

**AVJennings Limited**

ABN 44 004 327 771

**Modern Slavery Statement 2023****About AVJennings Limited**

AVJennings Limited (“AVJennings”) is a leading residential property development company with a name that continues to be one of the most recognised housing brands in Australia. It is listed on the Australian Securities Exchange (ASX) and the Singapore Exchange (SGX) through SGX Globalquote.

The business has been part of the Australian residential property landscape for 90 years. It was founded in Melbourne in 1932 by Sir Albert Victor Jennings. Sir Albert believed in the “Australian dream” of a better life through home ownership, and he helped make it a reality for thousands of people. He built communities – something AVJennings continues to do today, driven by our belief that “Housing Matters. Community Matters”. We create communities people want to belong to and grow with. AVJennings remains one of the most recognised and trusted names in quality, affordable housing in Australia.

AVJennings Limited is a subsidiary of SC Global Developments Pte Limited, a Singapore based luxury real estate developer.

**Our Structure, Operations and Business**

AVJennings has major residential development projects in four Australian States, namely Queensland, New South Wales, Victoria and South Australia. The Company also has equity investments in some apartment and land subdivision projects in Perth, Western Australia. It has one project in Orewa, north of Auckland in New Zealand. Further details about AVJennings and its activities can be found on the Company’s website, [www.avjennings.com.au](http://www.avjennings.com.au) and in various announcements lodged with the ASX and SGX.

The AVJennings Group comprises forty three subsidiaries, some of which are special purpose vehicles with direct land holdings. Others are parties to joint ventures, are licence holders or holding companies of other subsidiaries. The Group has about 165 direct employees and its head office is located in Melbourne, with local offices in New South Wales, Queensland, South Australia and Auckland, New Zealand.

As part of its business operations, the Company engages contractors in the development and construction industries, which include large civil and building contractors. It also utilises the services of product suppliers (eg. building materials, white goods, uniforms etc), services suppliers (lawyers, planning consultants, engineers, architects and others) as well as trade suppliers (bricklayers, plumbers, electricians, carpenters, landscapers and other trades). In FY23 AVJennings procured approximately \$182.17 million of goods and services from its top 112 suppliers.

**AVJennings Risk Oversight & Governance Framework**



AVJennings’ Board has responsibility for ensuring the Company has strong risk management, internal compliance and control systems to monitor and manage financial and non-financial risks. It oversees the establishment and implementation of a sound risk management system and periodically reviews its effectiveness.

The Risk Committee assists the Board in setting risk strategies, policies, frameworks, models and procedures, and oversees implementation of the risk management framework. This oversight includes a wide range of matters related to financial and non-financial risk, including the monitoring of employee and contractor health, safety and human rights related risks and those concerning modern slavery. The Risk Committee held 4 meetings in FY23 and continues its oversight of initiatives implemented by senior management both from a safety and operations perspective.

The Company has in place the following internal policies that apply to directors, employees and contractors.

- A Code of Conduct which applies to all levels of management and staff
- A Whistleblower Policy
- An Equal Opportunity Policy
- A Discrimination and Harassment Prevention Policy
- A Fraud and Corruption Prevention Policy and
- A Modern Slavery Policy
- A Supplier Code of Conduct

The Supplier Code of Conduct sets out AVJennings’ commitment to ethical, sustainable and socially responsible procurement and our expectations of our suppliers in the areas of:

1. Labour and Human Rights
2. Workplace Health and Safety
3. Governance
4. Ethical Behaviour and Conflicts of Interest and
5. Environmental Sustainability.

The Code has been communicated to AVJennings’ top suppliers, who were requested to formally acknowledge that they have read, understood and will comply with the Code. Roll out of the Code to all suppliers of goods and services will be progressed over the coming months and will be introduced as part of the supplier on-boarding process.

AVJennings’ Corporate Governance Statement, published on the ASX and SGX details the Company’s approach to achieving and maintaining high standards of corporate governance and accountability.

### **Risk Identification**

Virtually all of AVJennings’ suppliers are Australian or New Zealand based. As part of further due diligence to ascertain if AVJennings is contributing to or being indirectly linked with modern slavery related practices within its supply chains, the Company undertook a risk assessment of suppliers with whom it conducted business over a certain value in FY23. Approximately 112 larger suppliers were directly engaged on supply chain and human rights related issues. Government and local government authorities were not included in the assessment on the basis that their risk profile was considered to be at the very low end of the spectrum. The suppliers were grouped into categories based on goods and services provided, on the share of spend in each category and on the risk profile of each category.

The assessment of suppliers was in the form of a questionnaire, with specific questions seeking information on their supply chains (including country of origin of goods imported), their employment practices and the employment practices of their suppliers.

<b>Group</b>	<b>Share of Spend</b>	<b>Risk Profile</b>
Apartment Construction (3 projects)*	29.13%	High risk/High spend
Civil Contractors	28.37%	High spend/low risk
Professional Services	6.52%	Low spend/low risk
Trade Subcontractors	9.66%	Low spend/low-medium risk
Materials Suppliers	26.32%	High spend/high risk

*\*In FY23, expenditure in this category was significant with work progressing on apartment construction in Waterline Place in Williamstown Vic, Brunswick, Vic and Kogarah NSW..*

Of responses received to our enquiries we found:

<b>General Modern Slavery Response</b>	
Have reporting obligations under the Modern Slavery Act or have voluntarily taken steps to establish processes and procedures to comply, have a human rights policy (or similar) and actively monitor compliance, including remediation	33%
<b>Supply Chain Management</b>	
Conduct due diligence for modern slavery risk on suppliers	45%
Have operations or suppliers in countries with a high prevalence of modern slavery practices	0%
Train employees with direct responsibility for supply chain management on risks associated with modern slavery	52%
<b>Recruitment Practices</b>	
Employees have written contracts in place that specify employment conditions, wage rates and hours of work	93%
Do not suspect modern slavery practices within their recruitment processes	96%
Have mechanisms in place for employees to raise concerns related to labour conditions or workplace grievances	96%
<b>Labour Hire</b>	
If using labour hire workers on AVJ sites, aware of labour hire company recruitment practices	33%

Whilst AVJennings' materials and trades suppliers are primarily Australia or New Zealand based, the assessment revealed that:

- Some brick, steel, hardware and white goods suppliers were part of larger organisations with modern slavery reporting requirements that had conducted extensive due diligence on their supply chains to determine risk and remedial actions required.
- Some timber suppliers and landscape contractors source a major proportion of their products locally (within Australia).
- Suppliers with Modern Slavery Act reporting obligations have made considerable progress towards putting in place policies and procedures to analyse and mitigate associated risks within their supply chains.
- Some suppliers have no reporting obligations, however they (particularly a number of civil contractors) have voluntarily put in place supplier induction processes, ethical procurement and corporate social responsibility policies and procedures that also address modern slavery risks.
- Some service and trade suppliers with small to medium sized operations and not subject to reporting obligations under the Modern Slavery Act (typically with less than 20 employees) do not have formal grievance procedures or mechanisms for employees to raise concerns regarding labour conditions, but operate on a more informal basis where employees can directly address these issues with their employer.

- Generally, of responses received from suppliers, we found that there is now much more awareness and suppliers are either formally or informally implementing processes to ensure there are no modern slavery associated risks within their operations.
- Almost all suppliers had suitable employment contracts in place for their employees and did not suspect modern slavery practices within their recruitment systems.
- A small number of suppliers use labour hire workers and use trusted and registered labour hire agencies in Australia.

Our materials suppliers have their own complex and diverse supply chains that can extend beyond Australian borders. This extended supply chain, particularly in high risk geographies with poor working conditions where modern slavery legislation is inadequate or does not apply to the supplier, or they have no obligation to carry out necessary checks, is where the risks of such practices may be present.

The assessment of AVJennings' professional service providers, who are all based in either Australia, New Zealand or Singapore and include lawyers, accountants, engineers, planning consultants, architects and similar professionals, established that the risk of modern slavery related practices within their operations is low.

### **Ongoing Consultation and Communication**

Assessment of a newly appointed civil contractor in Southeast Victoria established that although it had no reporting requirements under Modern Slavery legislation, it had, pleasingly, taken appropriate steps to put in place policies and procedures to mitigate any associated risk, including the introduction of specific contract clauses regarding compliance with Australian fair work legislation by its own subcontractors.

Consequent to AVJ providing feedback and ongoing monitoring of a construction contractor at the Company's Harvest Square, Brunswick West (Vic) development it was noted that steps implemented by it to monitor its supply sources and labour practices were being strengthened, by the implementation of its Modern Slavery Policy and introduction of subcontractor procurement checklists that address worker safety and modern slavery related risks.

During the year, the Company continued to source prefabricated composite walling systems from an Australian owned producer with operations in Bosnia. Although the supplier does not have reporting obligations under the Modern Slavery Act, it has Human Resources related policies that comply with Australian employment law, sources its products from a sister company with which it has an ongoing relationship (including visits to its factories and personal knowledge of employees) and has mechanisms in place to obtain certification from suppliers that products supplied are sourced, produced or manufactured in accordance with human trafficking and slavery laws of the countries in which they operate. The company is in the process of establishing manufacturing capability in Australia, further reducing any potential labour related risk in its operations. Once established, AVJennings will source all its pre-fabricated walling systems from the Australian factory and will cease utilising the Bosnian facility. The Australian factory is expected to be operational by March 2024.

AVJennings maintains long-term relationships with a number of its large civil contractors, consultants, trades and material suppliers and these relationships are based on mutual trust and delivery of high-quality services. Whilst our enquiries have revealed that there is no immediate

cause for concern, we will continue to engage with suppliers that have no reporting requirements to encourage risk assessment, improve awareness and assist with compliance.

AVJennings has also previously undertaken company-wide communication with its procurements and site-based staff, to educate them on the risks and impacts of modern slavery and the channels available to report suspected practices.

### **Due Diligence and Remediation**

AVJennings will continue to work with parties throughout its supply chains to prevent any contribution it may have to the issue of modern slavery. This will be achieved by continuing to raise awareness, monitoring and improvement of due diligence processes to assist in the identification of risks. As part of its continuous improvement process, AVJennings intends to undertake the following:

- Continue the roll out of its Supplier Code of Conduct to all its suppliers. It is also being used to raise awareness as part of the new supplier on-boarding process, with new suppliers required to confirm that they have read, understood and will comply with the Code.
- Engage further with those suppliers that have indicated they do not plan to continue with assessment of modern slavery risks within their businesses and provide support and encouragement to demonstrate compliance.
- Ongoing training of employees engaged in procurement and development activities on site.
- Encouraging site sub-contractor interactions with AVJennings' supervisors to enable ongoing risk assessment and management.
- Providing a mechanism for employees and external stakeholders to report concerns anonymously or otherwise using AVJennings' whistleblower channel.
- Assessment of supplier tender processes for larger contracts using historical knowledge of costs and timing, to ensure mispriced tenders can be eliminated from consideration.

Risk management, governance and operations of the AVJennings Group are overseen by the Board of Directors of AVJennings Limited. The CEO and Senior Executive Team are accountable to the Board for the day-to-day management of all aspects of the business. None of AVJennings' subsidiaries operate as separate businesses and the boards of directors of all the subsidiaries are constituted of the CEO and the Senior Executive team. There is therefore no need for formal consultation between group companies.

### **Approved by the Board of Directors of AVJennings Limited**



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Philip Kearns, Managing Director  
Date: 21 December 2023