

ABN GROUP MODERN SLAVERY STATEMENT

October 2020



Reporting entity ABN Group Pty Ltd ('ABN') is Australia's leading construction, property and finance company headquartered in Perth, Western Australia with substantial operations in Perth, Western Australia and Melbourne, Victoria. As a Group, we operate 19 businesses, covering new home design and construction, commercial property, residential property development, property financial planning and mortgage broking, conveyancing, plumbing, concreting, roofing, ceiling and wall fixing, kitchen design and installation.

The content of this statement was guided by the Modern Slavery Act 2018 (Cth) ('Act') and Draft Guidance for Reporting Entities. It describes the actions ABN has taken during financial year 2020 and roadmap for year 2021 (FY2020 and FY 2021) to assess the risk of modern slavery in its operations and supply chains.

FY2020/2021 Actions

KEY ACTIONS IMPLEMENTED IN FY2020



- 1 FORMED A MODERN SLAVERY ACT COMMITTEE



- 2 DEVELOPED AN ABN GROUP MODERN SLAVERY CHARTER



- 3 DEVELOPED A MODERN SLAVERY POLICY



- 4 CONDUCTED AN OPERATIONS HUMAN RIGHTS RISK ASSESSMENT



- 5 CONDUCTED A HIGH LEVEL SUPPLY CHAIN RISK ASSESSMENT



- 6 DEVELOPED A 12 MONTH ACTION PLAN, INCLUDING DEVELOPMENT OF AN EMPLOYEE EDUCATION PROGRAM



- 7 CONDUCTED A PRELIMINARY ASSESSMENT OF ASSUMED HIGH RISK SUPPLIERS AND SUBCONTRACTORS

Organisational structure, operations and supply chains

Structure and operations

ABN Group Pty Ltd is a privately owned Western Australian incorporated company, and Ultimate Holding Company of 54 subsidiary companies. All but 3 subsidiary companies are wholly owned, with the 3 Victorian companies partly owned by an additional shareholder.

ABN businesses operate predominantly in the Perth metropolitan region, Bunbury and neighbouring regions and Melbourne and surrounding regions. ABN is the second largest builder of Detached Houses in Australia and the third largest Home Builder in Australia based on construction starts (HIA-Colorbond Steel Housing 100 – 2019/20).



**IN 40 YEARS WE'VE BUILT
MORE THAN 77,000 HOMES**



**OVER 1,500 EMPLOYEES
HIRED ACROSS WA AND VIC**



**WE TRAIN MORE BUILDING AND
CONSTRUCTION APPRENTICES
THAN ANY OTHER BUILDER IN
AUSTRALIA**



**OVER \$9.1 MILLION DONATED
IN THE LAST 14 YEARS BY THE
ALCOCK FAMILY FOUNDATION**



**TOTAL VALUE OF \$1B
COMMERCIAL AND RESIDENTIAL
DEVELOPMENT PROJECTS**



**36,000 HOMEOWNERS
SUPPORTED WITH AFFORDABLE
FINANCE SOLUTIONS**



**EQUAL HIGHEST
RESIDENTIAL BUILDING MARKET
SHARE IN AUSTRALIA**



**BUILDING ACROSS WESTERN
AUSTRALIA AND VICTORIA
MORE THAN 3,000 HOMES EACH
YEAR**

Supply chain

Our direct suppliers are located in Australia. We have over 1000 registered suppliers across 130 sector classifications. Our procurement expenditure in FY2020 was \$660 million, with 99 per cent of expenditure paid to suppliers in Australia. The majority of overseas products and services procured were IT and Marketing subscriptions.

Our supply chain includes the following services and products:

- Support services – executive management services, accounting & finance services, marketing, IT services, consultants, training providers, procurement services
- Construction services – residential and commercial building services
- Financial services – mortgage manager, mortgage broking, conveyancing services
- Property development services – land and built form development
- Manufacturing – kitchen and glazing component manufacture

Modern slavery risk

Whilst the risk in the Australian workforce is low, we bear in mind that constant pressure to maintain competitive pricing can be a driver for modern slavery.

From an operational point of view, we understand that much of our Australian based suppliers are contractors and given this relationship we are comfortable that there is a very low risk of modern slavery. Sub-contractor agreements have been amended to address the risks of modern slavery.

We have engaged in an internal risk assessment of all our suppliers which is still ongoing and updated on a regular basis. We have then engaged with suppliers we have deemed high risk on a one to one basis to further determine and establish their risk profile.

We would then engage with any suppliers who lack awareness of the risk of modern slavery or the risks in their supply chain and partner with them to improve the visibility and their understanding.

Governance and management

The ABN Advisory Board (Board) has ultimate responsibility for the ABN Group's governance, strategy, performance and management of risks and opportunities. To assist the Board in its duties, ABN has an Executive General Manager team comprising eight EGM's.

In FY2020, ABN formed a Modern Slavery Act Committee and developed a one-year Action Plan to further our capacity to effectively manage modern slavery risk and ensure compliance with the Modern Slavery Act. The Committee comprises members of Group Finance, Commercial Construction, Residential Construction, Procurement and People teams and meets regularly to track progress against the Action Plan. The Committee comprises members with sufficient seniority to represent the entire ABN Group and all its entities. The Action Plan covers tasks to be undertaken across policy and governance, risk, supplier remediation, training and communication, and reporting.

Policies and procedures

Our approach to modern slavery risk is supported by a Modern Slavery Policy which was established in January 2020 in conjunction with a broader framework of policies and procedures. Our policies include our Code of Conduct, General Terms & Conditions of Employment, Prevention of Bullying, Harassment and Discrimination Policy, Open Talk Policy (whistleblower protection), Grievance Resolution Policy and Guidelines, and Employee Assistance Program.

The purpose of the Modern Slavery policy is as follows:

“ABN Group is committed to limiting the risk of modern slavery occurring within its businesses, infiltrating its supply chains or through any other business relationship.”

ABN Group expects all who have, or seek to have, a business relationship with any of our entities to familiarise themselves with our policy and to act in a way that is consistent with its principles.”

We believe this policy in conjunction with our broader framework of policies provides clear direction that is accessible and understood by all stakeholders. This policy will be used to underpin and inform any statement on modern slavery that the ABN Group or any of its entities is required to produce in accordance with the Modern Slavery Act 2018 (Cth) (‘Act’).

Our procurement, contractor and supplier procedures provide internal governance relating to the contracting of goods and/or services from external parties. The procedures outline our procurement, tendering, engagement, authorisations, execution and management of contracts. Suppliers and Vendors have formal contracts/ agreements in place and are made aware of the Modern Slavery Act 2018, and agree to represent, warrant and undertake that it conducts its business in a manner that is consistent with the principles of Modern Slavery Act 2018 (Cth) (‘Act’).

Modern slavery roadmap

In FY2021, we will enact many of the initiatives in our Action Plan to strengthen our management controls, improve the transparency of our risk profile and collaborate with suppliers where appropriate to further address modern slavery risk. In particular we will focus on the following tasks:

Action effectiveness – we will develop a framework for assessing the effectiveness of actions taken to manage modern slavery risk.

Risk detection – we will undertake a detailed risk assessment of our supply chain to prioritise high risk suppliers. Supplier screening – we will update our supplier IT management systems to flag high risk suppliers according to sector classification, location and spend.

Awareness training – we will provide training to equip our supplier and contract managers with the knowledge and skills to identify high risk suppliers and engage with them where appropriate.

Supplier engagement – we will engage with high risk suppliers where appropriate to determine the extent to which modern slavery risks are adequately managed.

Policy review – we will review and improve policies and procedures based on the outcomes of our actions.

We are confident that the foundations we have laid will assist us to address modern slavery risk. We are committed to reporting progress through annual modern slavery statements and look forward to working with our suppliers and industry partners in playing our role to combat this global issue.

This statement was approved by the board of ABN Group Pty Ltd on 23rd November 2020,

Signed,



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Dale Alcock

Managing Director



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Andrew Roberts

Chief Executive Officer



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Aidan Hooper

Managing Director, Victoria