

Modern Slavery Statement



Developing Better Lifestyles

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Identifying the reporting entity

Finbar Group Limited (ACN 009 113 473) is an Australian company, publicly listed on the Australian Securities Exchange (ASX: FRI), registered at Level 6, 181 Adelaide Terrace, East Perth, Western Australia, 6004.

This statement has been developed in accordance with the requirements of the *Modern Slavery Act 2018* (Cth) (the **Act**), and it sets out the actions taken by Finbar Group Limited and its wholly owned and controlled entities (referred to collectively in this statement as ‘Finbar’, the ‘Group’, the ‘Company’) to identify, assess and address modern slavery risks in its operations and supply chain.

The statement was approved by the board of Finbar Group Limited on 20 December 2021 and on authority signed by Darren John Pateman, Managing Director.

Structure, operations, and supply chain

Structure

Finbar is an Australian property development and property investment company located in Perth, Western Australia (**WA**).

Its core focus is developing medium to high-density residential apartments and commercial properties.

Developments, project management, sales, rental and other associated functions are undertaken by fully owned subsidiaries of Finbar and Finbar’s joint venture entities.

This statement is made in respect of Finbar Group Limited (ultimate holding company) and its wholly owned and controlled entities. Refer to Appendix A for a listing of the Company’s wholly owned and controlled entities as at 30 June 2020.

Operations

Finbar’s operations are primarily focused on the development of residential apartments in the Perth metropolitan area.

Finbar also holds residential property investments in Karratha as well as commercial property investments in Karratha, South Perth, and East Perth.

At 30 June 2021, Finbar employed 31 staff engaged across its Perth and Karratha offices. All work undertaken is administrative or managerial in nature. All employees are directly employed by Finbar Group Limited.

Supply Chain

Finbar operates in WA with a localised immediate supply chain.

Finbar engaged 353 suppliers over the FY21 reporting period. The majority of these suppliers – a total of 336 – are based in Australia.

The remaining suppliers are based, or have relevant operations, in the United States, the United Kingdom, New Zealand and Israel.

Most of Finbar’s supply chain is comprised of professional services providers, such as consultancy, legal and financial services. Finbar has also engaged a smaller number of suppliers to assist with its

operations, including business services, cleaning, hospitality, office and IT supplies, and security. Finbar's remaining suppliers are largely based in the construction and real estate sectors, or have been engaged for repair and maintenance of its properties.

Identifying risks of modern slavery

Operations

All Finbar employees are employed directly and under permanent, full time or part time contracts which significantly lowers the risk of modern slavery. Finbar has implemented systems and standards to ensure that terms and conditions of engagement of labour meet or exceed legislative requirements in Western Australia.

Finbar also engages several suppliers to deliver aspects of its operations. Within this group, Finbar has identified that some suppliers operate in sectors which may be vulnerable to risks of modern slavery on the basis of inherent workforce characteristics, such as migrant labour, or casual or low skilled labour.

Given the widely-recognised modern slavery risks associated with certain sectors, Finbar considers that exposure to modern slavery is most likely to occur in the following areas of supply:

- office and IT supplies and equipment;
- business services, facilities management and managing office space (e.g., security and cleaning services);
- hospitality and catering; and
- construction, repair and maintenance.

Within the construction of development properties, suppliers to Finbar's building contractor use labour engaged through third-party providers and subcontractors, which combined with a workforce including higher rates of migrant and unskilled labour, increases risks of modern slavery. Finbar does not have direct supervision over the third-party workforce or transparency over the terms and conditions of the engagement of these workers.

Notwithstanding, Finbar is prioritising its construction industry suppliers for direct engagement over the next reporting periods to better understand the extent of risk and ensure that suppliers are identifying and addressing risks of modern slavery in their own operations and supply chains.

The Company will also commit to more deeply reviewing its direct supplier list, applying risk assessment criteria – including industry, geography and spend criteria – to identify those suppliers that may be classified as higher risk of modern slavery, requiring closer engagement.

Supply Chain

Finbar's overseas based suppliers are largely based in countries that are considered low risk by the Global Slavery Index 2018 (GSI).

However, it recognises that its suppliers may, in turn, utilise suppliers, or source or produce their goods and services in countries which may include those identified by the Global Slavery Index as having a higher risk of modern slavery. In light of this, Finbar will engage with its suppliers during the next two reporting periods to determine which jurisdictions their supplier's source from, to better understand their supply chains, and to determine whether they have appropriate policies in place.

Finbar has also considered the sector specific risks in respect of its Australian based suppliers. Approximately one third – 34.6% – of Finbar’s first tier suppliers are based in industries that are generally considered low risk for modern slavery. These include professional services from the following sectors:

- legal and consultancy;
- financial;
- real estate; and
- media, marketing and PR.

Finbar considers that several of its other first tier suppliers are low risk from a sector-based perspective. These include:

- public and regulatory bodies (e.g., local councils or tax authorities); and
- utilities and postage.

Taking action against modern slavery

Overview

Modern slavery continues to remain a global issue, affecting approximately 40 million victims around the world (as estimated by the United Nations and Walk Free Foundation).

Finbar respects the human rights of every person involved in its operations, supply chain and the community in which it operates. It will not accept any form of modern slavery in the conduct of its operations and in its supply chain and is committed to ensuring that all workers are treated fairly, ethically and with respect.

To date, the Group has not identified any instances of modern slavery in its operations or supply chain and is committed to addressing risks of modern slavery to which it may be exposed.

Operations

To mitigate against modern slavery risks in its **operations**, Finbar is committed to:

- engaging its employees under fair, just, and ethical employment contracts;
- not partaking in high risk or unethical labour engagement practices, including by ensuring that it does not:
 - use migrant or seasonal labour;
 - charge employees to work through recruitment fees or imposing fines;
 - retain employee original identification documents or preventing employees from moving freely;
 - use child labour; or
 - undertake deceptive recruiting practices.

Given the higher likelihood of modern slavery in the cleaning industry, over the coming reporting period Finbar will engage directly with its cleaning contractor as a priority to understand its policies and processes for ensuring compliance with all relevant labour laws and regulations and for identifying, assessing and addressing risks of modern slavery.

Supply chain

To reduce exposure to modern slavery risk in its **supply chain**, Finbar has commenced direct engagement with its major supplier of building services during the current reporting period. The builder is participating in the dialogue process and has indicated its commitment to reducing modern slavery in its own supply chain.

Finbar recognises that continuous improvement is key to reducing the risk of modern slavery. To this end, it is committed to undertaking the following actions during the coming reporting periods:

- Continue to directly engage with its major builder, as well as seek to extend this engagement to other major suppliers that have been identified as high-risk following supply chain mapping, screening and risk assessment. This will allow Finbar to determine the extent of these suppliers' anti-modern slavery actions, and to ensure these suppliers are monitoring their own operations and supply chains for risks.
- Establish roles across the Group that will have responsibility for managing risks of Modern Slavery. Finbar will establish a modern slavery team comprised of the Company Secretary (reporting to the Board), the Development Manager and General Manager of Project Coordination. This team will report quarterly to the Board advising progress, particularly of the data gathered from the Group's suppliers in respect of their suppliers.
- Review existing policies, systems and practices to identify areas for improvement and articulate an effective framework for identifying, assessing and addressing risks of modern slavery. This will be integrated with the Group's risk management framework and will incorporate a mechanism for employees, contractors and members of the public to report instances or risks of modern slavery and unlawful or unethical conduct associated with Finbar's operations
- Developing procurement and on boarding processes to improve supply chain visibility. As part of this process, the Company has commenced developing a Supplier Self-Assessment Questionnaire designed to capture supplier information, supporting the identification of potential modern slavery risks and labour rights issues. Suppliers with high risk and low visibility results will be requested to complete a detailed modern slavery and labour rights supplier SAQ.
- Implementation of supplier minimum standards and incorporation of anti-modern slavery requirements in key supplier contracts.
- Undertaking training in respect of risks of modern slavery, actions that can be taken at the time of procurement to minimise the risks and available reporting mechanisms.

Measuring effectiveness

As Finbar develops and implements the abovementioned framework for identifying, assessing and addressing risks of modern slavery, it will incorporate processes for monitoring and improving the effectiveness of its actions.

Initially these will be focussed on:

- Quarterly review and reporting to the Board on modern slavery compliance program development.
- Training completion rates and assessment scores of participants.
- The number of suppliers who have been directly engaged, and who have been requested, and completed an SAQ.
- The numbers of new contracts incorporating supplier minimum standards
- Awareness of reporting mechanisms among employees and suppliers.
- Identification and collaboration with industry groups or communities of interest who are engaged in identifying risks of modern slavery.

Consultation

Consultation between the Finbar Group occurs primarily in the shared functions and resources, for example the legal, finance and procurement teams are shared across the group. This has facilitated the assessment process, and ensures that actions taken to identify and address modern slavery risks are consistent across the Finbar entities.

Approval

Approved by the Board of Finbar Group Limited on 20 December 2021



Darren John Pateman

Managing Director

Appendix A

This statement applies to Finbar Group Limited (ultimate holding company) and its wholly owned and controlled entities. A listing of those entities as at 30 June 2020 follows.

Company	Percentage Ownership	Country of Incorporation	ACN	Registered Office
Finbar Group Limited	N/A	Australia	009 113 473	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
1 Mends Street Pty Ltd	100	Australia	600 082 111	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
2 Homelea Court Springs Pty Ltd	100	Australia	166 992 123	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
31 Rowe Avenue Pty Ltd	100	Australia	162 808 951	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
32 Riversdale Road Pty Ltd	100	Australia	608 160 354	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
36 Chester Avenue Pty Ltd	100	Australia	147 167 084	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
43 McGregor Road Pty Ltd	100	Australia	167 107 075	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
5-7 Harper Terrace Pty Ltd	100	Australia	600 071 056	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
63 Adelaide Terrace Pty Ltd	100	Australia	600 029 070	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
88 Terrace Road Pty Ltd	100	Australia	123 678 491	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
96 Mill Point Road Pty Ltd	100	Australia	168 258 455	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
172 Railway Parade West Leederville Pty Ltd	100	Australia	166 342 954	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
175 Adelaide Terrace Pty Ltd	100	Australia	120 144 834	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
239 Great Eastern Highway Pty Ltd	100	Australia	166 919 508	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
241 Railway Parade Pty Ltd	100	Australia	165 413 016	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
262 Lord Street Pty Ltd	100	Australia	147 846 286	Level 6, 181 Adelaide Terrace East Perth, WA, 6004

269 James Street Pty Ltd	100	Australia	163 732 812	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
280 Lord Street Pty Ltd	100	Australia	163 025 401	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
Finbar Applecross Pty Ltd	100	Australia	613 769 734	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
Finbar Commercial Pty Ltd	100	Australia	637 052 861	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
Finbar Finance Pty Ltd	100	Australia	124 752 647	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
Finbar Fund Pty Ltd	100	Australia	600 378 783	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
Finbar Karratha Pty Ltd	100	Australia	142 784 192	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
Finbar Port Hedland Pty Ltd	100	Australia	159 884 652	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
Finbar Project Management Pty Ltd	100	Australia	111 730 208	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
Finbar to Rent Pty Ltd	100	Australia	629 248 282	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
Finbar Sales Pty Ltd	100	Australia	640 562 778	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
Finbar Sub 104 Pty Ltd	100	Australia	608 161 057	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
Finbar Sub 107 Pty Ltd	100	Australia	637 051 720	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
Finbar Executive Rentals Pty Ltd	100	Australia	630 981 225	Level 6, 181 Adelaide Terrace East Perth, WA, 6004
Lot 1 to 10 Whatley Crescent Pty Ltd	100	Australia	112 308 933	Level 6, 181 Adelaide Terrace East Perth, WA, 6004

Statement Annexure

Principal Governing Body Approval

This modern slavery statement was approved by the Board of Finbar Group Limited on 20 December 2021.

Signature of Responsible Member

This modern slavery statement was signed by the Managing Director of Finbar Group Limited, Darren John Pateman, on 20 December 2021.

Reporting Entity	Pages
Identify the reporting entity	3
Describe the structure, operations and supply chain of the reporting entity	3–4
Describe the risks of modern slavery practices in the operations and supply chain of the reporting entity, and any entities that the reporting entity owns or controls	4–5
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	5–6
Describe how the reporting entity assesses the effectiveness of such actions	7
Describe the process of consultation with any entities that the reporting entity owns or controls	7
Any other information that the reporting entity considers relevant	8–9