



**Daiwa House**<sup>®</sup>  
Australia

# Modern Slavery Statement

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DAIWA HOUSE AUSTRALIA PTY LIMITED ABN 90 169 473 241

PERIOD: 1 JAN 2020 – 31 DEC 2020





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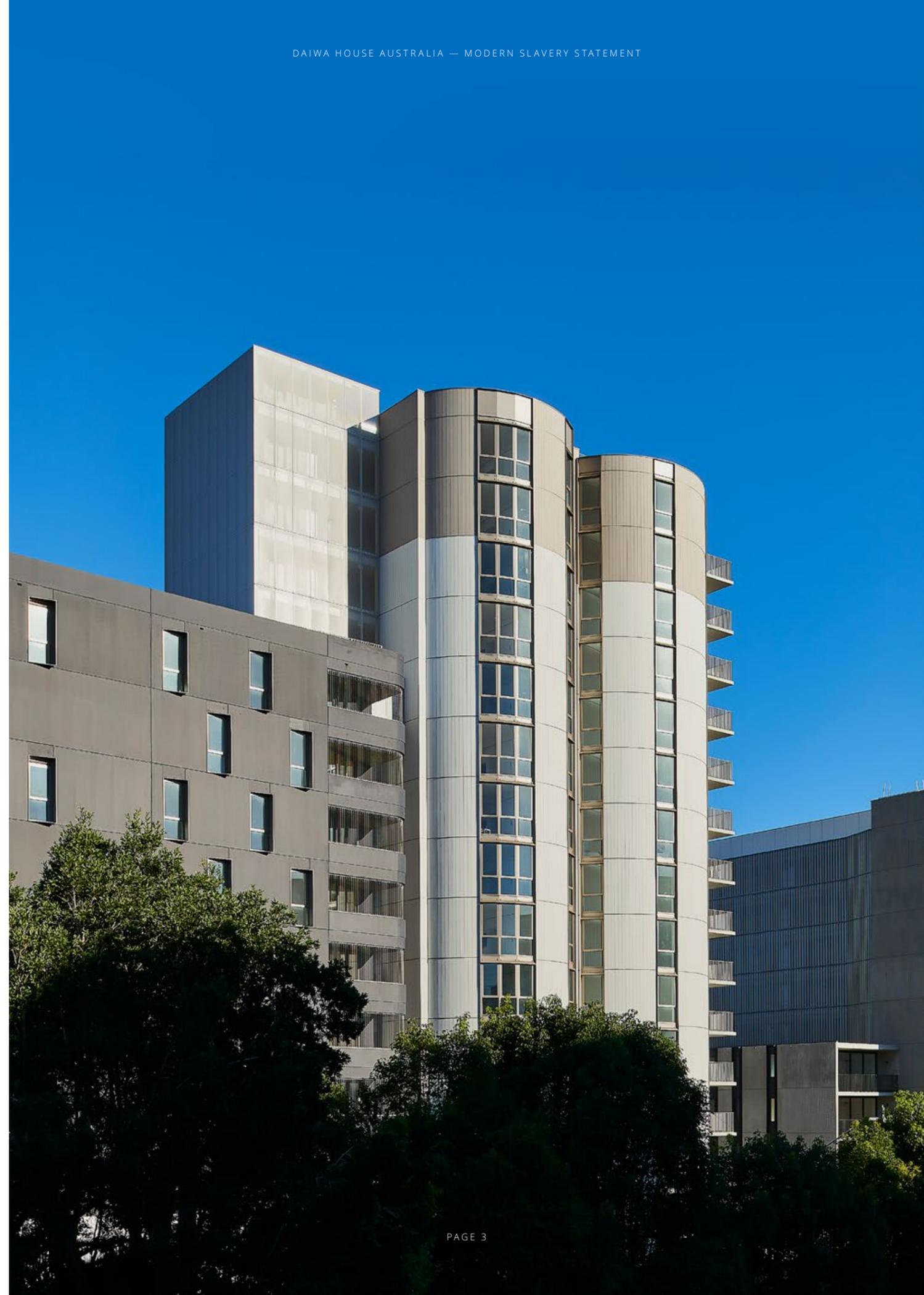
# 1

## Introduction

The term modern slavery is used to cover a broad range of exploitive practices including but not limited to situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom, child exploitation, child labour and other slavery practices like human trafficking, forced marriage, deceptive recruitment and sexual offences. Modern slavery manifests in supply chains, through a variety of labour rights abuses.

Daiwa House opposes slavery in all of its forms. At Daiwa House we are committed to addressing the risk of modern slavery in our operations, supply chains and contractors and to adopting measures to prevent all types of modern slavery, throughout our operation, subcontractors, and supply chains.

In CY20, Daiwa Hosue did not identify any instances of modern slavery in our operations or supply chain.



## 2

## Reporting Entities & Organisational Structure

### 2.1 IDENTIFYING THE REPORTING IDENTITIES

Daiwa House is a property developer with operations in New South Wales. Established in 2014, with its ultimate parent Daiwa House Industry Co Limited, Japan's largest homebuilder.

Daiwa House and the wholly owned or controlled entities as at 31 December 2020, which are listed in Annexure A – Reporting Entities, are identified as reporting entities for the purposes of the Modern Slavery Act 2018 (Cth).

Daiwa House submits this Statement as a Joint Statement on behalf of all of the reporting entities listed in Annexure A – Reporting Entities, pursuant to section 14 of the Modern Slavery Act 2018 (Cth), excluding the Rawson Group of Companies that have separately submitted their Statement.

### 2.2 CORPORATE GOVERNANCE

Daiwa House is committed to robust corporate governance policies and practices to ensure the continued success and growth of Daiwa House and its subsidiaries. Daiwa House proactively reviews its governance practices to meet its obligations as a responsible corporate entity.

### 2.3 ORGANISATIONAL STRUCTURE

The Daiwa House Board is responsible for ensuring that the Group is managed in a manner that protects and enhances the interests of its stakeholders and takes into account the interests of customers, suppliers, contractors and the wider community.

The Board is responsible for overseeing Daiwa House's response to modern slavery risks and for the approval of this Modern Slavery Statement.

### 2.4 CONSULTATION WITH SUBSIDIARIES

All subsidiaries have their own Boards and the subsidiaries controlled by Daiwa House largely have policies, procedures, standards and reviews as outlined in this statement.

## 3

## Our Workforce

Daiwa House has assessed the risk of modern slavery in Daiwa House's operations as negligible to none. Daiwa House's employees are skilled professionals operating exclusively in Australia. There is no direct exposure to child labour, forced labour, exploitative labour practices, or other modern slavery key risk areas.

Daiwa House employs around 16 skilled professionals who all have individual employment contracts that confer pay and entitlements which are at minimum in line with any relevant awards and minimum wage requirements.

All employees have access to the Managing Director and CEO and any issues or concerns can either be raised directly with either their direct Managers and/or the Managing Director or through the Whistleblower Policy.

During the COVID-19 pandemic, employees were encouraged to work from home. Videoconferencing was used extensively to maintain contact between employees with an increased focus on employee wellbeing and mental health.

Daiwa House's commitment to respect human rights in the workplace is embedded in our policies and procedures. Daiwa House's policies promote a safe, diverse and inclusive workplace, including:

- (a) Code of Conduct;
- (b) Harassment, Discrimination and Bullying Policy;
- (c) Work Health and Safety (WHS) Policy;
- (d) Flexible Work Policy; and
- (e) Whistleblower Policy .

Together with our Values, these policies outline Daiwa House's expectations of its employees and culture and Daiwa House's commitment to supporting employees to feel safe, valued and included.







# 4

## Our Supply Chain

Daiwa House has a diverse range of suppliers, including Government Authorities, building contractors (civil and built form), design consultants, engineers, surveyors, certifiers, information technology and security.

Our supplier and subcontractor selection process includes reviews to ensure compliance with Government mandated standards and compliance with health, safety and environmental standards.

When selecting suppliers and subcontractors, Daiwa House takes into consideration the geographical location of suppliers, original supply location and the type of goods and services, as well as their reputation.

Our direct suppliers have their own complex and diverse supply chains that can extend beyond Australian borders. This includes having many suppliers of materials or services who in turn rely on many more suppliers, both domestic and international. It is this extended supply chain that we have identified as being at the highest risk of breaching modern slavery laws. We are committed to working with our suppliers and the extended supply chain to identify and address modern slavery.

Our development spend is predominately procured from Australian suppliers and consultants.

## 5

## Risks of Modern Slavery Practices

### 5.1 RISK ASSESSMENT

Daiwa House has assessed the risks, both external and internal, including international supply risks, sector risks and business partnership risks within its own operations and in its supply chain and we have determined that none of our own business operations are undertaken in higher risk areas, whether by reference to geographical location or business sector. Daiwa House relies on third party suppliers in its supply chain to provide the products and services related to residential construction. Daiwa House has undertaken a review of existing supplier relationships to identify any gaps with current suppliers.

To the extent we identify any elevated risk in our supply chains, appropriate due diligence has been undertaken to satisfy ourselves that the parties concerned have in place ethical employment practices that comply with all relevant legislation including, where applicable, the making of an Anti-Slavery statement pursuant to the Modern Slavery Act 2018. Where suppliers have not published an Anti-Slavery Statement, we will require confirmation that they have in place such ethical employment practices and that they, in turn, have required their suppliers to have the same practices.

### 5.2 RISK CONTROL MEASURES

Annual reporting will be obtained from suppliers with updated information and initiatives surrounding Modern Slavery in their business and supply chain network including (where available) review of their Modern Slavery Statements and progress against identified risks.

Where a Supplier is not required to provide a statement we will undertake our own analysis by reference to internally created checklists. Daiwa House will prepare a supplier and service checklist process to assess direct or indirect risks of Modern Slavery Practices. We will also focus our efforts on strengthening our engagement with suppliers of high-risk operations and engage with our suppliers to understand how they are addressing their modern slavery risks.

Daiwa House will review and over time develop further guidance to Suppliers on boarded in the form of a Supplier Code of Conduct and Practice. This will be developed over the next twelve months. This review will include updating terms and conditions across Daiwa House, including asking for verification and endorsement of receipt. This process will be part of the future on-boarding process for new and existing Suppliers and Contractors.

## 6

## Risk Management

### 6.1 COMMITTEES AND POLICIES

The Daiwa House Board will continue to oversee the financial reporting, systems of internal control and its risk management framework, along with compliance with legal and regulatory requirements.

All policies are readily available for view by all employees.

### 6.2 SUPPLIER AND SUBCONTRACTOR MANAGEMENT

Daiwa House will strength its internal due diligence on all existing and new suppliers and subcontractors via both the onboarding and induction process, and continued audits of existing suppliers and subcontractors. This includes:

- (a) Requiring improvements to any substandard employment of Work, Health and Safety practices; and
- (b) Sanctioning suppliers and subcontractors who fail to improve on performance in line with Daiwa House's minimum requirements.

In order to further improve Daiwa House's supplier and subcontractor due diligence, Daiwa House will be amending its onboarding documents to ensure that its suppliers and subcontractors warrant that:

- (a) They do not use any form of forced, compulsory, child or slave labour;
- (b) Their employees work voluntarily, without duress and are entitled to resign from their employment; and
- (c) They provide each employee with an employment contract that meets the relevant employment act, award or National Employment Standards (NES).

### 6.3 EFFECTIVENESS OF RISK MANAGEMENT

We assessed effectiveness in CY20 by tracking our actions and outcomes which included: building on our internal knowledge and understanding of modern slavery; identifying all of our direct suppliers; preliminary engagement with our key suppliers and establishing the groundwork that will allow us to better identify, analyse, assess and, if required, report and/or remediate incidences of modern slavery in our supply and contractor chains.

## 7

## Response to Modern Slavery

### 7.1 WHERE WE ARE TODAY

A range of actions have already been undertaken, or are planned, as part of Daiwa House's commitment to continuous improvement. In the last twelve months we have:

- (a) Reviewed our workplace practices and conditions, relevant awards and pay structures;
- (b) Reviewed our existing controls to understand where gaps could exist in our approach to modern slavery and whether actions could be taken to close those gaps; and
- (c) Engaged key suppliers and contractors to determine and verify salient modern slavery risks.

### 7.2 FUTURE PRIORITIES

As part of Daiwa House's commitment to their modern slavery obligations, over the next twelve months, consideration will be given to:

- (a) Undertaking mandatory training for Directors, Executives, and Managers to improve their knowledge of modern slavery and increase their ability to identify potential risks in Daiwa House's operations, supply chain and subcontractors in respect to potential modern slavery;

- (b) Providing guidance to all employees to educate them on forms of modern slavery, how to identify modern slavery and how/when to report and respond to modern slavery;
- (c) Creation and implementation of a Supplier Code of Practice to make our expectations of suppliers clear, including:
  - (i) Zero tolerance of forced labour in Daiwa House's supply chain;
  - (ii) Meeting key standards and legislation on child employment;
  - (iii) Ensuring employees are compensated in compliance with wage laws; and
  - (iv) Engaging with supplier chains to adopt a fair, safe and ethical approach to responsible business;
- (d) Implementation of a policy to ensure our current and future supply and contractor contracts contain provisions against modern slavery;
- (e) Requiring annual reporting from suppliers to provide updated information and initiatives surrounding Modern Slavery in their business;
- (f) Establishing a clear and detailed internal process for actioning any instances of modern slavery identified in our supply chain; and
- (g) Continuing our supplier surveillance and engagement to identify specific high-risk suppliers.



## 8

## Approval

This Modern Slavery Statement covers 1 January 2020 to 31 December 2020 and has been approved by the Daiwa House Board of Directors at the Board meeting held 29 June 2020.

Signed by:



**Toru Kabeya,**  
Managing Director & CEO

## Annexure A - Reporting Entities

COMPANY NAME	ACN	ABN
Daiwa House Australia Pty Ltd	169 473 241	90 169 473 241
Daiwa House St Leonards Pty Ltd	628 620 397	53 628 620 397
DH Box Hill Pty Ltd	625 555 553	99 625 555 553
DH Summer Hill Pty Ltd	169 580 045	63 169 580 045
DH Drummoyne Pty Ltd	607 709 937	67 607 709 937
Summer Hill Joint Venture	N/A	33 193 019 436
Drummoyne Joint Venture	N/A	43 875 305 987
Rawson Group Pty Ltd*	000 382 329	64 000 382 329
Rawson Homes Pty Ltd*	053 733 841	67 053 733 841
Rawson Communities Pty Ltd*	003 203 745	20 003 203 745
Rawson Legal Pty Limited*	167 806 135	62 167 806 135
Home & Land Centre Pty Limited*	607 038 433	83 607 038 433
Thrive Homes Pty Limited*	613 679 333	99 613 679 333
Fern Bay No 1 Pty Limited*	168 462 048	18 168 462 048
Fern Bay No 1 Trust*	N/A	80 185 298 149
Aurora (Alex Ave) Pty Limited*	163 788 305	95 163 788 305
The Aurora Unit Trust*	N/A	78 402 911 234
Schenectady Pty Limited*	616 100 228	N/A
Schenectady Trust*	N/A	96 473 663 422
Fort Meyers Pty Limited*	616 439 260	N/A
Fort Meyers Trust*	N/A	86 645 364 293
Port Huron Pty Limited*	619 867 284	N/A
Port Huron Trust*	N/A	Not registered
Mint Loans Pty Limited*	622 298 079	80 622 298 079
Mint Loans Trust*	N/A	35 634 683 032
RC Resi No 1 Trust*	N/A	76 998 062 289
RC Resi No 2 Pty Limited*	602 813 150	N/A
RC Resi No 2 Trust*	N/A	99 409 312 440
RC Resi No 3 Pty Limited*	602 847 325	N/A

COMPANY NAME	ACN	ABN
RC Resi No 3 Trust*	N/A	29 189 440 504
RC Resi No 4 Pty Limited*	602 850 760	89 602 850 760
RC Resi No 5 Pty Limited*	602 851 954	76 602 851 954
RC Resi No 6 Pty Limited *	602 860 999	93 602 860 999
RC Resi No 7 Pty Limited*	602 861 003	N/A
RC Resi No 7 Trust*	N/A	25 291 312 625
RC Resi No 8 Pty Limited*	607 041 430	N/A
RC Resi No 8 Trust*	N/A	97 798 640 184
RC Resi No 9 Pty Limited*	609 906 514	N/A
RC Resi No 9 Trust*	N/A	21 953 272 487
RC Resi No 10 Pty Limited*	609 906 756	N/A
RC Resi No 10 Trust*	N/A	94 509 759 955
RC Resi No 11 Pty Limited*	609 907 468	N/A
RC Resi No 11 Trust*	N/A	38 424 292 883
RC Resi No 12 Pty Limited*	609 915 264	98 609 915 264
RC Resi No 14 Pty Limited*	609 925 251	72 609 925 251
RC Resi No 14 Trust*	N/A	Not registered
RC Resi No 15 Pty Limited*	609 948 709	47 609 948 709
RC Resi No 15 Trust*	N/A	92 174 990 499
RC Resi No 16 Pty Limited*	609 949 484	N/A
RC Resi No 16 Trust*	N/A	45 572 434 323
RC Resi No 17 Pty Limited*	609 949 877	N/A
RC Resi No 17 Trust*	N/A	97 178 196 027
RC Resi No 18 Pty Limited*	609 949 984	N/A
RC Resi No 18 Trust*	N/A	99 836 152 669
RC Resi No 19 Pty Limited*	609 951 475	N/A
RC Resi No 19 Trust*	N/A	41 701 564 558

\* Rawson Group Pty Ltd (ABN: 64 000 382 329) as head entity of the 'Rawson Consolidated Group' has lodged a separate Modern Slavery Statement for its Group of Companies.





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