



Modern Slavery Statement FY24

Simonds Group Limited

Modern Slavery Statement

FY2024

Simonds Group Limited presents this Modern Slavery Statement for the year ending 30 June 2024 (FY2024). Approved by the Board of Directors, this statement reinforces our commitment to safety, sustainability, and human rights as we assess and address modern slavery risks in our operations and supply chain.

This statement has been prepared in accordance with the reporting requirements of Australia's Modern Slavery Act 2018 (Cth) and associated guidelines. It will be reviewed and updated annually.

United Nations

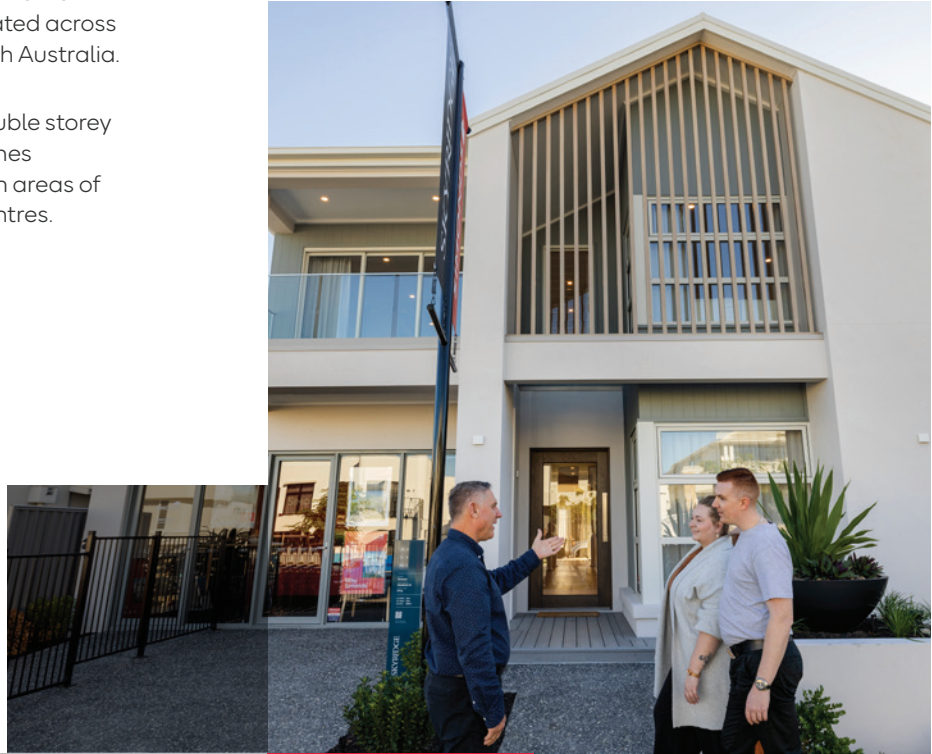
Sustainable Development Goals

This statement addresses the United Nations Sustainable Development Goals, Target 8.7, to take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

About Us

Simonds Group Limited (ACN 143 841 801) ('Simonds Group') is one of Australia's largest volume home builders, with sites and display homes located across the Australian eastern seaboard and South Australia.

Our product range includes single and double storey detached residential homes and townhomes targeted to purchasers in the metropolitan areas of the state capitals and in large regional centres.



Our Structure

Simonds Group is an ASX Listed Company (ASX: SIO) operating through the following entities:

- Simonds Group Limited
- Bridgeman Downs Land Projects Pty Ltd
- Discover Developments Pty Ltd
- Discover Gisborne Pty Ltd
- Jackass Flat Developments Pty Ltd
- Madisson Homes Australia Pty Ltd
- Simonds Assets Pty Ltd
- Simonds Corporate Pty Ltd
- Simonds Homes NSW Pty Ltd
- Simonds Homes Victoria Pty Ltd
- Simonds IP Pty Ltd
- Simonds Land Development Pty Ltd
- Simonds Personnel Pty Ltd
- Simonds Queensland Constructions Pty Ltd
- Simonds SA Pty Ltd
- Simonds WA Pty Ltd

* Denotes offices in which Simonds ceased operations during FY2024

** Denotes offices in which Simonds commenced operations during FY2024

Head Office

- L1, 570 St Kilda Road, Melbourne VIC, 3004

Victoria

- 17-19 Wills Street, Bendigo VIC 3550
- 105-107 Argyle Street, Traralgon VIC 3844
- Unit 9, 22-30 Wallace Avenue, Point Cook VIC 3030
- 231 Anstruther Street, Echuca VIC 3564
- 5-7 Clarence Street, East Bentleigh VIC 3165
- 14 Stanley Street, Wodonga VIC 3690
- 110-112 Graham Street, Wonthaggi VIC 3995
- 477 Latrobe Terrace, South Geelong VIC 3220
- 630B Wyndham Street, Shepparton VIC
- 1/88 Northgate Drive, Thomastown VIC 3074**
- 5/100 Bald Hill Road, Pakenham VIC 3810**
- 28/797 Plenty Road, South Morang VIC 3752*
- 101 Main Street, Bairnsdale VIC 3875*

New South Wales

- 5/58 Norwest Baulkham Hills NSW 2153
- Suites 5.01 and 5.03, Level 5, 58 Norwest Boulevard, Baulkham Hills NSW*

Queensland

- 3894 Pacific Highway, Loganholme QLD 4129

South Australia

- 280 Pulteney Street, Adelaide SA 5000



Our Operations

Simonds Group's operations are proudly based in Australia including all of our directors, employees, operations and development projects. The majority of our contractors and suppliers are also Australian based companies, businesses, partnerships and sole traders.

Simonds Homes is one of the largest volume home builders in Victoria with operations in New South Wales, Queensland, and South Australia. In FY2024 Simonds Homes was engaged in construction works across 1,772 home sites and 107 display sites.

Simonds Group operates wholly within Australia, using Australian building and construction suppliers, contractors, trades and employees.

FY24

1,772

NEW HOME STARTS

107

DISPLAY SITES

Our Supply Chain

Simonds Group has an annual supply chain spend of circa \$553.9m with approximately 1,500 direct suppliers and contractors nationwide.

The diverse range of contractors within our construction business includes, but is not limited to, carpenters, painters, bricklayers, plumbers, plasterers, electricians, engineers, surveyors, and cleaners.

Our direct and indirect procurement of goods spans the full spectrum of products required to build single and double storey detached residential homes, and townhomes, including bricks, tiles, concrete, plumbing supplies, household appliances, lighting, hardware, and a wide range of timber and metallurgical products.

Across our offices and training facilities we are a consumer of various office supplies, electronics and garments. We also require a variety of associated services to maintain and support our premises and staff.

The majority of our suppliers and contractors are based in Australia. We do not directly procure any products or raw materials from overseas. However, a number of our direct suppliers have their own complex and diverse supply chains for manufactured products and raw materials that can extend beyond Australian borders. We identify this extended supply chain as a potential at-risk area for modern slavery.

Reporting Entities

This statement applies to Simonds Group Limited ACN 143 841 801 and each wholly owned entity of Simonds Group including:

Trading

- Simonds Homes NSW Pty Ltd
- Simonds Homes Victoria Pty Ltd
- Simonds SA Pty Ltd
- Simonds Queensland Constructions Pty Ltd
- Simonds Land Development Pty Ltd

Non-Trading

- Bridgeman Downs Land Projects Pty Ltd
- Discover Developments Pty Ltd
- Discover Gisborne Pty Ltd
- Jackass Flat Developments Pty Ltd
- Madisson Homes Australia Pty Ltd
- Simonds Assets Pty Ltd
- Simonds Corporate Pty Ltd
- Simonds IP Pty Ltd
- Simonds Personnel Pty Ltd
- Simonds WA Pty Ltd

During the reporting period, Simonds Group actively engaged and consulted with the above subsidiaries in the development of this statement. Simonds Group discussed details of the Act's reporting requirements and reached an agreement on both the Modern Slavery program and the Modern Slavery statement for the Group. The directors of each subsidiary have approved this Statement.



Risk Assessment

Simonds Group has undertaken a detailed risk assessment of its operations and supply chain to identify those products, suppliers and contractors at risk of modern slavery. Each year the risk assessment is reviewed and updated to reflect changes to our business.

Our risk assessment process divides our annual spend into 35 procurement categories.

Each category is scanned for potential modern slavery risks in relation to the specific service, product, raw material, supplier and country of origin/ manufacture.

All of Simonds Group's direct suppliers are also based in Australia.

We do not directly procure any products or raw materials from overseas. However, Simonds Group recognises and acknowledges that our direct

suppliers have their own complex and diverse supply chains for products and raw materials that may extend beyond Australian borders. We identify this extended supply chain as a potential risk area for modern slavery.

Based on our risk assessment, the following key areas may present modern slavery risks within our supply chain that require ongoing monitoring:



All of Simonds Group's direct suppliers are also based in Australia.

Contractors

We directly and indirectly engage a wide range of contractors including carpenters, painters, bricklayers, plumbers, plasterers, electricians, engineers, and surveyors. We do not engage under-paid, unskilled contract labourers to work on our building sites and display homes.

Procurement of goods and materials

By working in close collaboration with our suppliers, we can ensure that our building materials are sustainably sourced and that all of our key material suppliers hold the relevant accreditations for their respective industries.

Quality always counts. We value our suppliers' initiatives in respect to sustainability, safety, materials sourcing, and people management within their businesses. Simonds Group procures goods and materials directly and indirectly when our contractors procure materials under building contracts. The Global Slavery Index has identified a shortlist list of 14 imported products common in G20 countries, such as Australia, which present a risk of forced labour

Our robust system of employment and safety policies and procedures ensure compliance with employment and safety regulations across the business.



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Global Slavery Index:
Products at Risk
of Forced labour

Simonds Group response to potential exposure

Electronics

Simonds Group uses only recognised international brands of laptops, computers and mobile phones.

We use a range of household electronics from Australian manufacturers and suppliers that contain both domestic and internationally made electrical components.

These electronics range from common household appliances like microwaves, through to security systems and climate control devices.

**Apparel & Clothing
Accessories**

We provide a portion of our staff and contractors with branded uniforms from an Australian supplier.

Bricks

According to the Global Slavery Index, there is a high risk of modern slavery within the manufacturing of bricks in certain foreign countries.

We source all of our bricks from Australian brickworks.

Timber

Timber products comprise a significant proportion of most home builds. They make up a large portion of our annual spend on construction materials.

All timber sourced by Simonds Group is Australian Forestry Standard (AFS) or Forest Stewardship Council (FSC) accredited.

These organisations are dedicated to promoting responsible management of the world's forests.

AFS and FSC use systems of forest certification, chain of custody and product labelling. These assist us to ensure that our timber products are responsibly sourced and free from modern slavery

Risk Mitigation

ACTIONS

Simonds Group has implemented a number of measures to mitigate the risk of modern slavery within our operations and supply chains.

Safety Culture

We are committed to our strong safety values and actively support the health and wellbeing of our employees and contractors.

We proudly promote a positive culture of safety and wellness to all of our stakeholders and have formal engagement protocols and business continuity programs.

Simonds Group is recognised as an industry leader in building sector safety and has a strong presence in the Volume Building Safety Alliances in the states where we operate. We are committed to continuous improvement and 'best safety practice' in our systems. Our commitment to the wellbeing of workers has seen Simonds Group maintain better than average workers compensation industry rates.

Contractor management

Through our contractor management tool, LinkSafe, we monitor and report on contractor compliance to regulations, health and safety standards and workplace expectations.

The LinkSafe induction process includes a number of questions to address modern slavery risks and allows contractors a discrete reporting avenue for any immediate concerns as they enter one of our sites.

Supplier Code

All of our major suppliers are required to comply with our Supply Chain and Contractors Responsibility & Commitment Statement ('Supplier Code'). Our Supplier Code specifically addresses our expectations regarding the elimination of modern slavery risks within our supply chain.



Part of our standard contractor agreement, the Supplier Code includes obligations on suppliers and contractors to:

- Take steps to identify and manage modern slavery risks within their organisation and supply chain.
- Ensure that they do not use any form of forced, compulsory, child or slave labour.
- Ensure that their employees work voluntarily and are entitled to leave work.
- Provide each employee with an employment contract and terms that adhere to the relevant employment laws.

Suppliers and contractors who do not comply with our Supplier Code are at risk of contract termination. We carry out audits and inspections of suppliers and building sites on an ongoing basis to ensure that:

- construction standards are being met;
- all occupational health and safety obligations are satisfied; and
- the rights of workers are respected according to law.

We use a detailed supplier due diligence questionnaire that deals specifically with modern slavery risks. The due diligence questionnaire forms a mandatory part of our supplier onboarding process.





Governance

As an ASX listed company, Simonds Group has a robust governance framework. Our Modern Slavery Policy sets out our commitment to ensuring modern slavery does not occur in our business or supply chain. Our Whistleblowing Policy specifically addresses the confidential reporting of modern slavery within our operations. In addition to this, our employees are required to undertake regular training on internal processes and procedures as well as changes to regulation and developments in our industry.

OUR ACTIONS

We are committed to improving our approach to the elimination of modern slavery risks within our supply chain.

Our actions to further address modern slavery risks in previous years have included:

- Updating our contractor management tool, LinkSafe, to include a range of questions on induction and compliance levels that are targeted at addressing modern slavery risks
- All contractors and suppliers complete a modern slavery risk questionnaire during onboarding processes
- Undertaken a risk assessment of our electrical parts and timber supply chain to better map and understand the source of the electrical parts and timber we use in the construction of our quality homes.

FOCUS ON BRICKS

Simonds Group has undertaken a modern slavery risk assessment of its brick supply chain, with a focus on manufacturing.

Simonds Group is committed to undertaking ongoing assessments of potentially at-risk supply chains to better map and understand the source of the products we use in the construction of our quality homes. In 2024 we selected the supply of bricks for review. Approximately \$42.7m of our annual spend on goods and services is directed towards brick suppliers and associated service providers.

Based on this risk assessment, it has been determined that Simonds Group has a low risk of modern slavery within its brick supply chain. In conducting this risk assessment, the Simonds Group brick supply chain can be broken down into two layers and three categories, being:

FIRST LAYER

Directly contract with Simonds

- Manufacturers and Distributors; and
- Subcontracted bricklayers

SECOND LAYER

Directly contract with Manufacturers and Distributors

- Suppliers of raw materials

Manufacturers and Distributors

Our First category in the brick supply chain is Australian based brick manufacturers who also distribute. In completing our assessment, we have identified the following key manufacturers who distribute bricks to Simonds Group:

- Brickworks (Austral Bricks); and
- CSR.

Modern slavery risks identified by Manufacturers and Distributors:

- Demand for low-skilled and low-waged work; and
- Sourcing products from at-risk countries (i.e., countries which do not have a solid government framework to deter modern slavery), such as China, Malaysia, Philippines and Thailand.

Actions taken by manufacturers and Distributors to mitigate risk:

- Engaging experts in the human rights field to assist with ongoing development of modern slavery frameworks;
- Supplier questionnaires;
- Due diligence and third party monitoring and assessment of suppliers; and
- Inclusion of annual Modern Slavery training modules.

In brief, our manufacturers and distributors are global well-reputed companies. Due to their size and nature, these companies are highly aware of their legal and ethical obligations as employers and follow Australia's employment, industrial relations and workplace health and safety laws.

For these reasons we have identified the first category in our brick supply chain as low risk.

Subcontracted bricklayers

Our second category in the brick supply chain are locally based bricklayers. These subcontractors are not responsible for supplying bricks to Simonds and have solely been engaged to complete the brickwork for our single and double storey dwellings and townhomes. These subcontractors are often sole traders or small businesses that are not required to provide a modern slavery statement. For resourcing reasons, Simonds often use various local subcontractors, and therefore, it is uncommon for Simonds to use a large common subcontractor across all its projects.

We have categorised the second category as low to medium risk due to the following:

- A. As part of the site induction process, new subcontractors are required to sign terms and conditions that require the subcontractor to confirm (amongst other things) that the subcontractor must:
 - i. not subcontract without Simonds Group's consent;
 - ii. comply with all legal requirements in relation to wages and entitlements of their employees (including any applicable award);
 - iii. comply with the legislation applicable to the State and the services being provided in respect of health and safety; and
 - iv. confirm that they (and their subcontractors or suppliers) do not, at any time, by act or omission, do anything which is a breach of or unlawful under foreign corrupt practices laws or otherwise engage in 'modern slavery'.
- B. As these locally based subcontractors are not required to provide a modern slavery statement, it is difficult to verify the existence of modern slavery practices being engaged in by these subcontractors.

Suppliers of raw materials

Our third category in the brick supply chain are suppliers of raw materials to Simonds Group's Manufacturers and Distributors.

At this stage we are reliant on the established processes of our Manufacturers and Distributors to manage any modern slavery risks within their respective supply chains. Based on the modern slavery reports provided by our Manufacturers we understand:

Brickworks:

- A majority of raw materials sourced by Brickworks are sourced from within Australia and typically through quarries that are owned and operated by Brickworks;
- The minority of raw materials are sourced from countries that sit in the moderate to high-risk bands of the global slavery index in terms of prevalence or vulnerability to modern slavery (or where the country's response is not strong). Collectively, those countries in high-risk or medium-risks bands comprise less than 1% of Brickworks suppliers; and
- Brickworks has continued to engage expert consultants to assist with desktop assessments of potentially high-risk tier 1 and tier 2 suppliers. These reviews have not identified any known or suspected incidents of modern slavery.

CSR:

- CSR sources products from potential at risk countries such as China, Indonesia, Malaysia and Philippines;
- CSR conducted a risk assessment on its suppliers and identified 106 current suppliers, who completed an online questionnaire. The selected suppliers were identified as operating within high-risk categories, such as raw materials, logistics and high-risk locations in accordance with the global slavery index;
- A 100% completion rate of the questionnaire was achieved and no instances of modern slavery were identified by these suppliers;

- From this assessment, CSR identified several areas that require further due diligence, including:
 - traceability of products;
 - use of child labour;
 - deductions from wages; and
 - retention of original identification documentation; and
- In addition to the above, CSR identified through its existing monitoring and review process that one Australian raw material supplier had risks related to historical underpayment of workers. CSR did not engage with the supplier until a corrective action plan was agreed, which included identification of the root cause of the issue and measures implemented to prevent future occurrences. The corrective action plan was completed, and CSR had no further concerns with the supplier.

Although it is within this layer that the greatest potential risk of modern slavery was identified within our supply chain, the relative maturity of the suppliers with their reporting obligations in relation to modern slavery provides comfort that any potential risks are being effectively managed. For these reasons we have identified our third category in the brick supply chain as low to medium risk.



Assessing Effectiveness & The Future

As part of our Group risk program, the General Counsel and Chief Financial Officer are responsible for assessing and addressing modern slavery risks, with oversight from the Chief Executive Officer and the Board.

The modern slavery risk assessment and approach is reviewed annually and reported to the Audit and Risk Committee.

Recommendations will be actioned as part of our regular risk and compliance programs. The General Counsel and Chief Financial Officer report to the Audit and Risk Committee on a bi-annual basis on steps taken to address any identified gaps in our modern slavery risk management approach.

On an ongoing basis our procurement teams:

- Ensure suppliers and contractors complete due diligence questionnaires and agree to the terms of our Supplier Code;
- Continue to engage with suppliers to greater understand the source of manufactured products;
- Where risk issues are identified with a supplier, ensure that corrective action plans are created and implemented;
- Continue to engage with suppliers to identify points of improvement and track modern slavery risk awareness levels; and
- Continue to undertake assessments of potentially at-risk supply chains to better map and understand the source of the products we use.

In FY24 and following the commencement of FY25, modern slavery presentations (which included an explanation of the Group's general obligations, exposure to risk, and how to identify risks associated with modern slavery) were given by the Simonds Group Legal team to each of the Group's Senior Leadership team and procurement teams.

As part of our initiative to better identify and mitigate modern slavery risks within our supply chain, Simonds Group are looking to provide this presentation to the Group's Senior Management team and other areas in our business to better educate our team on modern slavery risks.

THIS STATEMENT WAS APPROVED
BY THE BOARD OF SIMONDS GROUP
LIMITED ON 28 NOVEMBER 2024



Rhett Simonds
Executive Chair