

# Central Equity Limited ACN 006 708 738 Modern Slavery Joint Statement 2020

## 1 Introduction

This Joint Modern Slavery Statement (**Statement**) is made by Central Equity Ltd ACN 006 708 738, and its subsidiary, Tarneit Estate Pty Ltd ACN 068 152 705 (**Reporting Entities**) pursuant to the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**) for the period 1 July 2019 to 30 June 2020 (**Reporting Period**). References in this Statement to “**Central Equity**”, “**we**”, “**us**” or “**our**” collectively refers to Central Equity Ltd and its subsidiaries as well as Tarneit Estate Pty Ltd, unless stated otherwise.

## 2 Our Structure, Operations and Supply Chains

### 2.1 Structure

Central Equity Limited is a company limited by shares incorporated in Australia. The registered office is located at 32 Power Street, Southbank VIC 3006 Australia. It is the parent company of a wide range of wholly owned subsidiaries, including Tarneit Estate Pty Ltd which is also a reporting entity for the purposes of the Modern Slavery Act by virtue of its revenue generated from sales activities during the Reporting Period. Our controlled entities were all incorporated in Australia, with the exception of Central Equity Asia Pte Ltd which was incorporated in Singapore and Central Equity Hong Kong Pty Ltd which was incorporated in Hong Kong. All remaining subsidiaries are incorporated and domiciled in Australia. The controlled entities are involved in property development and management.

### 2.2 Operations

Central Equity undertakes business operations activities in relation to property development and management predominately in Australia. Our development activities are undertaken by a range of corporations associated with the Central Equity Shareholder Group. Other activities undertaken by subsidiaries include: licensed real estate agency, building management and concierge services, short term leasing, licensed credit provider in relation to third party property loans, landlord owners corporation insurance management and finance operator. Tarneit Estate is the corporate entity that delivered a residential development in Tarneit. Its revenue in the Reporting Period arose from sales made following the completion of the development.

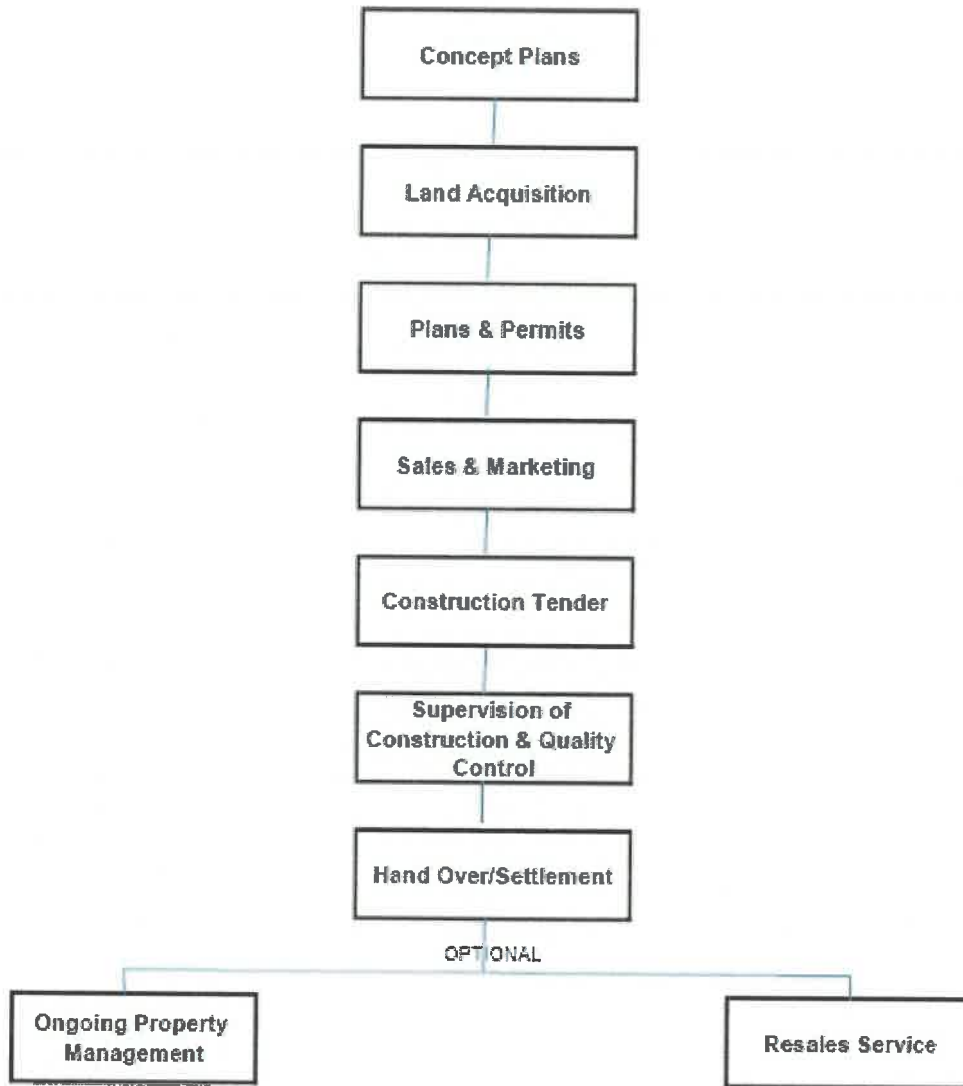
Central Equity Limited employs 94 staff members (74 full-time, 6 part-time and 14 casual). These employees work in a wide range of disciplines including administrative, sales, marketing, quality control and property management roles. Tarneit Estate Pty Ltd does not have any employees. Within the overall Central Equity Group, there are approximately 400 employees.

Central Equity Asia Pte Ltd, the subsidiary of Central Equity Limited in Singapore, operates an office at Raffles City Tower #05-02, 250 North Bridge Road, Singapore 179101 employing 1 employee performing Sales/Administration role. Central Equity Hong Kong Pty Ltd, the subsidiary of Central Equity Limited in Hong Kong, operates an office at Level 54 Hopewell Centre, 183 Queen's Road East, Hong Kong employing 3 employees performing Sales/Marketing/Administration roles. Central Equity Hong Kong Pty Ltd also has a representative office in China which employs one staff member. All our overseas employees remunerated in-line with Australian wages.

### 2.3 Supply Chains

Central Equity enters into agreements with third parties for the provision of goods and services in connection with the delivery of each of the stages in the property development process, as depicted in the diagram below.

## CENTRAL EQUITY GROUP DEVELOPMENT PROCESS



In 2020, we procured services and suppliers from approximately 150 third party suppliers, operating in sectors including: construction, engineering, surveying, sustainability consultants, facilities management, utilities, fencing, architects, office fit out services, legal, audit, stationery, corporate merchandise, ICT hardware, travel, accommodation services and catering. Of these, construction was the largest procurement spend during the Reporting Period. These construction companies have large supply chains that include both subcontractors and materials used on our projects.

Most of our suppliers are domiciled and operate in Australia. However, our foreign subsidiaries use local suppliers for tenancies and office related supplies in Singapore and Hong Kong.

### **3 Risks of modern slavery practices in operations and supply chains**

#### **3.1 Modern slavery risks in our operations**

Given the vast majority of our operations are performed and all projects/developments are undertaken in Australia, a lower risk country for modern slavery, our view is that there is low risk that our business operations have caused, contributed or were linked to modern slavery. This is not to say that modern slavery does not exist in Australia, but rather, a recognition of the fact that industrial relations laws in Australia are highly regulated. Further, most of our workforce comprises skilled workers who are generally in the lower risk categories for modern slavery. We do however employ a cohort of base-skilled workers in property management roles. Base skilled workers, in general, are at increased risk of exposure to modern slavery, irrespective of the country in which they work, often by virtue of a combination of uncertain residency status, insecure employment and limited English. However, for the reasons set out in Part 4 below, these risks are mitigated in our operations.

We appreciate that there may be operational risk when we outsource work to contractors that we cannot supervise or manage. We outline this risk below as a supply chain risk.

#### **3.2 Modern slavery risks in our supply chains**

Like most companies operating within the property development sector in Australia, the most significant modern slavery risks are likely to exist in our supply chain. In applying the United Nations Guiding Principles on Business and Human Rights (**UNGPs**), we consider our main exposure to modern slavery to exist via our relationship with third parties, rather than any direct causal impacts or contributory actions of our business.

Forced labour, debt bondage, human trafficking and the worst forms of child labour are some of the main types of modern slavery risks that can exist in the supply chains supporting the property and construction industries. These risks become acute where:

- there is widespread utilisation of vulnerable worker groups such as itinerant workers, migrant workers, workers from minority ethnic groups and displaced workers;
- there are opaque contracting arrangements for the provision of sub-contracted labour resulting in decreased transparency;
- migrant workers are charged recruitment fees by agencies and/or have their original passports or other forms of ID retained, subjecting them to situations of debt bondage; and
- there are short lead times and pricing pressures on contractors and subcontractors.

Central Equity understands that its suppliers in the construction sector may be working on multiple projects and could have potentially tens or hundreds of work streams in relation to one project, making visibility of the workforce and supply chains difficult. Projects often involve numerous short-term engagements across multiple locations, making a collaborative risk management approach complex. Suppliers in this sector may also source materials from geographies with a higher risk of modern slavery, but we are often not aware of the provenance of the materials supplied.

Our suppliers, particularly those that we engage for civil works and construction activities are likely to use labour hire workers, either directly or via subcontractors, in their operations which carry an increased risk of modern slavery. In working with reputable construction companies, who are often themselves reporting entities pursuant to the Modern Slavery Act, we rely on the due diligence measures and actions taken by them to ensure that modern slavery risks are assessed, mitigated and addressed.

Cleaning services is another sector that has been the subject of increased attention in recent years as a result of media reports on exploitative labour practices. The reasons for the increased risk profile associated with this sector align with the four bullet points listed above.

In terms of our office operations, key modern slavery risks include ICT hardware by virtue of the manufacturing of hardware as well as the mining operations for raw materials used in lithium-ion batteries, present in phones, tablets and computers. Base-skilled workers in the aviation and hotel sectors are considered at higher risk for modern slavery due to the prevalence of subcontracting arrangements leading to decreased supply chain transparency, labour intensive work coupled with low barriers to entry, workers from vulnerable backgrounds including migrant workers. Corporate merchandise are also considered to have higher modern slavery risks for similar reasons but in the manufacturing sector. Local suppliers to our offices in Asia, which provide goods and services to support our administrative offices in Singapore and Hong Kong, have a higher inherent risk than our Australian operations by virtue of their jurisdictional risk.

## **4 Actions to assess and address the risks**

### **4.1 Approach to due diligence**

In our first year of reporting pursuant to the Modern Slavery Act, we have taken a desktop approach to assessing modern slavery risks in our operations and supply chain. This has involved a review of our workforce, the roles performed and remuneration, as well as a review of vendors paid during the Reporting Period. With the assistance of an external subject matter expert, we were able to assess the risks by reference to inherent industry risks. This has been the first step in deepening our understanding of modern slavery and the role we have in mitigating modern slavery in our industry sector.

### **4.2 Remediation**

Our personnel, contractors and suppliers have access to our whistleblowing policy which is published on our website and intranet. We did not receive reports of any actual or suspected instances of modern slavery during the Reporting Period. If our business is found to have caused or contributed to modern slavery, we would take guidance from the UNGPs, which provides that businesses in this situation need to remediate the impact by taking a person centred approach protecting the safety, privacy and wellbeing of the affected person. We would undertake a full investigation of the situation to ensure that an appropriate corrective action plan is implemented and assess how similar impacts could be avoided in the future.

## **5 Assessing the effectiveness of actions**

The Board of Central Equity Limited is responsible for this statement.

As this is our first Statement, we are in the early stages of seeking to better understand the connection between our business and modern slavery risks and we will endeavour to achieve year-on-year improvement in the way in which we assess and respond to modern slavery risks.

We will be assessing the effectiveness of our actions by reference to KPIs that we will set each year and report on the progress against those KPIs in subsequent year statements.

## **6 Other information – Impact of COVID-19**

The global health pandemic has had, and continues to have, significant impacts on workers vulnerable to modern slavery in supply chains around the world. Central Equity recognises that purchasing practices such as short production windows and last minute or short-term orders may increase modern slavery risks for workers.

## 7 Process of consultation

This Statement was prepared with the input of representatives from a number of functions including procurement, human resources, finance and compliance. Each of these individuals have Group-wide responsibility, including Central Equity Limited and its owned or controlled entities (to the extent those entities are relevant to their function). The Reporting Entities and subsidiaries share the same directors on their board of directors. Accordingly, this Statement was prepared in consultation with the Reporting Entities and their owned or controlled entities.

This Statement was approved by the Board of Directors of Central Equity Limited on 5<sup>th</sup> July 2022 and signed by a director of the board.



Eddie Kutner  
Chairman  
22<sup>nd</sup> July 2022

## Annexure - Reporting criteria

Reporting criterion	Page
1 & 2. Identify the reporting entity and describe its structure, operations and supply chains	1-2
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	2-4
4. Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	4
5. Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	4
6. Describe the process of consultation with any entities the reporting entity owns or controls	4
7. Any other relevant information	4