

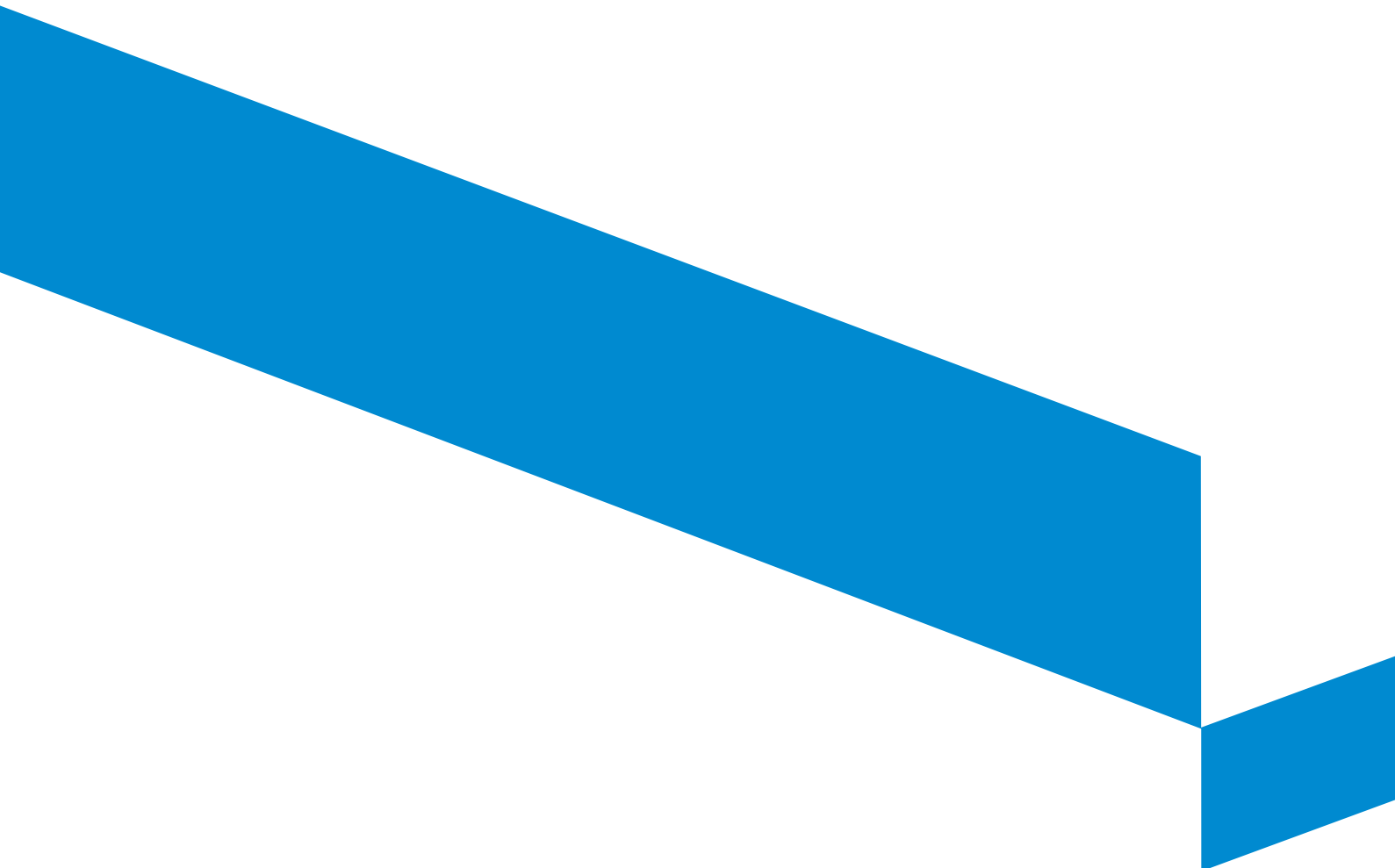
ABN GROUP MODERN SLAVERY STATEMENT

November 2023

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Introduction

Reporting entity ABN Group Pty Ltd ('ABN' or 'the Group') 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, ABN operate's 20 businesses, covering new home design and construction, commercial construction, 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)* ('the Act') and *Guidance for Reporting Entities (May 2023)*. It describes the actions ABN has taken during financial year 2023 and framework for assessing effectiveness for the financial year then ending to assess the risk of modern slavery in its operations and supply chains.

The Group consulted the relevant entities subject to ownership or control in the development of this statement.

Organisational structure, operations and supply chain

Structure and operations

The Group is a privately owned Western Australian incorporated company and Ultimate Holding Company of 55 subsidiary companies. All but 3 subsidiary companies are wholly owned, with 3 Victorian companies with a minority ownership held by an additional shareholder.

ABN businesses operate predominantly in the Perth metropolitan region, Bunbury and neighbouring regions, and Melbourne and surrounding regions. The Group is the second largest builder of Detached Houses in Australia and the second largest Home Builder in Australia based on construction starts (*HIA-Colorbond Steel Housing 100 – 2022/23*).



Supply chain

The Group's direct suppliers are located in Australia. We have over 1,000 registered suppliers across 130 sector classifications. Our procurement expenditure in FY 2023 was AUD \$1.08b (FY2022 AUD \$960m), 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 development
- Manufacturing – kitchen and glazing component manufacture

Modern slavery risk

The Group operates wholly in Australia, using Australian based building and construction suppliers, contractors and employees that are protected by Australia's industrial relations systems. We do not directly procure any products or raw materials from overseas in the construction process.

ABN does engage professional labour hire firms in Australia who are subject to Australian requirements to report and track modern slavery obligations. These firms engage professional staff in Vietnam, Philippines and India to complete operational and office based administrative tasks. Although in higher risk jurisdictions, we only engage larger, skilled professional service firms to complete these services who are fully aware of their modern slavery obligations to identify and highlight risk areas to the Group and are subject to risk assessments.

The Group does also acknowledge that the large supplier base we engage have their own complex and diverse supply chain for products and raw materials that may extend beyond Australia's borders. This extended supply chain can carry potential risk of modern slavery.

The Global Slavery Index has identified the top 5 imported products at risk of modern slavery in Australia, and ABN has potential 'Moderate' exposure to 4 of the top 5. Including electronics, garments, solar panels and textiles.

The Group responds to this potential risk by

- Using Australia based suppliers and internationally recognised international brands
- Complete regular risk assessment of Tier 1 suppliers (all Australian based) including review of their modern slavery frameworks (if applicable)
- Work with any suppliers who are identified as high risk to understand their risk and mitigation strategies of those risks.

Whilst the risk in the Australian workforce is low, ABN is aware that constant pressure to maintain competitive pricing can be a driver for modern slavery. The ongoing impacts of COVID-19 and Government responses to help residential construction through this recent period has resulted in cost increases for goods and services, and labour shortages, which have created industry pressures.

These ongoing industry pressures are recognised as a risk factor for an increased demand for goods and services directly or indirectly from countries where modern slavery risk may be more prevalent. These impacts will be discussed later in this statement.

ABN GROUP SNAPSHOT

Peace of mind with a financially secure and market leading group of companies.

Over 3000 homes build across WA and Victoria each year



Our Managing Directors personally care about creating great customer experiences.



Over \$1 billion in commercial and residential property development projects



We've trained more construction apprentices than any other Australian builder



Over 89,000 homes built across WA and Victoria since 1978



Over 38,000 people helped to access finance solutions



We employ more than 1,950 people across metro and regional WA and Victoria



Since 2006, we have donated over \$9.8 million to worthy charities



We're the second largest residential builder in Australia and the largest in WA

42 NOMA RESIDENCES

Governance and management

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

In FY2020, ABN established a Modern Slavery Act Committee ('the Committee') and developed an action plan to further the Group's capacity to effectively manage modern slavery risk and ensure compliance with the Act. The Committee comprises members of Group Finance, Commercial Construction, Residential Construction, People/Human Resources and Procurement across all major spend categories, and meets regularly to update and track progress against the Action Plan.

The Committee comprises members with sufficient seniority to represent the entire 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 which are reviewed regularly. Our policies include ABN's:

Code of Conduct,

1. Recruitment processes and our General Terms & Conditions of Employment,
2. Prevention of Bullying, Harassment and Discrimination Policy,
3. Open Talk Policy (whistle blower protection),
4. Grievance Resolution Policy and Guidelines, and
5. Employee Assistance Program.

The purpose of the Modern Slavery policy is as follows:

"The 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 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 Group or any of its entities is required to produce in accordance with the Act.

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

Impact of COVID-19 and Government stimulus

Generally, ABN's supply chains remain strong and resilient. However, we do acknowledge the increased pressure that the COVID-19 pandemic (and subsequent Government stimulus to support the residential construction sector) created on global and domestic supply chains which could have an ongoing flow-on impact to our suppliers. The Group continues to maintain strong supplier

relationships and foster open communication with suppliers about these risks. Evolving supply chains are considered in ABN's overall risk assessments of suppliers and we will work directly with suppliers should additional risks emerge with any individual suppliers.

COVID-19 and stimulus responses continued to have impact to key supply chain categories during the FY2023 year, these pressures are easing but will continue to impact the industry due to the continued pressure on the Residential Construction sector.

ABN will continue to work closely with all Australian based suppliers who source these products domestically or internationally.






To date, the pressures on the Residential Construction sector has not negatively impacted the Group's ability to implement its roadmap or capacity to include relevant information in ABN's Modern Slavery Statement.



Modern slavery roadmap and measures of effectiveness

In FY2023, the Group has continued to focus on understanding the risks in our supply chain and the initiatives in our Action Plan to continue to strengthen management controls, improve the transparency of the Group's risk profile, and collaboration with suppliers where appropriate to further address modern slavery risk.

In particular, we will continue focus on the following tasks:

-  **1** Regular supplier risk assessments completed and reviewed for modern slavery risk
-  **2** Ensuring relevant modern slavery clauses to be included in all agreements across all procurement categories.
-  **3** ABN policies and procedures updated as required in a timely manner and reviewed by the Modern Slavery Committee
-  **4** Continue to raise awareness through training for all relevant staff
-  **5** Escalation and remediation of any identified issues identified through the above measures

Risk detection – we will continuously review risk assessment of our supply chain to prioritise high risk suppliers, including.

- At least annually complete and document risk assessment of our supply chain
- Moderate and High-Risk Suppliers are required to supply their Modern Slavery Statements or Modern Slavery commitment to the Group
- All suppliers with an annual turnover > AUD\$100m are required to supply their Modern Slavery Statement to the Group
- All new Suppliers to be added to the Group’s Risk Assessment

Supplier screening – ABN will continue to monitor high risk suppliers according to sector classification, location and spend.

Awareness training – ABN will continue training to equip our staff, suppliers and contract managers with the knowledge and skills to identify high risk suppliers and engage with them where appropriate.

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

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

The Group is confident that the above tracking of measures of effectiveness are adequate to identify and address modern slavery risk. ABN is committed to reporting progress through annual modern slavery statements and look forward to working with suppliers, sub-contractors and industry partners in playing our role to combating this global issue.



Future commitments and continuous improvement

Over the coming reporting period, the Group's key focus will be on:

- Conducting and enhancing our annual evaluation of our supply chain risk
- Continue our supplier and subcontractor engagement to identify specific high-risk suppliers and subcontractors and work collaboratively to engage and address potential risks
- Having a clear internal process for actioning any instances of modern slavery identified in our supply chain
- Continue and broaden the modern slavery training for employees

The ABN Group Directors and Executive leadership have reviewed and approved this statement ahead of this submission on December 2023,

Signed,



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Dale Alcock
Managing Director

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18/12/2023

Date



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Andrew Roberts
Chief Executive Officer

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18/12/2023

Date



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Aidan Hooper
Managing Director, Victoria

.....
18/12/2023

Date



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