risks of modern slavery and human rights
- Current approach to supply chain management
- Supplier details including subcontracting and use of foreign labour in operations
- Recruitment practices
- Worker dialogue
- Education, training and partnerships
- Policies and procedures
- Level of engagement and supply chain visibility
- Performance, remediation and effectiveness

The questionnaire is included for distribution to prospective suppliers and those already under contract as part of the due diligence process and results inform the ongoing monitoring and engagement.

Key questions addressing modern slavery included:

Question 21 – Is your organisation aware of modern slavery risks in your supply chain and sub-contractors supply chain overseas? Describe how this is monitored. 77% answered Yes and 23% answered No. There were varying answers regarding how this is being monitored, with some of the bigger companies sighting their own internal policies and procedures and some of the smaller companies relying on only engaging with big companies who had modern slavery policies and procedures. Most engage with suppliers via regular check ins or questionnaires to keep updated on their modern slavery awareness and activity.

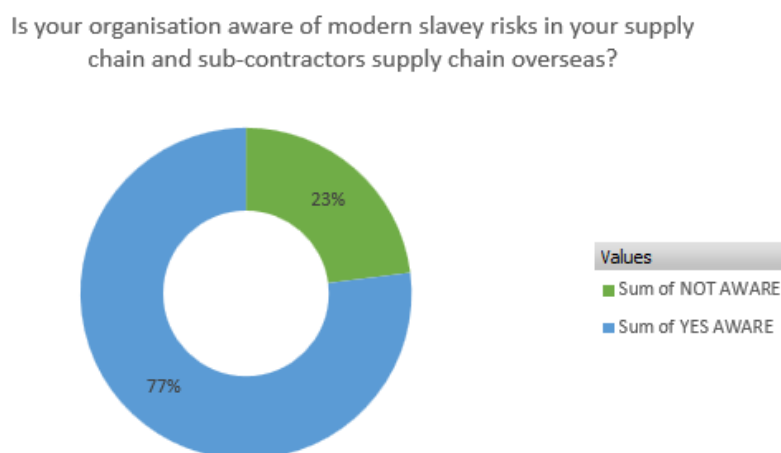
Question 30 - Does your organisation have human rights, social responsibility, OH&S and /or relevant policies in place? 77% of respondents answered Yes and 23% answered No.

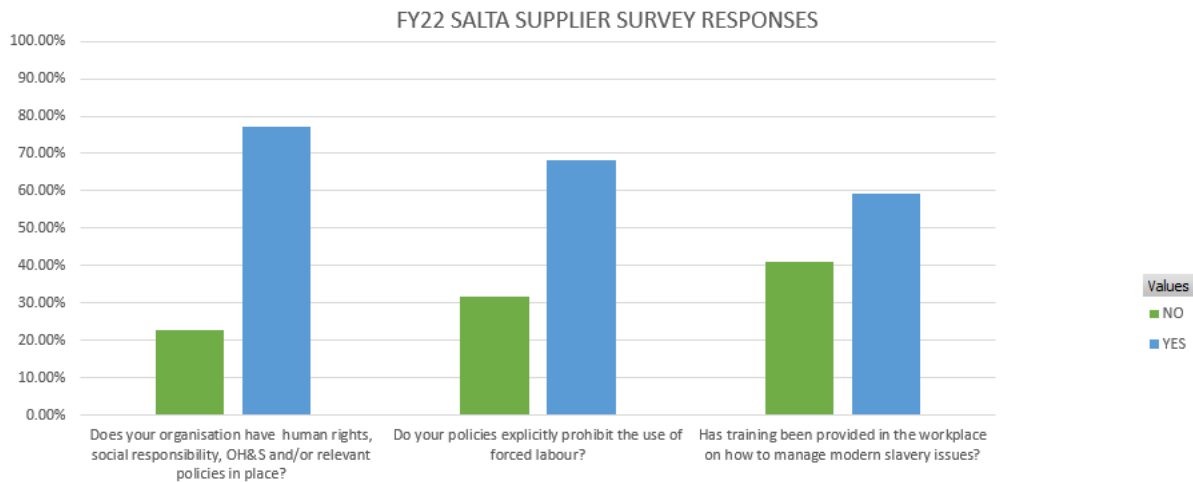
Question 31 - Do your policies explicitly prohibit the use of forced labour? 68% of respondents answered Yes and 32% answered No.

Question 34 - Has training been provided in the workplace on how to manage modern slavery issues? 59% answered Yes and 41% answered No.

An example of the responses for the FY22 period are shown in Figure 8 below.

Figure 8 – Supplier questionnaire responses extract





5.2.3. Training Material

No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms
Article 4 of the Universal Declaration of Human Rights.

Training material provided to the Salta team and to our suppliers to accompany the questionnaire introduces the issue of modern slavery and explains that Australia is not immune from it. Statistics show that 4 out of 5 instances of modern slavery remain undetected in Australia.

The training material explains the introduction of the Commonwealth Modern Slavery Act passed by the Australian Parliament on 29 November 2018. The material outlines the common products and services associated with high risks of Modern Slavery and explains the drivers. The material includes an introduction on how to assess modern slavery risks.

5.2.4. Involvement with Industry Awareness Raising

Members of the Senior Leadership Team have attended key seminars and webinars on modern slavery and the Modern Slavery Act. In particular, the Property Council of Australia’s Demystifying Modern Slavery seminar in December 2019 was of great assistance.

6. HOW WE ASSESS OUR MODERN SLAVERY RESPONSE

6.1. MEASURING EFFECTIVENESS OF OUR ACTIONS

In assessing the effectiveness of our actions to date, in FY22 we issued 25 suppliers with the modern slavery questionnaire. We are also keen to capture case studies that highlight our engagement on the issue. In FY23 as our actions evolve and supporting policies and procedures are developed, the ability to measure the effectiveness of our actions will be further refined.

6.1.1. Performance indicators

The effectiveness of our actions will be based on both qualitative and quantitative indicators and any evaluation will involve consultation from relevant internal and external stakeholders.

6.1.2. The Importance of Supplier Engagement: A Case Study

Feedback from our supplier survey process in FY22 included a response from one of the suppliers which demonstrates that simply by raising modern slavery as an issue for consideration is a valuable place to start the process of awareness, investigation and remediation.

Supplier: Is there any chance we could get a copy of our completed survey? We understand we may have some shortfalls in some areas and would like to start addressing these items and this would help as a starting point.

6.1.3. Sustainability Vision

Salta regards sustainability and wellbeing as our legacy for the future and we create quality environments with the wellness and wellbeing of our community in mind. We adopt industry benchmarking tools, innovations and new technology to operate in a way that is sustainable and responsive. Our commitment to sustainability is non-negotiable and we seek best practice across all operations and strive for excellence across our key pillars. Salta's Sustainability Vision is underpinned by the key pillars as shown in the figure below.

Salta's Sustainability Pillars

SALTA'S SUSTAINABILITY PILLARS
Leading wellness lifestyle and placemaking
Innovating tenant engagement
Delivering housing affordability
Building positive communities
Supporting the Modern Slavery Act

The fifth key pillar – Supporting the Modern Slavery Act - provides the foundation for effective supply chain and operational risk management. From this pillar Salta will develop ongoing objectives which align with the principles of sustainable procurement and operations. From this pillar, Salta will be able to:

- Adhere to legislative obligations are observed and maintained as regionally required in accordance with our Enterprise Risk Management Framework.
- Engage Consultants as required to support compliance and provide advice on continuous improvements.
- Develop policies and procedures for integrated and transparent risk management.

6.2. THE YEAR AHEAD – FY23 OBJECTIVES

FY23 FOCUS AREAS
Unified response – whole of business awareness
Review policies – policies and procedures to implement awareness
Risk assessment methods – documented ways assess risk
Supplier diligence – engaging suppliers based on known awareness
Response mechanisms – to remedy instances if/when they arise
Align to international standards – to develop and maintain best practice

The UN Guiding Principles on Business and Human Rights (Principles 15 to 18) recommend that businesses make certain commitments and implement processes to advance and protect human rights. In FY23 Salta intends to develop responses to each recommendation below.

- A policy commitment to meet our corporate responsibility to respect human rights:
- A human rights due diligence process to identify, prevent, mitigate and account for how human rights impacts are addressed.
- A process to enable the remediation of adverse human rights impacts we have caused or contributed to.

7. CONCLUSION

Across the Salta Properties team there is a growing awareness of the role and responsibility for Salta to identify modern slavery within our supply chains and operations, and an awareness of our obligations to protect human rights. Knowledge of approaches to modern slavery in our supply chain now provides an opportunity to further integrate our compliance and risk management practices to embed and highlight modern slavery risk.

Raising awareness of modern slavery for staff and suppliers was an essential development in FY22, and continued awareness raising, training and development of appropriate guidelines and policies in FY23 will provide the business with internal assistance points to ensure that anyone can obtain appropriate guidance when needed. We will continue to assist suppliers where required, and development of our risk assessment of supplier categorisations will provide greater insights into our potential modern slavery risk exposure and inform our ongoing activities.

8. FURTHER INFORMATION

The Salta website provides a comprehensive range of information on the business, sustainability framework and governance practices: <https://www.salta.com.au>

Requests for further information about Salta Properties and our approach to modern slavery risk, may be directed to: modern.slavery@salta.com.au



Level 26, 35 Collins Street,
Melbourne VIC 3000

GPO Box 1700,
Melbourne VIC 3001

Ph: (03) 9673 1111
Fax: (03) 9673 1188

WWW.SALTA.COM.AU