

**MODERN  
SLAVERY  
STATEMENT  
2021**

**GEOCON**

# INTRODUCTION

This Modern Slavery statement covers the business practices of Geocon and its related employment entities.

Geocon acknowledges that the nature of our business means it is exposed to potential modern slavery risks within its operations and supply chains. Geocon is committed to refining and implementing controls and business practices and those of our sub-contractors to mitigate the risk of modern slavery in our supply chain.

# ABOUT GEOCON

Geocon is one of the largest property developers in Australia.

Geocon has evolved from a developer of low rise residential dwellings to encompass large-scale, mixed use precincts featuring residential and commercial development, with an annual turnover of \$450 million in the last financial year.

Geocon's vision is to transform Canberra into a world-class, cosmopolitan capital city, and to deliver a new standard of contemporary living and transforming the way people purchase property and create wealth through asset management.

Geocon has a proven track record of success across construction, development, hospitality management, investment and sales.

# GEOCON CONSTRUCTORS

Geocon Constructors is Geocon's construction company and is one of the largest construction companies in the ACT, and the third largest developer in the country.

Responsible for delivering more than one third of new apartments in the national capital, Geocon Constructors is shaping Canberra's skyline, and is an industry leader in large scale, high-rise residential and commercial developments.

Employing nearly 100 staff and with a dedicated inhouse design team, Geocon Constructors continues to lead the way in delivering quality and premium apartments and commercial precincts to the Canberra market.

# ICONIC HOTELS BY GEOCON

A key contributor to Geocon's mixed-use precincts are the select hotel and hospitality brands created by Iconic Hotels by Geocon.

Iconic Hotels by Geocon is a stand-alone entity and since its entry to the market has grown to become the largest independent hotelier in the ACT.

Iconic operates the first Marriott International franchise agreement in Australia for its Midnight hotel operation in Canberra City.

Iconic Hotels by Geocon owns and operates seven Abode Hotels and four food and beverage outlets.

# GEOCON ON MODERN SLAVERY

Geocon has a zero tolerance approach to any form of modern slavery. Geocon is committed to acting ethically and with integrity and transparency in its business dealings and to putting in place effective systems and controls to safeguard against any form of modern slavery taking place within the business or its supply chain.

Geocon does not tolerate unacceptable treatment of its workers, including but not limited to:

- A worker being unable to refuse or cease work due to threats or deception
- A worker not receiving due leave or accrued entitlements
- Working excessive and unreasonable hours
- Working for less than the applicable Modern Award rate
- Child labour

Geocon has implemented an internal modern slavery policy to raise awareness among staff of the risks of modern slavery and to enforce standards of behaviour directed at eliminating conduct that would constitute or lend itself to modern slavery. Geocon's modern slavery policy:

- Addresses the minimum standards that we expect from all our employees
- Provides staff with knowledge as to what conduct amounts to a modern slavery breach
- Confirms the internal grievance channel for staff members to report any alleged modern slavery breaches, including where they are to make the disclosure and the relevant management parties that can confidentially handle the complaint
- Determines the relevant practices for when we contract with external suppliers and companies
- States that any breach of the policy will be taken seriously and may result in disciplinary action, including but not limited to termination of employment



# GEOCON STRUCTURE, FUNCTIONS & EXTERNAL SUPPLIERS

## GEOCON GROUP

Geocon Group leads the development activities and supports its various operating divisions.

Geocon Group performs the following functions:

- Development
- Sales & Marketing
- Finance
- Human Resources
- Information Technology
- Legal

External Suppliers by type:

- Real estate agents
- Architects, engineers, town planners, surveyors and valuers
- Job advertisement, training providers and recruitment firms
- Photographers, sign providers, media production, event partners and management
- Property management services

## BUILD ON. GEOCON CONSTRUCTORS

Geocon Constructors is one of the biggest construction companies in the ACT.

Geocon Constructors builds:

- Large multi-unit residential buildings
- Large multi-unit mixed use commercial and residential buildings
- Hotels
- Large commercial spaces

Geocon Constructors employs core staff and relies extensively on subcontractors to deliver goods and services.

External Suppliers by type:

- Landscaping and Environmental
- Surveyors and engineers
- Work, Health & Safety
- Formwork and scaffolding
- Cranage, hoists and lifts
- Hoarding and fencing
- Painting and plastering
- Wall cladding and tilers
- Temporary office and shed providers
- Shoring and piers
- Window providers
- Electricians and refrigeration specialists
- Waste removalists
- Industrial cleaners



ICONIC HOTELS  
BY GEOCON

Iconic Hotels is the largest independent hotelier in the ACT.

Iconic Hotels specialises in:

- Hotel Operations
- Hotel Management
- Hotel Strategy
- Operating food & beverage outlets

External Suppliers by type:

- Booking and reservation services
- Franchisors
- Food and produce providers
- Service of alcohol equipment and providers
- Operational services equipment
- Guest consumables
- Furniture providers

# OVERVIEW OF GEOCON'S SUPPLY CHAIN

Geocon takes a group wide approach to managing modern slavery risks in the operations and supply chains of its various businesses.

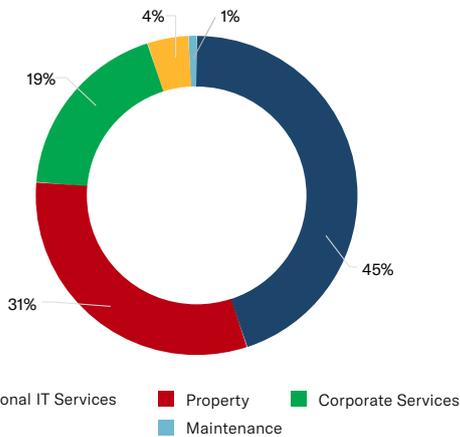
Geocon is a diversified company with a large range of contractors who provide varying goods and services to ensure that Geocon can always offer quality products and experiences for our customers. The supply chains for each area of operation have some commonality but also present different risk profiles.

In the 2021 financial year Geocon spent approximately \$284 million procuring goods and services from over 1,200 suppliers.

## Geocon Group

Geocon Group delivers services predominantly via its employees and external contractors.

Expenditure procurement by category is set out in the following chart.

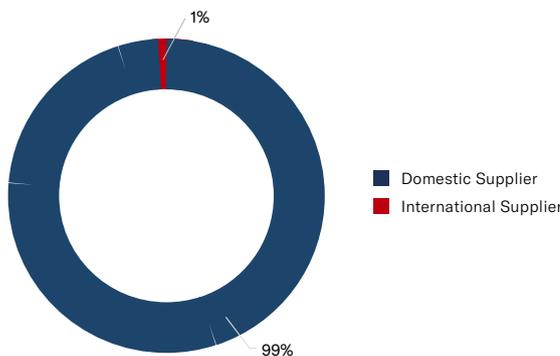


Services are predominantly professional in nature (financial, accounting, legal, engineering).

Sales and marketing services are provided by external real estate agents. With the exception of one, real estate agents are Australian based.

IT services are provided by employed staff. IT goods are sourced from Australian based suppliers.

Independent contractors are generally domestically sourced. Domestic and international expenditure is depicted in the chart below.

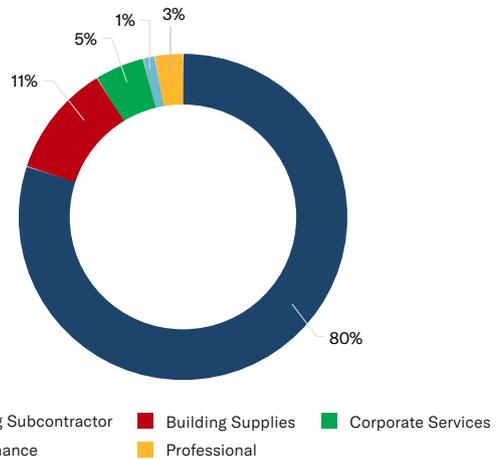


Geocon Group engages an international accounting services entity, located in India.

## Geocon Constructors

Geocon Constructors provides building and construction services via employees and contractors.

Expenditure procurement by category is set out in the following chart.



Geocon Constructors does not engage staff through labour hire companies. Subcontractors are required to comply with Australian Award or enterprise bargaining provisions.

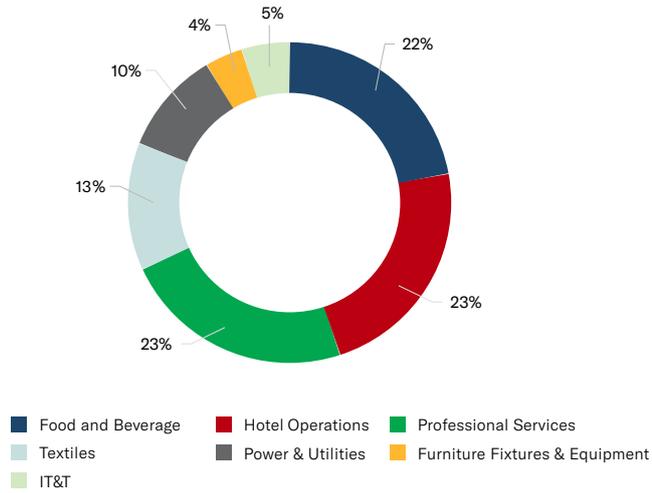
Less than 0.1% of expenditure is directed to procurement of services from entities based overseas.

Geocon Constructors procures construction materials from Australian suppliers. It does not procure construction materials directly from overseas suppliers.

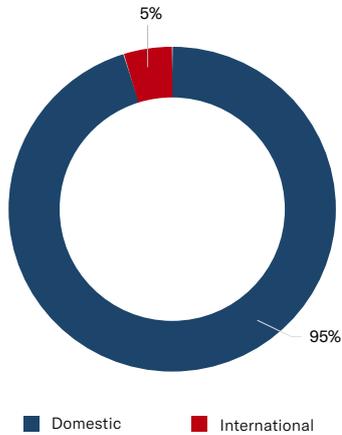
# OVERVIEW OF GEOCON'S SUPPLY CHAIN

## Iconic Hotels

Expenditure procurement by category is set out in the following chart.



Domestic and international expenditure is depicted in the following chart.



Of the \$546,626 of expenditure directed to overseas suppliers, 82.5% is in licence and franchise fees.

Iconic Hotels services are provided exclusively through its own employees. It does not engage staff through labour hire companies.

Iconic Hotels consumable goods are procured exclusively through Australian based suppliers. It has historically procured non-consumable goods through overseas suppliers however this method of procurement has not been required in the 2021 year.

Procurement of consumable textiles such as bedding are sourced through a reputable local supplier.

# MODERN SLAVERY RISKS

Geocon's modern slavery risk assessment relies on research sources to inform it of modern slavery prevalence analysed by sector and industry, product and services, geographical risk, and supply chain model.

Representatives of each of the operational arms of Geocon have been canvassed to obtain data in relation to these risk factors.

The results from 2021 review have been reviewed to identify changes to business operations that expose new or different risks.

The results have been rated according to potential risk of slavery; low, medium and high.

## Geocon Group

In the 2021 financial year Geocon Group engaged a supplier of accounting administration services located in a middle ranking jurisdiction for prevalence of modern slavery<sup>1</sup>. The supplier is ISO 27001 certified, provides professional services and as such is considered to present a relatively low level of risk. The supplier warrants under contract compliance with all laws applicable to it.

Geocon Group engaged a new IT hardware supplier in the 2021 financial year. The new supplier is a reporting entity under the Modern Slavery Act and accordingly is considered to present a relatively low risk profile.

Geocon Group observed a higher incidence of Australian engineering service providers subcontracting the provision of services to overseas entities. Geocon contractors are not required to report on changes in the supply chain that may entail higher levels of risk of modern slavery. The risk rating is medium.

Real estate sales are procured in part through independent real estate agents. Real estate services are highly regulated in Australia and pose low risk. One external agent is based in an Asian country which exhibits low prevalence of modern slavery. The supplier is a multinational company operating in a highly regulated industry and is considered to represent low risk. Risk rating is low.

## Geocon Constructors

In the 2021 financial year only two noteworthy changes were made to the supply chain. The first was the introduction of a subcontractor who provides joinery services. The entity is a large and reputable supplier of services located in Australia which is considered to present a low level of risk.

The second was the engagement of an overseas service supplier to augment accounting and financial services (see comments above under "Geocon Group").

Geocon Constructors continues to rely heavily on the use of Australian based subcontractors for the supply of both goods and services. However, visibility of the supply chain of the subcontractors is restricted due to contractual terms that do not require reporting on possible modern slavery risks.

## Iconic Hotels

Iconic Hotels exhibits a relatively low level of risk in its supply chain. It does not rely on labour recruitment and procures supplies from highly reputable Australian based suppliers. As with other aspects of the Geocon business the level of visibility into the supply chains of its service providers is limited.

<sup>1</sup> Walk Free Foundation Global Slavery Index 2018

# ADDRESSING THE RISKS OF MODERN SLAVERY PRACTICES

Geocon continues to make every effort to contract with businesses with a valid ABN and exceptional reputation to supply well-known commodities. Geocon, to the best of its ability, will perform ongoing due diligence to reduce the risk of worker exploitation or other forms of modern slavery in our external supply chain.

Geocon assesses the status and business practices of each prospective contractor. Geocon policy is to contract with external goods and services providers once it has determined that they go beyond the minimum standards of:

- Promoting the rights of their workers
- Health and safety
- Business integrity
- Creating a positive business environment
- Ensuring the privacy of its employees

Risk assessment procedures are overseen by Geocon’s Risk Management Committee. This committee consists of executives from the key areas of the operations of the group of companies.

The following actions have been implemented in 2021, reflective of the commitments made in the 2021 statement:

- Building awareness through
  - the implementation of a modern slavery policy (available to all staff via the Geocon intranet)
  - modern slavery training for staff to help to inform workers as to what constitutes modern slavery practices and the necessary due diligence that needs to be undertaken before engaging an external provider.
- Strengthened contractual clauses to require compliance with modern slavery legislation
- Strengthened tender processes to ensure a more robust assessment of the service provide coupled with an acknowledgement of modern slavery legislated requirements and a commitment to comply with these.
- Strengthened internal auditing of service providers.



**Actions for 2022**

A lack of visibility of the origin of suppliers of goods and services to Geocon's external suppliers has hindered the assessment of risk and the ability to measure effectiveness of organisational leverage to combat modern slavery.

To address this it is proposed implement the following measures:

- Implementation of a supplier checklist requiring disclosure of modern slavery policies, training undertaken, and nomination of officers responsible for monitoring modern slavery risk
- Implementation of a supplier code of conduct setting out Geocon's key expectations of its suppliers, including the promotion of internationally recognised labour practices and reduction of modern slavery practices
- Augmenting standard terms and conditions to make it mandatory for contractors to report to Geocon when it becomes aware of actual or suspected modern slavery in a supply chain
- Implementation through Geocon's Risk Management Committee of a risk mapping exercise to record
  - Each of our suppliers disaggregated by region of operation
  - Main products or services
  - Sector of service or goods by sector evidencing higher levels of modern slavery risk
  - Supplier business relationship (long terms, seasonal, short term)
  - Evidence of supplier's supply chain

Further steps slated for the 2022 year are:

- Supply contracts for cloud based IT support will be audited to assess security measures implemented by Geocon suppliers.
- Staff of Iconic Hotels are to complete modern slavery training programs.

# ASSESSMENT OF EFFECTIVENESS

The effectiveness of the steps being undertaken to ensure that modern slavery is not taking place within the supply chain is dependent on reports received from employees, the public, or suppliers that breaches have occurred.

No reports have been received to date. This is expected given (a) Geocon presents a relatively low risk profile and (b) Geocon is in the early stages of development of the deployment of processes and centralised systems directed to providing clearer insight into the supply chains upon which it relies.

Attention will be focused in 2022 to refining procurement processes to provide better data with which Geocon can identify tractable risks and target remediation measures.

# GEOCON GROUP CONSULTATION

All Geocon companies are associated entities which operate under the auspices of shared management, governance, risk and other corporate functions. Extensive consultation has been undertaken with the executives directing the operations of constructions, hotels, developments, sales and marketing, finance, information technology and human resources.

# APPROVAL

In accordance with section 14(2) of the Modern Slavery Act, this statement was approved by Nikolaos Georgalis on 24 December 2021.

Nikolaos Georgalis is the sole director and principal governing body of each reporting entity and is authorised to sign this Statement.



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**Nikolaos Georgalis**  
Managing Director

