

# Modern Slavery Act Statement Australia

Actions by PBS Property Group Pty Ltd  
to Eradicate Modern Slavery in its  
Business Operations and Supply Chains





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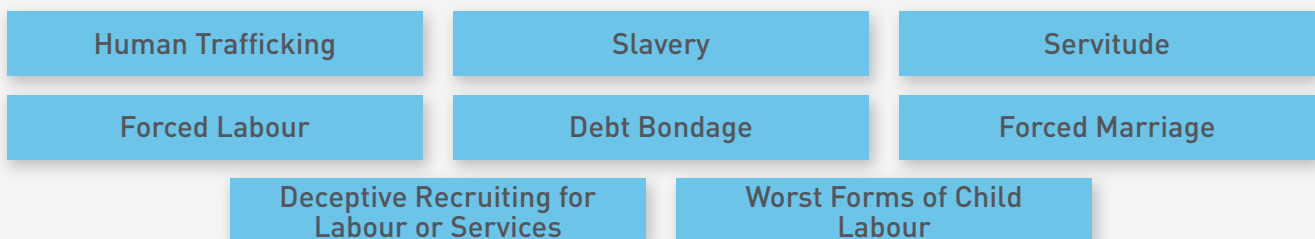
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# Background

## What is Modern Slavery?

Companies have a responsibility to respect human rights in their business operations and supply chains, as outlined in the United Nations Guiding Principles on Business and Human Rights. This includes taking steps to assess and address modern slavery risks

The term “modern slavery” refers to a range of serious forms of human exploitation. It describes situations where offenders use coercion, threats, or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery can include:



According to the Global Slavery Index, approximately 45 million people were enslaved in some form in 2016. Modern slavery may generate as much as \$150 billion USD in earnings annually. Modern slavery can occur in every industry and sector. These practices are serious crimes, grave abuses of human rights, and have devastating impacts on survivors. Modern slavery also distorts global markets, undercuts responsible businesses, and can pose significant legal and reputational risks to companies.

## What are Responsible Businesses Doing to Address Modern Slavery?

Taking action to combat modern slavery makes good business sense. Companies that take action to combat modern slavery in their business operations and supply chains can protect against possible business harm and improve the integrity and quality of their supply chains. It is also the law. The Australian Government’s Modern Slavery Act 2018 (MSA), United Kingdom’s Modern Slavery Act of 2015, and California’s Transparency in Supply Chains Act have been enacted to change the way companies do business to reduce the risk that the goods and services used by companies and purchased by consumers are the product of modern slavery.

The AU MSA requires covered entities, such as PBS Property Group Pty Ltd (PBS, Company, or Group), to prepare an annual modern slavery statement explaining how the entity is assessing and addressing modern slavery risks in its global operations and supply chains. These statements will be published in an online publicly available register maintained by the Australian Border Force (ABF) to provide transparency in the marketplace.



# Statement of Company

## COMMITMENT TO COMBATTING MODERN SLAVERY

PBS respects and supports the protection of internationally recognized human rights to ensure that we are not complicit in any abuses of these basic rights. To fulfill this commitment, PBS is dedicated to maintaining fair, ethical, and sustainable business and sourcing practices. PBS is committed to sourcing quality products and services from suppliers that share these core values and has established and maintains systems, controls, and other measures to safeguard against the risk of slavery, servitude, forced or compulsory labor, and related human trafficking in any part of our business operations and supply chains.

PBS is committed to complying with its obligations under the AU MSA, including by publishing this annual Modern Slavery Act Statement (Statement). This Statement outlines how PBS approaches its compliance obligations under the Act. This Statement identifies the key areas of modern slavery risks across our business operations and geographic footprint and in our local, national, and global procurement activities.

## REPORTING PERIOD

This MSA Statement sets out the steps taken by PBS in the reporting period of 1 July 2019 to 30 June 2020 to prevent modern slavery in its business operations and supply chains.

## IMPACT OF COVID-19 PANDEMIC

PBS recognizes that the impacts of the ongoing COVID-19 pandemic may increase the vulnerability of workers in local, national, and global supply chains to modern slavery. Generally, our operations and supply chains remained strong through the pandemic as construction was deemed an essential activity. Investment in technology in the years preceding the pandemic meant worksites and offices could remain open and COVID safe. Restrictions on travel and limitations on group gatherings impacted key activities, such as face to face employee training and on-site supplier audits.

PBS continues to assess and address new or increased modern slavery workplace risk factors resulting from the pandemic and continues to work with its suppliers on the impacts of the pandemic on their operations and supply chains to ensure that PBS maintains ongoing transparency into the modern slavery risks in its full supply chain.



# Reporting Requirements

The MSA prescribes the seven key elements that must be addressed by PBS in this annual MSA Statement. The list following addresses each of these key elements and provides specific information on the Company's MSA governance and compliance program:

## 1. Identification of Company

PBS Property Group Pty Ltd (PBS) has a clear purpose: Working in partnership with our progressive clients and our community, we deliver solutions with integrity to achieve our partner's objectives.

PBS was established as a residential builder in ACT in the late 1980's. The Group began a national expansion in 1998 having won the contract to build a large portion of homes and apartments in the Sydney Olympic Village. This project led to the opening of a Sydney office in 2000, which was followed by expansion into Brisbane and Hervey Bay in Queensland.

Today, PBS operates as an integrated builder and property developer across the east coast of Australia.

## 2. Structure, Operations, and Supply Chain of Company

This statement covers the activities and entities of PBS Property Group Pty Ltd, a privately owned Australian Proprietary Company. The Group has structured its construction and development operations under three key wholly-owned subsidiaries - PBS Property Dev Pty Ltd, PBS Property Pty Ltd and PBS Building Pty Ltd. The various operating businesses in the Group are housed under these three entities.

As at 31 December 2020, PBS had approximately 150 employees, 700 subcontractors, and 750 suppliers across Australia.

For the purposes of this statement, our key operating entities and operations and the associated supply chains are as follows:

Entity	Main Operations	Supply Chain
PBS Property Group Pty Ltd	Ultimate parent that does not trade	<ul style="list-style-type: none"> <li>Office consumables and uniforms</li> <li>Promotional and marketing materials</li> <li>Technology (hardware, software, cloud services)</li> <li>Utilities</li> <li>Professional services consultants/ organisations/ contractors, including recruitment firms, law firms, agents, engineers, building surveyors, designers, and IT and HR professionals</li> <li>Labour hire firms in Australia</li> <li>Sub-contractors who work on construction, including plumbers, electricians, gasfitters, drainers, tilers, carpenters, cleaners, excavators, painters, concreters, traffic management, bricklayers, plasterers, caulkers, levellers, sanders, renderers</li> <li>Construction goods and materials (including soil reports, land surveys, energy assessments, CCTV, power pits, bins, tanks, pumps, paint, concrete, rock, steel, timber, joists, roof trusses, beams, lintels, bricks, hebel, cranes, waterproofing, windows, door frames, doors, bricks, brick sand, eaves material, fascia gutter, flashings, tiles, roofing, floor material, cladding, lock up material, mouldings, screens, insulation, sisilation, plaster, fixing material, basins, sinks, cabinetry, benchtops, cooking and kitchen appliances, dishwashers, heating, cooling, vacuum systems, plumbing units, hot water units, rangehoods, stairs, lights, stone, wallpaper, mirrors, shelves, electronic systems, baths, showers, sanitaryware, electrical fittings, antennas, fit off materials, carpets, balustrades, caulking, clotheslines, decks, letterboxes, fencing, flyscreens, window furnishings, scaffold, guard rails, generators, retaining walls</li> </ul>
PBS Property Dev Pty Ltd	Parent of the Property Development Pty Ltd companies; does not trade	
Douglaz St Pty Ltd; Margulex Pty Ltd; Staffordz Rd Pty Ltd; Astonz St Pty Ltd	Individual trading entities wholly owned by parent and owns land for development in ACT, NSW, and Qld	
PBS Property Pty Ltd	Parent of the Property Pty Ltd companies; does not trade	
Abarvo Pty Ltd	Owner of 36 completed Apartments and Townhouses at a gated community known as "Tranquile" in Cannonvale, QLD	
PBS Project Pty Ltd	No current operations	
PBS Building Pty Ltd	Parent of the Building companies; does not trade	
PBS Building (NSW) Pty Ltd	<ul style="list-style-type: none"> <li>Building company that undertakes construction Predominantly in Sydney and other NSW regions as required;</li> <li>Develops, designs, and constructs residential and commercial property in ACT, NSW and Qld</li> <li>Engages subcontractors and suppliers on project specific agreements to undertake design and construction activities.</li> <li>Purchases land for development under development.</li> </ul>	
PBS Building (Qld) Pty Ltd	Same as PBS Building (NSW) Pty Ltd, in QLD and Far North Coast of NSW	
PBS Building (ACT) Pty Ltd	Same as PBS Building (NSW) Pty Ltd, in the ACT and surrounding southern NSW regions	
PBS Management Company Pty Ltd	Employer of all staff within the group and provides all back-office services	

### 3. Risks of Modern Slavery Practices in Operations and Supply Chains of Company

PBS has adopted a targeted and risk-based approach to assessing and addressing modern slavery risks in its business operations and supply chains. This approach is consistent with the UN Guiding Principles on Business and Human Rights. PBS has identified the thematic modern slavery risks that may arise across its operations and supply chains. We have considered risks that may possibly cause, contribute, and/or be directly linked to modern slavery practices. These priority thematic risk areas include those listed below:

#### » Sector and Industry Risks

PBS operates in the property and construction industry. The International Labour Organization has noted that construction is a high-risk sector which may result from:

- 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 or in remote locations, such as security or cleaning services.
- Recruitment strategies by suppliers, their agents, or labour hire agencies that may target specific individuals and groups from marginalized or disadvantaged communities.

#### » Product and Services Risks

The Company may obtain from suppliers or provide to others certain products and services that may have high modern slavery risks because of the way such products or services are produced, provided or used; such as:

- 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.

#### » Geographic Risks

PBS operates exclusively in Australia. PBS has deemed that its operational footprint has no to low geographic risk. From our initial risk assessments undertaken on our supply chain, we have not identified any suppliers with operations or workers in any of the top 10 countries generally recognized as having high modern slavery risks.





## 4. Actions Taken by the Company to Assess and Address Modern Slavery Risks

There are many pro-active and holistic steps that PBS has taken and continues to take, internally and at various levels within our supply chains, to detect and remediate modern slavery risks and to prevent any future instances of such worker exploitation. The most effective program is a multi-pronged program and PBS has implemented such a program that includes the key components described below:

### OPERATIONS - MODERN SLAVERY GOVERNANCE PROGRAM

#### Commitment

PBS recognizes that the “tone at the top” matters because that tone trickles down. PBS’s Board and Senior Management Team has been assigned the responsibility for ensuring compliance with the MSA and they developed and disseminated a statement that the Company that will not tolerate modern slavery practices in any of its business operations or supply chains. Such high-level policy statements, when properly communicated and incentivized, form the foundation for Company-wide adoption of mechanisms and approaches to prevent abuse from occurring and embed social responsibility in our business practices.

#### Contractual Requirements

PBS ensures that, where appropriate, all contracts with suppliers include anti-slavery provisions. In early 2020, the Company began embedding modern slavery compliance requirements into its existing and new contracts with all suppliers. These contractual provisions typically give PBS the right to terminate our agreement with a supplier when there are reasonable grounds to suspect that the supplier may be involved in activities or conduct that contravenes anti-slavery legislation or our required standards. The Company understands that termination of a supplier relationship may not always be in the best interests of those working at the supplier and trapped in modern slavery. The Company may opt not exercise this termination right if doing so would cause more harm to these workers, but this contractual provision reinforces to our suppliers that no workplace should include modern slavery practices.

#### Program Parameters

- ✓ PBS has put in place the following key risk management components:
- ✓ Transparent internal and external reporting channels and automated reporting systems to ensure timely information and responses
- ✓ Formal policies and procedures for internal business operations and external suppliers to reduce modern slavery risks
- ✓ Periodic training of staff and suppliers and other pro-active awareness initiatives
- ✓ Transparent workplace engagement practices, including open access to whistleblower hotline system
- ✓ On-going engagement with industry groups and others on advocacy, public policy, and other issues



## PROGRAM HIGHLIGHTS IN REPORTING PERIOD

### ✔ PBS Whistleblower Policy and Program

PBS has a whistleblower policy and program in place that is supported by a third-party disclosure services provider. This allows disclosures to be made anonymously, with a fair, objective and confidential investigation process by qualified personnel. This policy and program are also published on PBS's external website.

### ✔ PBS Code of Conduct

The PBS Code of Conduct promotes ethical and legal business conduct.

### ✔ HR Policies

PBS has HR and Fair Work policies in place to ensure that all workers and employees are paid a minimum wage, that all policies are in line with current state, territory and Federal legislative requirements, and that all workers and employees are paid weekly.

### ✔ Designed Risk Assessments

As part of our designed risk assessments, PBS has embedded modern slavery questions into the decision-making process as it relates to selection of ethically sourced materials used for production.

### ✔ Modern Slavery Awareness Training

PBS also developed a modern slavery online training program for managers in selected business operations areas. Face-to-face training was not a viable option in 2020 because of the global pandemic, so this training was delivered via our online HR management system. Such training may be offered in subsequent years. PBS also drafted and posted an informative modern slavery and human trafficking poster in key workplace areas, including employee break rooms and lounges, to raise awareness among all employees of this important issue. The poster content was translated into appropriate languages based on workplace locations.



## TRAINING CASE STUDY: RISK = RESOLUTION

Identification of Risk	Resolution Steps
<p data-bbox="164 1368 560 1442"><b>Modern Slavery Workplace Awareness Training</b></p>	<p data-bbox="667 1352 1390 1462">As a result of the COVID-19 pandemic, face to face training and awareness sessions could not take place across our workplaces.</p> <hr/> <p data-bbox="667 1541 1406 1650">This was exacerbated by the restrictions placed on interstate travel given our operations cover ACT, NSW and QLD regions.</p> <hr/> <p data-bbox="667 1729 1390 1839">To overcome this, PBS rolled out via our online Human Resources Management System (HRMS) a virtual training course on modern slavery.</p> <hr/> <p data-bbox="667 1917 1366 2027">We further reinforced this training by placing modern slavery awareness posters in the break rooms and lunchrooms of our workplaces.</p>

## SUPPLY CHAIN - EXPECTATIONS FOR SUPPLIERS

### Supplier Due Diligence - Assessments and Audits

#### Initial Plans and Goals

PBS is committed to developing proactive responses to modern slavery risks in our local, national, and global supply chains that prioritize the best interests of all workers. To fulfill that commitment, PBS has worked with CENTRL Inc and their MSA360 platform to develop and send self-assessment questionnaires (SAQs) to over 650 Tier 1 suppliers in Australia and around the world. The responses to these SAQs will allow PBS to determine whether modern slavery risks are present in our supply chains and, if so, to prioritize the areas of our supply chains that we should focus on to minimize our modern slavery risks. If risks of modern slavery are identified in the SAQs, the responses will also provide PBS with insight to begin working collaboratively with impacted suppliers to address, minimize and/or eliminate these risks to prioritize the best interests of all impacted workers.

The SAQs include questions designed to gauge our suppliers' own modern slavery compliance programs, such as the development of training materials for their employees and their policy commitments and supplier engagement activities. The SAQ asks each supplier a number of specific questions to help PBS rate the supplier as high, medium, or low risk. The SAQ focuses on the following nine key risk areas:

1. **Modern Slavery Practices Risk:** Focuses on any current, recent history, or past regulatory or criminal investigations of modern slavery practices at the supplier or among senior management at the supplier.
2. **High Country Risk:** Focuses on risks associated with having operations or workers in or sourcing supplies or workers from any one of the top ten (10) countries generally identified as having the highest risk of modern slavery practices.
3. **Other Country Risk:** Focuses on risks associated with having operations or workers in or sourcing supplies or workers from certain countries where modern slavery practices may be more prevalent.
4. **Industry Risk:** Focuses on risks associated with certain industries and business sectors where modern slavery practices may be more prevalent.
5. **Program Governance:** Focuses on the components of the supplier's modern slavery compliance and governance program.
6. **Future Policy Plans:** Focuses on the supplier's future plans to build and maintain their own robust modern slavery compliance program.
7. **Employment/Workplace Practices:** Focuses on certain employment and workplace issues that may be indicators of modern slavery practices.
8. **Migrant Workers Risk:** Focuses on risks associated with the use of migrant workers by suppliers.
9. **Supply Chain Management:** Focuses on supplier's policies and programs in managing modern slavery risks in their own supply chains.

As of the date of this Statement, nearly one third of our Tier 1 supply chain have responded to the SAQs. This has helped PBS to begin assessing and identifying which parts of our supply chain may present modern slavery risks. Once more of the SAQ responses are received and reviewed, PBS will have more insight into and a more complete profile of its supplier risks and can begin working with those suppliers identified as high and medium risk to address and remediate those risks.



In the interim, PBS has begun formalizing its plans to address its high-risk suppliers to ensure that any required remediation or other measures can be implemented timely. We have already started to identify areas of potential risk with our suppliers, including certain employment practices issues, lack of current and future modern supply compliance programs, industry risk issues, and limitations on visibility further down the supply chain.

PBS will also use the results of this initial survey of its suppliers to tailor and further customize similar SAQs to be used in subsequent reporting periods to ensure that PBS is focusing on those Tier 1 suppliers in the medium and high-risk categories and on their relevant Tier 2 suppliers.

We are also engaging with suppliers to raise awareness of modern slavery risks through a required and free video training program included with the SAQs.

## Future Plans and Goals

PBS intends to continually improve its MSA corporate governance program in subsequent years to build on and enhance our ability to address this important issue and to reflect changes in the company's business operations, suppliers, and marketplace. In the coming year, our goal is to have all Tier 1 suppliers respond to our SAQ and develop a comprehensive risk analysis of our immediate supply chain.

PBS intends to require all of its suppliers to complete a SAQ each year and all new vendors will be required to complete a SAQ at time of engagement. In subsequent years, these assessments may be modified to reflect the risk rating assigned to each supplier in response to their assessment responses in the prior year.

In addition, the Company plans to begin sending periodic news alerts to its suppliers reminding them of their ongoing obligations to address modern slavery risks and of any changes in our expectations or requirements.

PBS has requested that this training program be completed as part of any new or annual assessment process by all supplier employees who may be involved in completing the SAQ. This mandatory training program helps to reinforce in all of our suppliers the Company's ongoing commitment to eradicating modern slavery practices in our supply chains.

The assessment of our existing and any new suppliers will allow us to take appropriate steps to manage modern slavery risks throughout our supply chains and provide PBS with the information it needs to timely respond to issues as they arise. Such responses may include the pro-active coordination of remediation measures with our suppliers or de-risking measures, including the reconsideration of our relationship with particular suppliers that do not meet our required standards.

## 5. Assessment of Effectiveness of Actions Taken by Company

PBS is committed to monitoring the effectiveness of its ongoing actions to assess and address modern slavery risks, including tracking a range of qualitative and quantitative indicators of these risks. PBS is committed to establishing key performance indicators and implementing regular review processes, as well as ongoing monitoring and data collection activities, to ensure that PBS can proactively respond to modern slavery risks in its business operations and supply chains.

PBS's ongoing work to assess the effectiveness of its actions will inform its future work and activities. PBS recognizes the importance of a continuous improvement approach to combating modern slavery risks in its operations and supply chains. PBS's formal commitments to its current modern slavery compliance program establishes a strong foundation for future growth and development of the program.

## 6. Consultation with Entities Owned or Controlled by Company

Since all of PBS's related entities are 100% held within the group under common directorship, no consultation process with owned entities was needed.

## 7. Other Relevant Information

PBS has engaged with and continues to engage with industry groups and international counterparts, including Master Builders of Australia, to promote actions to address modern slavery risks, including the development and promotion of best practice principles to combat modern slavery in similar industry sectors with similar supply chains. PBS intends to work more collaboratively with industry groups and others in 2021 and 2022 to further engage in Australian and global community advocacy.

PBS intends to continually improve its MSA corporate governance program in subsequent years to build on and enhance our ability to address this important issue and to reflect changes in the company's business operations, suppliers, and marketplace.

This MSA Statement was approved by PBS's Board and Senior Management Team on 29 March 2021.



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