



MODERN SLAVERY STATEMENT 2023

Finbar Group Limited
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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). The address of the Company's registered office is Level 6, 181 Adelaide Terrace, East Perth WA 6004.

This statement is made in respect of Finbar Group Limited and its wholly owned subsidiaries (together referred to as 'Finbar' and individually as 'Finbar entities'). The Group is a for-profit entity and is primarily involved in residential property development and property investment. Please refer to Appendix A for a list of Finbar entities.

This statement has been developed in accordance with the requirements of the Modern Slavery Act 2018 (Cth) (the Act). The purpose is to identify, assess and address modern slavery risks in its operations and supply chain for the reporting period from 1 July 2022 to 30 June 2023.

Finbar respects the human rights of every person involved in its operations, supply chain and the community in which it operates. It does not accept any form of modern slavery in the conduct of its operations and in its supply chain.

Finbar is committed to ensuring that all stakeholders are treated fairly, ethically and with respect. It is cognisant of its objective of minimising and not contributing to modern slavery risk through its operations, supply chain and business dealings.

STRUCTURE, OPERATIONS AND SUPPLY CHAIN

Finbar's core business lies in the development of medium to high density residential apartments and commercial property within the state of Western Australia. Finbar carries out its development projects through wholly owned subsidiaries, development agreements with landowners and equity accounted investees.

Finbar operates predominantly within the central suburbs of the Perth metropolitan area. As at 30 June 2023, Finbar employed 28 staff in its corporate offices in East Perth, Western Australia and 1 staff in the regional Karratha office. All work undertaken is administrative or managerial in nature. All employees are directly employed by Finbar Group Limited.

Finbar completed AT238 Apartments in East Perth during the reporting year. Focusing on its main principal activity, construction continues to progress at Civic Heart in South Perth, Aurora in Applecross and The Point in Rivervale into the next reporting year. Finbar also holds residential property investments in Karratha as well as commercial property investments in Karratha, South Perth and East Perth.

Finbar's project development process includes land acquisition, development, marketing and selling of the real estate properties. Other revenue streams include project management fees, property management fees and sales commission income.

The supply chain of Finbar is predominately comprised of, but not limited to, the following:

Nature of services	Services	Assessed Risk*
Construction and Civil services	Builder, landscapers, civil contractors	High
Consultancy and professional services	Architect, surveyors, engineering services, selling agent services, conveyancing services	Low
Marketing and advertising services	Advertising, media, signage, fit outs	Moderate
Statutory and project fees	Council rates, utilities, planning application	Low
Financial and legal services	Bank facilities, legal advice	Low
Maintenance services	Cleaning, repair and maintenance	High
Administrative and other services	Business and IT services, compliance services, salary and wages	Low

*General risk assessment only. Professional judgment is applied to each assessment.

IDENTIFYING RISKS OF MODERN SLAVERY

All Finbar entities are Australian companies which are solely based and operate in Western Australia. All 29 Finbar employees are skilled professionals and personnel employed to undertake administrative functions, whose roles are primarily office based. The employees are employed directly by Finbar Group Limited under permanent full time or permanent part time contracts which significantly lowers the risk of modern slavery. Finbar has implemented systems, standards and environment to ensure that terms and conditions of employment engagement meet or exceed legislative requirements in Western Australia.

Finbar sends Modern Slavery Self-Assessment Questionnaires (SAQ) to all suppliers (except one-off suppliers deemed as low risk) as part of its onboarding process. Finbar measures risk based on geographical location, industry, nature of services and spend. As an apartment developer which primarily operates within the Perth metropolitan area with a lean "outsourcing" business model, Finbar's inherent risk of modern slavery is minimal:

Geography

- Most suppliers were Australian based across the Group during the reporting period 2023, other than a few marketing and sales contractors in Singapore, online subscriptions and miscellaneous online sellers.

Industry, nature of services and spend

- Building, architectural and marketing services are the main services involved in Finbar's business. Finbar outsources these services to qualified and professional long-standing external contractors. This stable affiliation provides greater control, transparency and trust over the engagement of the services provided.
- 84% of the spend relates to an exclusive builder for construction of apartment buildings. Finbar acknowledges that the builder's supply chain involves imported materials and engages labour through third-party providers and subcontractors. The workforce includes higher rates of migrant and unskilled labour which indirectly increases the risk of modern slavery. The labour arrangement is inevitable due to the cyclical nature of the construction industry. Finbar does not have direct supervision over the third-party workforce or transparency over the terms and conditions of their engagement. To evaluate the risk, Finbar has had discussions with the builder regarding its policies, supply chain and Modern Slavery Statement. No evidence of modern slavery was identified in their operations and supply chain. This review has mitigated Finbar's risk of operation from its most significant contractor.
- The remaining suppliers are Australian based which predominantly provide professional consultancy expertise with employees based in Australia.
- Majority of the suppliers are local with relatively small teams, personalised and collaborative services. Finbar staff generally have direct interactions with the consultant or labourer via site visits, inspections and face-to-face meetings.
- As the cleaning industry has a deemed higher risk in modern slavery, Finbar has paid special attention and is careful when selecting contractors in this area. Notwithstanding the low spend on the cleaning contractors, Finbar ensures their SAQ are returned and thoroughly reviewed to understand its cleaning contractors' policies and processes in ensuring compliance with all relevant labour laws and regulations and for identifying, assessing and addressing risks of modern slavery.

TAKING ACTION AGAINST MODERN SLAVERY

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.

Finbar has established an Anti-slavery Committee that is responsible for managing risks of Modern Slavery within the Group. The Committee is comprised of the Company Secretary (reporting to the Board), the Chief Operating Officer, the Development Manager and the General Manager of Project Coordination. The committee reports half yearly to the Board advising progress, particularly of the data gathered from the Group's suppliers and its risk assessment.

Finbar recognises that continuous improvement is key to reducing the risk of modern slavery. During the reporting period 2023, Finbar has undertaken the following actions:

- Sent Modern Slavery SAQ to most new suppliers (excluding one-off suppliers deemed as low risk) as part of the supplier onboarding process;
- Critically reviews and assesses the risk of modern slavery on returned questionnaire and persistently follows up for a response on the SAQ for higher risk and material suppliers which includes seeking explanation on non-conformance;
- When deemed required, Finbar will proactively discuss and request for more information to make its own evaluation based on its internal parameters and understanding;
- For the significant and higher risk suppliers, Finbar monitors, discusses and evaluates their business and operations ensuring they are aware and mitigating the risk of modern slavery within their own operations and supply chain;
- If Finbar become aware of a supplier engaging in modern slavery, Finbar will cease engagement and association with the supplier immediately;
- 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 integrates with the Group's risk management framework and incorporates 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; and
- Instil awareness in employees and suppliers in respect of risks of modern slavery, actions that can be taken at the times of procurement to minimise the risks and available reporting mechanisms.

MEASURING EFFECTIVENESS

As Finbar implements the abovementioned framework for identifying, assessing and addressing risks of modern slavery, it is committed to continuously reviewing and enhancing its approach in monitoring the outcome of its actions and its effectiveness.

Finbar measures the effectiveness of its action via:

- The supplier completion rate of the Modern Slavery SAQ;
- Regular risk management review and supplier response assessment by the Anti-Slavery Committee;
- Awareness of the importance and understanding on available anti-slavery reporting mechanisms among employees and suppliers; and
- Identification and collaboration with industry groups or communities of interest who are engaged in identifying risks of modern slavery.

GROUP CONSULTATION

The Group is managed by common office holders with shared functions, resources, systems and policies across the Group. This has facilitated the assessment process ensuring that actions taken to identify and address modern slavery risks are consistent across the Finbar entities.

APPROVAL

This statement was approved by the Board of Finbar Group Limited on 18 December 2023.

A handwritten signature in black ink that reads "Darren Pateman". The signature is written in a cursive, flowing style.

Darren John Pateman

Managing Director of Finbar Group Limited

APPENDIX A

This statement applies to Finbar Group Limited (Parent company) and its wholly owned subsidiaries. The Finbar entities for the reporting period ended 30 June 2023 are listed below. The address of the registered office for all entities is Level 6, 181 Adelaide Terrace, East Perth WA 6004.

Company	Ownership Percentage	Country of Incorporation	ACN
Finbar Group Limited	N/A (Parent)	Australia	009 113 473
1 Mends Street Pty Ltd	100	Australia	600 082 111
2 Homelea Court Springs Pty Ltd	100	Australia	166 992 123
31 Rowe Avenue Pty Ltd	100	Australia	162 808 951
32 Riversdale Road Pty Ltd	100	Australia	608 160 354
36 Chester Avenue Pty Ltd	100	Australia	147 167 084
43 McGregor Road Pty Ltd	100	Australia	167 107 075
5-7 Harper Terrace Pty Ltd	100	Australia	600 071 056
63 Adelaide Terrace Pty Ltd	100	Australia	600 029 070
88 Terrace Road Pty Ltd	100	Australia	123 678 491
175 Adelaide Terrace Pty Ltd	100	Australia	120 144 934
239 Great Eastern Highway Pty Ltd	100	Australia	166 919 508
241 Railway Parade Pty Ltd	100	Australia	165 413 016
Finbar Applecross Pty Ltd	100	Australia	613 769 734
Finbar Commercial Pty Ltd	100	Australia	637 052 861
Finbar Finance Pty Ltd	100	Australia	124 752 647
Finbar Fund Pty Ltd	100	Australia	600 378 783
Finbar Karratha Pty Ltd	100	Australia	142 784 192
Finbar Port Hedland Pty Ltd	100	Australia	159 884 652
Finbar Project Management Pty Ltd	100	Australia	111 730 208
Finbar To Rent Pty Ltd	100	Australia	629 248 282
Finbar Sales Pty Ltd	100	Australia	640 562 778
Finbar Sub 104 Pty Ltd	100	Australia	608 161 057
Finbar Executive Rentals Pty Ltd	100	Australia	630 981 225
Lot 1 to 10 Whatley Crescent Pty Ltd	100	Australia	112 308 933

STATEMENT ANNEXURE

Principal Governing Body Approval

This statement was approved by the Board of Finbar Group Limited in their capacity as principal governing body of Finbar Group Limited on 18 December 2023.

Mandatory Criteria

The following criteria indicates the page number of this statement that addresses each of the mandatory criteria in Section 16 of the Act:

Mandatory Criteria	Page
Identify the reporting entity.	2
Describe the structure, operations, and supply chain of the reporting entity.	2
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.	3
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.	4
Describe how the reporting entity assesses the effectiveness of such actions.	4
Describe the process of consultation with any entities that the reporting entity owns or controls.	5
Any other information that the reporting entity considers relevant.	6