

Community Housing Limited (“CHL”) Group
Modern Slavery and Human Trafficking Joint Statement
2020/21

Date of submission: 20 December 2021

This **Modern Slavery and Human Trafficking Joint Statement** (“Statement”), pursuant to s14 of the Modern Slavery Act 2018 (Cth), sets out the actions taken by Community Housing Limited¹ (“CHL”) to address risks of modern slavery and human trafficking risks in our business and supply chains for the financial year ending 30 June 2021.

CHL is committed to maintaining and improving systems and processes to avoid complicity in modern slavery or human rights violations related to our operations, our supply chains, our services and our programs. We understand that modern slavery occurs in many forms, including forced labour, domestic servitude, child labour, bonded labour, sex trafficking, debt bondage, deceptive recruitment for labour services, forced labour, workplace abuse and human trafficking.

In this statement, the terms ‘modern slavery’ and ‘human trafficking’ relate to and include the above various forms of coerced labour.

CHL is committed to delivering its mission in a responsible and ethical manner and does not tolerate any form of slavery in our business and supply chain.

ABOUT US:

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. CHL originated in Australia in 1993 and has since grown its operations to South Asia, South-East Asia, and South America.

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

We develop housing strategies in partnership with communities and their governments to predominantly assist:

- In Australia: Low to moderate income people across both 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
- Internationally: People who live in informal and slum housing within our international locations and who are unable to secure long-term affordable housing.

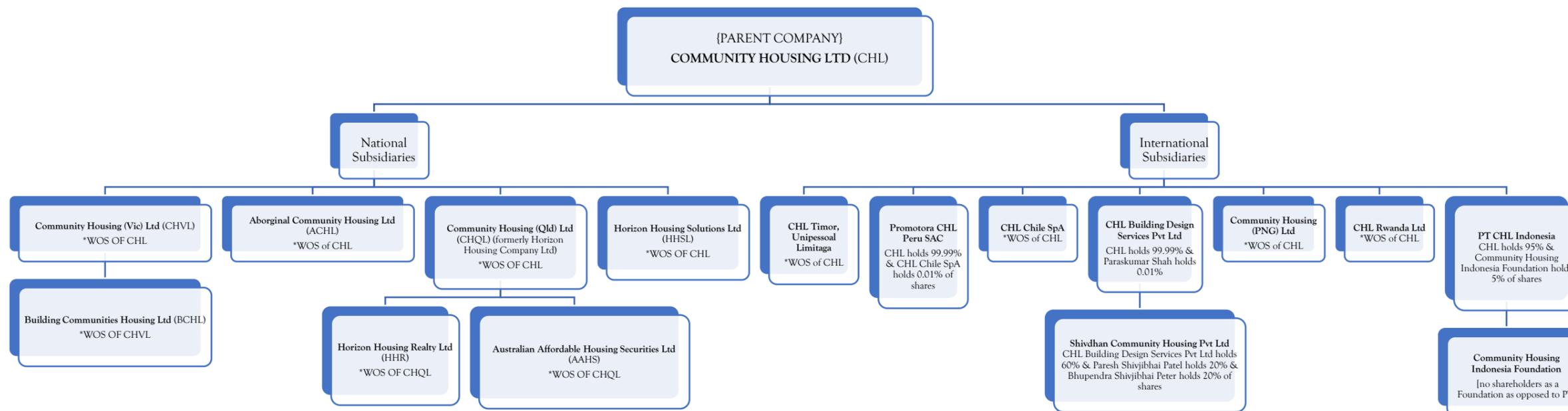
CHL is building a strong national presence across Australia and expanding its international footprint across those regions where extreme poverty remains pervasive.

As of 30 June 2021, CHL had a portfolio of 10,905 properties under rental management in Australia across six States including Victoria, New South Wales, Western Australia, South Australia, Queensland, and Tasmania.

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

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

CHL GROUP STRUCTURE (As of 30 June 2021)



Risks of Modern Slavery

For over 25 years, CHL has been managing and developing affordable housing solutions in partnership with governments, and communities. CHL have a robust governance framework, with oversight by the Board and direct monitoring of risk and compliance activities through the delegated Audit and Risk Committee. Underpinning our governance framework are several policies, in particular the following in relation to modern slavery:

- Modern Slavery Policy
- Code of Conduct Policy
- Whistleblower Policy
- Risk Management Policy
- Compliance Policy
- Procurement Policy
- External Conduct Standards Policy

These policies guide the delivery of CHL’s mission with a focus on ethical and lawful behavior.

We comply with all employment, labour, and whistleblower laws of Australia, including under the Fair Work Act (Cth). CHL is committed to providing 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 all stakeholders with respect and honesty. CHL have adopted an internal audit program, which provides assurance on the effectiveness of the risk control framework and compliance with policies. Whilst we consider the potential to cause or contribute to incidents of modern slavery to be very low, some areas of vulnerability in our group operations are outsourced services such as use of labour hire contractors, cleaning, and facility management.

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, CHL 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.

Businesses employed by CHL are generally required to:

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

- Comply with Australian labour laws.
- Receive an induction from CHL
- Comply with CHL's code of conduct and policies that are relevant to their activities.

In the case where a subcontractor may be used, they too are generally bound by these requirements.

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

Overseas entities of the group are in South Asia, South-East Asia, South America, and Africa. Those in Timor Leste, India, Chile and Peru are engaged in construction activities whilst those in Indonesia, Papua and New Guinea, Rwanda is 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.

SUPPLY CHAINS

Within the supply chain for goods and services in Australia we secure a diverse range of goods and services to support our core business and aim of providing affordable and sustainable housing, for a world without housing poverty. The goods and services are directed at 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. While the risk of modern slavery associated with supplies for rental properties is considered low, CHL continues to look to improve the mechanisms it employs to address the prevention of modern slavery in its selection criteria and contractual arrangements with the suppliers to ensure strict adherence to the norms for prevention of modern slavery.

Assessment of risk in our supply chain

Across 2020-21, CHL adopted its Modern Slavery Policy, reinforced by its Procurement Policy. To date, we have not found any significant risks from our 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 during the 2021-22 year to understand the vulnerabilities and potential modern slavery risks across its operations.

When goods are purchased from major suppliers, but manufactured by a third party, the risk of modern slavery within the layers of the supply chain cannot be eliminated.

CHL will be undertaking further work to understand the vulnerabilities and potential modern slavery risks across its operations. In particular, we consider the cleaning services industry to have inherent risks of modern slavery which warrant further attention 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. The Modern Slavery Policy adopted by CHL is 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. We aim to limit the risk of modern slavery occurring within our activities, existing within our supply chains, other activities or relationships.

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

1. **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 aims to ensure 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 these during business.
2. **Whistleblower Policy** - This policy outlines CHL's commitment in creating and maintaining an open working environment in which the Whistleblower is 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 knowing they will not be subject to retaliation or victimisation in response.

CONSULTATION

CHL engages directly with each subsidiary to form a view on the modern slavery risk in that subsidiary's operations. Where appropriate, each subsidiary Board adopted the 2020 Group Modern Slavery Statement. Additionally, CHL consults within business units to ensure a wholistic assessment is achieved of the risk assessment of modern slavery across CHL.

RISK ASSESSMENT AND MANAGEMENT FOR FY 2020-21

CHL's focus for 2020-21 was to improve our understanding of potential modern slavery risks from within our operations and supply chain. Recognising the management of modern slavery risks across all our operations, we committed to form a working group comprising of representatives from each of the following departments: Asset Management, Corporate Services, Projects, Human Resources, Governance and Legal, Risk and Compliance, and Internal Audit. A working group has been established with the objectives identifying areas of improvement across the business operations in relation to modern slavery and identify gaps and opportunities for better managing our response to modern slavery risks.

The working group's mandate for the future includes:

- Creating a modern slavery action plan.
- Updating and aligning CHL's Enterprise Risk Management Framework to the requirements of modern slavery risk assessment process, including identifying preventative and mitigating controls.
- Conducting supplier surveys; and
- Educating and training staff on the Modern Slavery Act (Cth) and its requirements.

In 2020-21 the working group has advanced development of a questionnaire to provide to suppliers to obtain information on the management of modern slavery within their operations and to allow us to assess the risk of modern slavery against set criteria. In this area we are also developing, the risk assessment criteria, the method of distribution and data analysis methodology. This will continue through the 2021-22 year. Plans are also in place to revise the Modern Slavery Policy and to prepare guidance on also how best to work with suppliers to obtain their cooperation and participation in the process and how to respond to any situation of modern slavery that is identified.

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS.

We acknowledge the importance of assessing the effectiveness of our actions to manage and mitigate risks of modern slavery in our operations and supply chain. For the first reporting period CHL introduced policies, acquired knowledge of the subject and the company and at the same time addressed the issues of COVID 19. Initially it assessed that modern slavery was not likely to be an area of high exposure for CHL but this assessment will be reviewed continuously as information grows through our suppliers responding to our questionnaires and our engagement with our suppliers.

FUTURE COMMITMENTS

During FY 2021-22, we will be developing a methodology for the assessment of the effectiveness of CHL's modern slavery risk management and furthering our understanding of the risk of modern slavery within our supply chain. It is also anticipated that the effectiveness will become apparent over time as suppliers are engaged with through questionnaires and further information obtained through consultation with the operational units in each subsidiary within CHL. As information is obtained and the risk of modern slavery assessed it is expected that trends in those risks will emerge which will allow the effectiveness of our processes to be established.

BOARD APPROVAL

This Statement has been approved by the Board of Community Housing Limited as the parent entity at its meeting held on 30 November 2021 and will be updated on an annual basis.

Stephen Bevington
Managing Director
CHL Group