

Community Housing Limited (“CHL”) Group Modern Slavery and Human Trafficking Joint Statement 2019/20

This Statement, pursuant to s14 of the Modern Slavery Act 2018 (Cth), outlines the actions taken by Community Housing Limited¹ (“CHL”) to address risks of modern slavery in our business and supply chains over the financial year ending 30 June 2020.

Community Housing Limited (CHL) is a not-for-profit company delivering housing for vulnerable and low to moderate income people who are unable to secure long-term affordable housing in the market. CHL originated in Australia in 1993 and has since spread its operations to South Asia, South-East Asia, and South America.

CHL is committed to providing good-quality, affordable and sustainable housing in regions of the world where there is a dire need. CHL is focused on developing housing options for those experiencing housing difficulty and continuously improving its service delivery to its tenants so they can enjoy stable lives, raise families, engage in employment or study, and generally have enough to live on to be able to live adequately day to day.

CHL develops housing strategies in partnership with communities and their governments to assist:

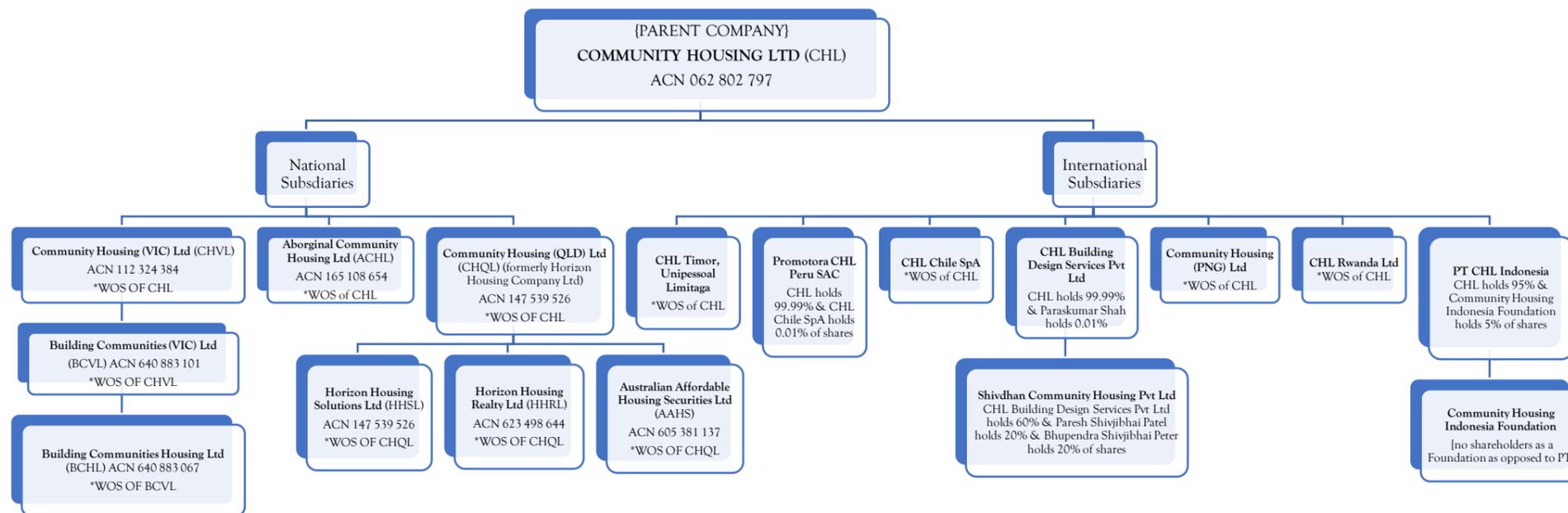
- Australia - Low to moderate income people in metropolitan and regional Australia who are in highest housing need and/or have been disadvantaged by market failure on the path to securing long-term rental or home ownership
- International - People who live in informal and slum housing in international locations who are unable to secure long-term affordable housing.

CHL is building a strong national presence across Australia and expanding its international footprint across those regions where extreme poverty remains pervasive.

As of 30 June 2020, CHL had a portfolio of 10,892 properties under rental management in Australia across six States including Victoria, New South Wales, Western Australia, South Australia, Queensland, and Tasmania.

Internationally in Timor Leste, Chile, Papua New Guinea, Peru, India, Indonesia and Rwanda, CHL aims to assist those who are disadvantaged by market failure by securing a pathway to secure housing recognising that long-term rental and home ownership is one of the means by which the poor can escape from poverty.

CHL GROUP STRUCTURE



OPERATIONS

CHL undertakes projects to create additional housing stock and provides accommodation services to those at risk of homelessness, people who cannot access the private rental market and others with special needs. Additionally, the Group provides accommodation services for the Aboriginal and Torres Strait Islander community.

Services with our tenants are undertaken using in-house staff who are employed under the appropriate awards and receive remuneration in accordance with those awards.

¹ “Community Housing Limited” refers to Community Housing Limited ABN 11 062 802 797 and as defined in s50 of the Corporations Act 2001 (Cth), its related bodies corporate.

*WOS - Wholly Owned subsidiary as defined in s46 of the Corporations Act 2001 (Cth).

Businesses employed by CHL are required to comply with Australian labour laws, receive induction from CHL and are to comply with CHL's code of conduct and CHL's policies that are relevant to their activities. When subcontractors are used, they are required to meet these requirements.

With regards to the services provided to the Aboriginal and Torres Strait Islander people, some take place in remote communities using locally based organisations. The extent of risk from modern slavery needs to be assessed in these areas and actions taken regarding any risks identified. Notwithstanding this, the CHL Modern Slavery Policy is applicable in these communities.

Overseas entities of the group are in South Asia, South-East Asia, and South America. Those in Timor Leste, India, Chile and Peru are engaged in construction activities whilst those in Indonesia, Papua and New Guinea, Rwanda are at a formative stage of development and are exploring project development opportunities. The modern slavery risk is higher where construction activities are being pursued and CHL staff at these locations are sensitive and alert to the issues of modern slavery and have practices in place should any instances be detected. Where construction has yet to occur, the risk of modern slavery is considered in determining the business relationships CHL enters. In this regard, this is consistent with CHL's zero tolerance to corruption and other unlawful practices.

Risks of Modern Slavery

For over 25 years, CHL has been managing and developing affordable housing solutions in partnership with government's, and communities. We comply with all employment, labour, and whistleblower laws of Australia, including Fair Work Act. CHL is committed to provide a safe working environment with a workplace free from harassment, discrimination, and bullying. Across its operations, CHL acts ethically and lawfully in its business conduct and engages with all stakeholders with respect and honesty. CHL adopts an internal audit program, which provides assurance on the effectiveness of the risk control framework and compliance with policies. Whilst CHL considers the potential to cause or contribute to incidents in relation of modern slavery to be very low. However, areas of vulnerability in our group operations include outsourced services such as use of labour hire contractors, cleaning, and facility management.

SUPPLY CHAINS

The supply chain for goods and services in Australia involves the construction of new dwellings which uses organisations including builders, architects, project managers and participants in industries associated with real estate, the law, banking, and the provision of finance. The participants CHL deals with, are reputable businesses that need to comply with the Australian regulatory frameworks and industrial agreements. The risk of modern slavery is considered low within these industries.

The supply chain for rental properties involves organisations to undertake urgent, responsive, and routine maintenance on the properties. The supplies for the maintenance services are acquired from reputable Australian trade and retail suppliers which range from large national maintenance organisations to small local businesses. Some maintenance is also undertaken by in-house CHL staff. Other minor supplies are acquired to assist residents with goods necessary to establish the fundamentals of a home. The risk of modern slavery associated with supplies for rental properties is considered low and the group is looking to including conditions related to prevention of modern slavery in its selection criteria and all future contractual arrangements with the suppliers to ensure strict adherence to the norms for prevention of modern slavery.

The supply chain for corporate services involves industries concerned with information systems and communications, office supplies, and training and consulting services. Major suppliers are from large organization which also have programs for the participation in modern slavery programs.

Risks of Modern Slavery

For reporting Year 2019-20, CHL adopted a Modern Slavery Policy for the Group and reinforced this within its Procurement Policy. To date CHL has not found any significant risks from its suppliers. However, while CHL predominantly uses Australian suppliers, it recognises that the goods and services may come from countries other than those of supplier's locations. From CHL's international operations, assurance has been sought that the International subsidiaries procure or engage with suppliers who in turn comply with companies that produce goods by Child and Forced labour. CHL will be undertaking further work to understand the vulnerabilities and potential modern slavery risks across its operations.

When manufactured goods are purchased from major suppliers the risk of modern slavery well within the layers of the supply chain cannot be completely eliminated.

CHL believes that cleaning services as an industry has inherent risks of modern slavery which warrants actions and we have initiated measures to strengthen controls in this area.

ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS, INCLUDING DUE DILIGENCE AND REMEDIATION PROCESSES.

CHL is committed to the protection of workers' human rights and vulnerable individuals from exploitation and all forms of slavery. In line with the aforesaid commitment, CHL has adopted the Modern Slavery Policy aimed at ensuring all employees are socially responsible through an awareness of modern slavery, the risks of slavery and the appropriate action to take in such circumstances. CHL aims to limit the risk of modern slavery occurring within its activities, existing within its supply chains, or other activities or relationships.

Furthermore, CHL has adopted the following two Board Policies to address the operational risks including the modern slavery risks:

External Conduct Standards Policy - CHL is committed to ensuring the safety and wellbeing of all Staff and associated parties, as well as transparency in its operations and allocation of resources. This policy is aimed at ensuring all employees are socially responsible through an awareness of the risks of fraud and threats to individuals' human rights, and the appropriate action to take to minimise the risk of both during business.

Whistleblower Policy - The policy outlines CHL's commitment in creating and maintaining an open working environment in which the Whistleblowers able to raise concerns regarding actual or suspected misconduct, malpractice, unethical or unlawful behavior without fear of retribution. It aims to provide clarity on how CHL will support Whistleblowers so that they:

- are encouraged to express their concerns.
- know how to express their concerns, including their right to remain anonymous.
- know what will happen when they express their concerns; and
- feel safe in expressing their concerns and will not be subject to retaliation or victimisation in response to expressing their concerns.

RISK ASSESSMENT AND MANAGEMENT FOR FY 2019-20

CHL's focus for 2019-20 was to improve its understanding of potential modern slavery risks from its operations and supply chain. Recognising the management of modern slavery risks across the operations, we commit to form a working group comprising of representatives from assets, corporate services, projects, people, governance & legal, and risk & audit. The objectives of this group will be to identify the areas of improvement across CHL's operations in relation to modern slavery and identify gaps and opportunities for better managing our response to modern slavery risks.

As part of the working group, CHL commits to take the following actions:

- Create a Modern Slavery action plan.
- Update and align CHL's Enterprise Risk Management Framework to the requirements of modern slavery risk assessment process, including identifying preventative and mitigating controls.
- Conduct Supplier surveys; and
- Commit for education and training on Modern Slavery Act and its requirements.

HOW CHL ASSESSES THE EFFECTIVENESS OF ITS ACTIONS.

CHL acknowledges the importance of assessing the effectiveness of its actions to manage and mitigate risks of modern slavery in its operations and supply chain. For the first reporting period CHL introduced policies, acquired knowledge of the subject and through knowledge of the company and at the same time addressing the issues of COVID 19, assessed that it was not likely to be an area of high exposure for the Group. To confirm its understanding, in the 2020-21 year it has assessed the effectiveness of its actions against the following key processes across the organisation by seeking answers for the below questionnaire from the relevant stakeholders:

1. Please list you 5 key suppliers. Note. could be buying services or supplies.
2. How much do you know of the supplier's business and where they source their products from?
3. Would these suppliers have a modern slavery program in place?
4. Have you assessed the suppliers for modern slavery risk? E.g., Could suppliers be using unpaid labour, child labour, excessive hours or under award payments?
5. Have you taken steps to ensure that services and products from supplies are provided in non-slave-like conditions?
6. Any other comments or considerations?

BOARD APPROVAL

This Statement for Community Housing Limited Group was approved by the Board of Community Housing Limited as the parent entity on 22 March 2021.



Stephen Bevington

Managing Director

Community Housing Limited

07 May 2021