



Dahua Group Melbourne Number 2 Pty Ltd - Modern Slavery Statement for year ending 31 December 2021

About this Statement

1. This Modern Slavery Statement (**Statement**) covers the activities of Dahua Group Melbourne Number 2 Pty Ltd (ACN 606 390 032) (**Dahua Melbourne Number 2**) over the calendar year ending 31 December 2021 (**Reporting Period**) and has been prepared to comply with the requirements of the *Modern Slavery Act 2018* (Cth) (**Act**).
2. The reporting entity is Dahua Melbourne Number 2.
3. Dahua Melbourne Number 2's registered office is Melbourne Central Tower, Level 50, 360 Elizabeth Street, Melbourne, Victoria 3000.
4. This Statement has been prepared to meet the mandatory criteria as outlined in the Act.

Our Structure and Operations

Structure

5. Dahua Melbourne Number 2 forms part of the Dahua Group of companies (**Dahua Group**) and is one of various wholly owned subsidiaries of Dahua Group Melbourne Investment Pty Ltd (ACN 604 279 736).
6. Dahua Melbourne Number 2 does not own or control any other entity.
7. As at the date of making this Statement, Dahua Melbourne Number 2 does not employ any employees, as it is a special-purpose vehicle (SPV) entity.

Operations

8. The Dahua Group is a top tier property development and real estate company which originated in China and expanded to Australia in 2014. In Australia, the Dahua Group has successfully completed projects in both Sydney, New South Wales and Melbourne, Victoria.
9. Dahua Melbourne Number 2's main operations encompass investment, development, construction, property development as well as portfolio management and business operation services.

Our Supply Chains

10. Dahua Melbourne Number 2 is committed to eliminating the potential for modern slavery practices in its operations and supply chain. Similarly, it is dedicated to ensuring that the risks of modern slavery practices within Dahua Melbourne Number 2's business operations are addressed in accordance with the principles set out in the Act.
11. As a property development and real estate company, our supply chains relate to the supply of goods and services in all aspects of the built environment. These supply chains encompass the entire development process, including sourcing property for our clients/customers, architecture, design, landscaping and project management.
12. Our supply chains are diverse and multi-tiered, and include (but are not limited to):
 - 12.1 Goods and materials, including but not limited to earthworks (sand, soil, asphalt), landscaping, steel, timber, concrete, stormwater pipes and pits, electrical services and equipment, hydraulic and plumbing services and equipment;



- 12.2 Services, including in relation to the development of new properties and engaging suppliers or sub-contractors to assist in all aspects of the development, including:
 - 12.2.1 engaging professional consultants including architects, town planning, civil engineering, surveying, urban design, landscape design and other disciplines associated with property development; and
 - 12.2.2 engaging contractors – Dahua Melbourne Number 2 engages Tier 1 principal contractors to undertake our construction and landscaping works. These Tier 1 civil contractors typically act as single contracting entity for our works and they are responsible for engaging all subcontractors and suppliers to complete the scope of works. Other contractors are engaged for minor or ancillary works. In the Reporting Period, Dahua Melbourne Number 2 has only undertaken all apartment building works except for minor or ancillary works; and
- 12.3 Operating expenses to run the business including corporate suppliers providing office space, cleaning services, technology, office materials, catering and insurance.
- 13. Our direct suppliers also have their own supply chains that extend beyond Australian borders. For example, our principle civil contractors have supply chains for building materials (e.g. electrical goods and equipment, hydraulic pumps and equipment and miscellaneous products) to North America (USA, Canada) and Asia (including Malaysia, Indonesia, China and Vietnam plus others). Increasingly our contractors are seeking to source materials locally due to disruptions from COVID-19 with overseas supply chains. We are committed to working with our suppliers both locally and internationally to identify and address any modern slavery practices.

Identifying Risks of Modern Slavery Practices

- 14. We appreciate that certain geographical locations and industries in our supply chain present greater risks of modern slavery practices. We continuously review these risks to prioritise our efforts where necessary.
- 15. Dahua Melbourne Number 2 acknowledges and recognises the following modern slavery risks as most relevant in our local and international supply chains:
 - 15.1 Forced or unpaid labour;
 - 15.2 Unsafe working conditions or labour;
 - 15.3 Debt bondage;
 - 15.4 Human trafficking; and
 - 15.5 Servitude.
- 16. The areas of business that are most susceptible to modern slavery risks largely relate to our indirect overseas supply chains and the following high-risk categories:
 - 16.1 Temporary Labour Contracts in Construction: for example, in relation to any unpaid labour or unsafe working conditions regarding the engagement of workers by our sub-contractors; and
 - 16.2 Overseas suppliers: for example, suppliers of steel, timber, concrete, stormwater pipes etc.



Actions Taken to Address the Risks

17. To manage modern slavery risks, we have recently developed methodology for identifying, mitigating and remediating risks, as well as ongoing assessment of the effectiveness of such actions.
18. This methodology / due diligence process includes identifying, preventing, mitigating and accounting for how the business addresses its human rights risks, such as modern slavery. This process involves:
 - 18.1 risk identification and assessment informed by mapping our operations and supply chain and identifying and prioritising the most severe risks;
 - 18.2 implementing risk management measures (including training as set out below); and
 - 18.3 monitoring the risk management measures taken.
19. We set out below the specific actions taken to address the high-risk categories set out above.

Policies, governance and training

20. Dahua Melbourne Number 2 has a robust corporate governance framework in place, and a comprehensive set of policies and procedures which outline our values, ways of working and expectations of employees and suppliers. These policies ensure that Dahua Group's employees and suppliers understand our expectations of standards and behaviour.
21. Dahua Melbourne Number 2 has the following policies in place that assist in mitigating risks regarding modern slavery, including:
 - 21.1 Modern Slavery Policy;
 - 21.2 Anti Bribery and Corruption Policy;
 - 21.3 Prevention of Discrimination, Bullying and Harassment Policy; and
 - 21.4 Work, Health and Safety Policy.
22. We have also created avenues for anonymous reporting of any suspected modern slavery activities relating to Dahua Melbourne Number 2.
23. Dahua Melbourne Number 2 is working towards incorporating Modern Slavery related questions into its on-boarding questionnaires with respect to suppliers and consultants.
24. We have also engaged KPMG to assist in implementing a Modern Slavery Protocol, which will be followed by an online briefing on modern slavery and implementation of the protocol.

Contractor Agreements

25. As set out above, Dahua Melbourne Number 2 engages Tier 1 principal contractors to undertake our construction and landscaping works. These Tier 1 civil contractors typically act as single contracting entity. Our standard contractor agreements expressly require:
 - 25.1 any consultants and contractors to provide a statutory declaration to confirm that any subcontractors engaged are paid appropriately and regularly;
 - 25.2 any consultants and contractors to comply with Dahua Melbourne Number 2's Modern Slavery Policy (referred to at paragraph 21.1 above); and



- 25.3 any consultants and contractors to comply with applicable Australian work, health and safety legislation.

Assessing and Measuring the Effectiveness of Actions Taken

26. To date, our business focus has been to establish due diligence systems to identify, assess and address any risks of modern slavery practices.
27. With the assistance of external specialists, Dahua Melbourne Number 2 has committed to undertaking a detailed risk assessment of its supply chain in FY22, and will continue to develop that risk assessment to assist with identifying risks associated with modern slavery.
28. We engage in the following processes which are aimed at assessing the effectiveness of our actions taken to date in relation to modern slavery:
- 28.1 Dahua Melbourne Number 2 now conducts an annual review of its response to modern slavery; and
- 28.2 Dahua Melbourne Number 2 collaborates with industry body on best practice strategies in detecting and minimising modern slavery risk.

Future Commitments

29. Our approach to measuring the effectiveness of how we assess and manage modern slavery-related issues continues to evolve.
30. Over the next reporting period, we will continue to assess ways to reduce the risks of modern slavery practices. Some steps to be taken include the following:
- 30.1 Continuing to monitor, assess and improve supplier performance;
- 30.2 Engaging with internal and external stakeholders on best practice guidelines;
- 30.3 Implementing further training to HR team to implement modern slavery awareness for the wider business;
- 30.4 Restructuring our staff induction program (for new and existing staff members) to include an overview of modern slavery grievance mechanisms; and
- 30.5 Amending Dahua Melbourne Number 2's standard consultancy and contractor agreements with suppliers to ensure compliance with modern slavery obligations including Dahua's Modern Slavery Policy.
31. We recognise that transparent and accessible grievance mechanisms to support stakeholders is central to our ongoing management of modern slavery-related issues.

This Statement is made pursuant to section 13(1) of the Act. This Statement has been approved by the principal governing body of Dahua Melbourne Number 2, being its Board of Directors.

A handwritten signature in black ink, appearing to read 'Xuanke Chen'.

Xuanke Chen
Dahua Group Melbourne Number 2 Pty Ltd
30 June 2022