



NEX
Building Group

**JOINT MODERN
SLAVERY STATEMENT**

1 April 2023 – 31 March 2024

NEX Building Group

[Asahi Kasei Homes Australia Pty Ltd and its controlled subsidiaries]

DISCLOSURE NOTE

This Joint Statement is prepared for the consolidated entity consisting of Asahi Kasei Homes Australia Pty Ltd “AKHA” and its controlled subsidiaries (together referred to as “NEX Building Group” or the “Group”). This Joint Statement is prepared by each of the below entities within the Group, which are Reporting Entities under the *Modern Slavery Act 2018* (Cth) (“**Modern Slavery Act**”):

- > Asahi Kasei Homes Australia Pty Ltd (ABN 27 618 859 877),
- > NEX Building Group Pty Ltd (ABN 59 089 524 050),
- > McDonald Jones Homes Pty Ltd (ABN 82 003 687 232),
- > Mojo Homes Pty Ltd (ABN 31 166 754 696),
- > Wilson Homes Tasmania Pty Ltd (ABN 96 126 636 897), and
- > Weeks Homes Pty Ltd (ABN 97 008 087 278).

Each of the above Reporting Entities are companies limited by shares, incorporated and domiciled in Australia.

In this statement, the terms ‘NEX Building Group’, ‘the Group’, ‘us’, ‘we’ and ‘our’ are intended to cover the consolidated entity, including all Reporting Entities listed above. The consolidated entity is illustrated on page 4.

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OUR COMMITMENT TO ADDRESSING MODERN SLAVERY

NEX Building Group is committed to working together with our suppliers and other stakeholders to minimise the risks of modern slavery in our operations and supply chains, and eradicating and remediating instances of modern slavery where they are identified. This commitment is supported by our values, which are better together, be accountable, people matter and think bigger. We strive to work in partnership with each other, our customers and suppliers, deliver continuous improvements and quality outputs and always act with respect and integrity.

We are dedicated to implementing and maintaining effective practices within our business to support the objectives of the Modern Slavery Act. We will achieve this by administering an effective anti-slavery framework founded on the pillars of governance, policy, risk management, working with our suppliers and training and educating our people.

- > **Governance:** The Group is committed to implementing a governance framework to oversee the effective management of our modern slavery risks.
- > **Policy:** The Group is committed to implementing policies that support an effective anti-slavery framework. Policies are communicated to relevant internal and external stakeholders.
- > **Risk management:** The Group is committed to understanding the risks of modern slavery within our supply chains and operations, as well as developing and implementing effective risk mitigation strategies where necessary.
- > **Working with suppliers:** The Group is committed to working with our suppliers to identify, assess and mitigate any risks of modern slavery in our supply chains and operations.
- > **Training and education:** The Group is committed to providing education and training to staff to raise awareness of modern slavery risks and ensure our people understand their role in supporting our anti-slavery processes.

ABOUT ASAHI KASEI HOMES AUSTRALIA AND THE NEX BUILDING GROUP

AKHA is a wholly owned subsidiary of Asahi Kasei Homes, a Japanese company which has operated in the Japanese urban homes market for more than 50 years. Asahi Kasei Homes is focused on delivering innovative, high-quality home products that help enhance connections between the family and the community, and enable residency to span across different generations, with a focus on sustainability and harmony within the natural environment. AKHA was established to manage the investments it holds in the entities that make up the NEX Building Group, and to provide support to the expatriates seconded to those businesses.

On 16 April 2021, AKHA acquired additional shares in McDonald Jones Homes Pty Ltd (now NEX Building Group Pty Ltd), becoming the majority shareholder of the Group with a total shareholding of 82%.

McDonald Jones Homes began in 1987 as a family owned, new home building business based in the Hunter region of NSW and grew over the years to form the MJH Group. In November 2023, the Group rebranded to the NEX Building Group. The Group is one of Australia's largest new project home, multi-residential, relocatable and investment property builders. For the year ended 30 June 2024, the HIA-COLORBOND steel Housing 100 Report ranked the NEX Building Group as the 5th largest home builder in Australia.

As of 31 March 2024, the Group's operations were resourced by a team of 1,301 employees and approximately 3,900 vendors who are committed to a high degree of professionalism and equipped with a range of skills and expertise. The Group's construction and manufacturing footprint in the reporting year stretched across New South Wales, Queensland, the Australian Capital Territory, Tasmania, South Australia, and Victoria through the following construction and related service brands:

- > McDonald Jones Homes
- > MOJO Homes
- > Brighton Homes and Brighton Projects
- > Wilson Homes and Wilson Multi
- > MJH Multi
- > Complete by McDonald Jones
- > Weeks Building Group
- > Arden Homes
- > MyChoice Design Studio
- > MyChoice Conveyancing
- > MyChoice Home Loans
- > Akora Homes
- > Supaloc Steel Building Systems

NEX Building Group

ARDEN
HOMES

BRIGHTON
HOMES

complete
BY McDONALD JONES

MY
CHOICE
CONVEYANCING

MY
CHOICE
DESIGN STUDIO

MY
CHOICE
HOME LOANS



McDonald Jones

MJH MULTI
RESIDENTIAL PROJECTS

MOJO
HOMES

SUPALOC
STEEL BUILDING SYSTEMS

W Weeks

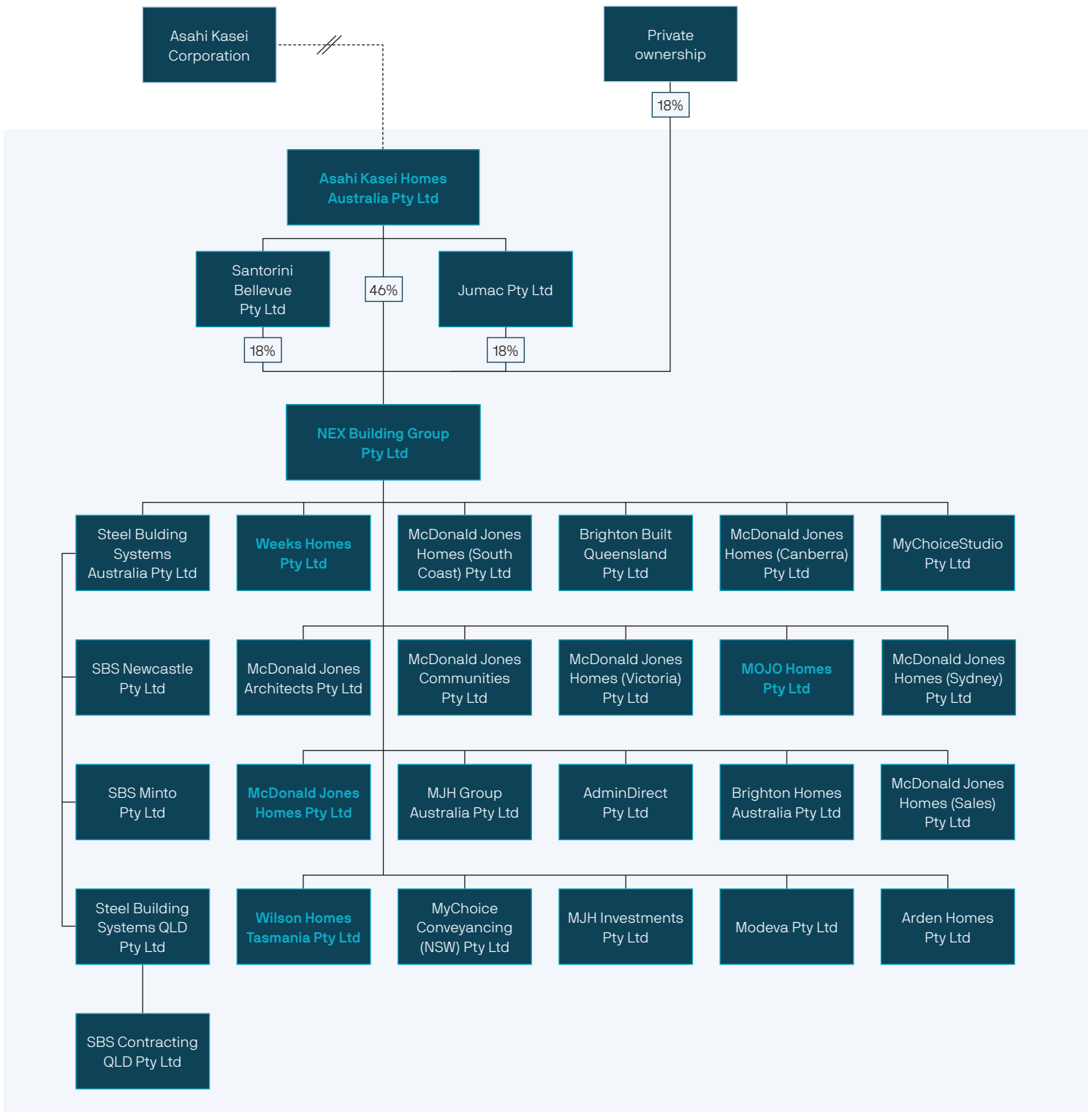
WILSON
HOMES

REPORTING ENTITY AND GROUP STRUCTURE

The Consolidated Reporting Group for the year ended 31 March 2024 (FY24), being Asahi Kasei Homes Australia Pty Ltd and its controlled subsidiaries, is illustrated below, within the blue boundary. Reporting Entities under the Modern Slavery Act are indicated in **blue, bold text**.

The NEX Building Group (and each Reporting Entity within the NEX Building Group) has a single, consolidated approach to minimising the risk of modern slavery within our operations and supply chains.

Consolidated Reporting Group at 31 March 2024



OPERATIONS

NEX Building Group operates in the residential construction industry in Australia. In FY24, the Group operated from 13 offices, 5 manufacturing facilities and, as at 31 March 2024, approximately 143 display homes throughout New South Wales, Queensland, the Australian Capital Territory, Tasmania, South Australia, and Victoria. The Group's corporate offices are located in Newcastle, New South Wales and Sydney, New South Wales. All entities in the Consolidated Reporting Group as at 31 March 2024 are located and operate within Australia only.

The Group's principal operations are to design, sell and manage the construction of project homes on land owned by customers and on land purchased by the Group for the sale of completed homes or house and land packages. The Group also manages the construction of display homes to facilitate sales, allowing our customers to better visualise our house designs, fixtures and various options.

The multi-residential arms of the business design and manage the construction of low to medium density residential properties for private and corporate developers. The transportable homes business designs, builds and delivers steel framed relocatable homes and cabins in South Australia and western New South Wales.

The steel framing operations manufacture steel framing products for use in the residential housing and commercial sectors.

Group operations also include providing conveyancing services direct to customers through the MyChoice Conveyancing business. Customers are offered a wide range of colours, fixtures and finishes for their new home through the MyChoice Design Studios.

The Group also holds investments in Australian listed equity securities, namely in Simonds Group Ltd (ASX: SIO) and makes charitable donations to the NEX Building Group Foundation, supporting numerous initiatives in three core areas, being youth, research and education.

OTHER OPERATIONS

The Group has non-controlling interests in other operations, including:

- > MyChoice Home Loans, a Joint Venture with Mortgageport Management Pty Ltd, which offers mortgage broking services to Group customers in Australia, and
- > Coverforce MJH Pty Ltd, a Joint Venture with Coverforce Partners Pty Ltd, which brokers Home Building Compensation Cover for the Group.

BRANDS AND BUILD FOOTPRINT

NEX Building Group


mcdonald jones
Founded 1987



MOJO
HOMES
Established 2014



MJHMULTI
RESIDENTIAL PROJECTS
Established 2014



 **complete**
BY McDONALD JONES
Established 2018



 **Weeks**
Aquired 2020





SUPALOC
STEEL BUILDING SYSTEMS

● Acquired 2020



BRIGHTON
HOMES

Established 2018



ARDEN
HOMES

Acquired 2023



WILSON
HOMES

Acquired 2015



SUPPLIERS AND SUPPLY CHAINS

Our supply chain is made up of approximately 3,000 tradespeople and suppliers who supply and/or install products and perform services contributing to the construction of homes and approximately 900 vendors of goods and services to the corporate teams that support the business (including IT, HR, Finance, Legal and other Group services). The Group sources its goods and services from Australian businesses wherever practical, however purchases from international sources may be required infrequently. In addition, many of our partners operate or source internationally or are part of a larger global network.

Our supply chain also includes outsourcing service providers, being Australian businesses who coordinate a mix of multidisciplinary local and offshore resources with specialised skills in drafting and information technology.

Key procurement categories include construction materials and services, purchase of land, professional services, office maintenance and administration, and purchase or lease of motor vehicles, computer equipment and other personal protective equipment (PPE).

MODERN SLAVERY RISKS

OUR APPROACH TO THE RISK ASSESSMENT PROCESS

We have incorporated the risk of modern slavery into our Enterprise Risk Register ensuring it is managed in accordance with our Risk Management Framework. This means modern slavery risk is reviewed on an ongoing basis by our risk management team and ensures periodic updates on risk management are provided to the Governance, Risk and Compliance Committee and the Board of Directors. This provides visibility to senior management and facilitates their engagement.

We continue to monitor our supply chain and operations to identify modern slavery risks. For FY24, we updated our inherent risk profile using the NSW Inherent Risk Identification Tool, issued by the Office of the NSW Anti-Slavery Commissioner. This has enabled us to identify new inherent modern slavery risks in our supply chain and will inform where we focus our risk assessment efforts in the future. Additionally, we continued to carry out broader assessments of our Tier 1 suppliers through the Property Council of Australia's Modern Slavery Supplier Platform (Informed 365), as well as reviewing the Modern Slavery Statements of major suppliers where these are available. We have now obtained information on over 50 of our Tier 1 suppliers through these channels which has enhanced our understanding of the risk profile that exists within this group.

OUR RISK PROFILE

Through our risk assessment process, we have identified the goods and services in our operations and supply chain that may be at a higher risk of modern slavery. Many of these goods and services are considered higher risk only in specific countries of origin, however until tracing of these goods through our supply chain can be completed, we have recorded them as higher risk.

> In relation to construction procurement, these goods and services are:

- > Construction labour, particularly in regard to sub-contractor arrangements,
- > Manufactured products: HVAC (heating, ventilation and air conditioning), electrical, solar panels, and
- > Raw materials: bricks, cement, rubber, timber, carpet, glass, paint, piping, steel, tiles, ceramics, granite, gypsum, cotton and textiles.

> In relation to corporate procurement, these goods and services are:

- > Merchandising – branded and unbranded goods not for re-sale, such as branded clothing,
- > Office supplies – electronics (including IT equipment and hardware), tea and coffee, and cleaning supplies, and
- > Travel.

> In relation to operations, these goods and services are:

- > Building services and asset management: security, cleaning, and installation/maintenance, and
- > Fleet management, in relation to general fleet vehicles and vehicle components.

RESPONDING TO THESE RISKS

The Group continues to develop its framework and specific processes for assessing, managing and responding to modern slavery risks.

Our risk response includes activities building on the pillars of our anti-slavery framework: governance, policy, risk management, working with suppliers, and training and education of our people.



GOVERNANCE

1. MODERN SLAVERY WORKING GROUP

The Working Group (including representatives from the Construction, Legal, Work Health and Safety, Procurement, and Internal Audit and Risk teams) met periodically throughout FY24 to oversee the progress being made in relation to the implementation of our anti-slavery framework. The Working Group's cross functional nature continued to support the Group to assess its modern slavery risks and identify and action risk mitigation plans.

2. REPORTING TO SENIOR MANAGEMENT AND THE BOARD OF DIRECTORS

Throughout FY24, the Working Group has provided updates on the development and implementation of our anti-slavery framework to the Group's Governance, Risk and Compliance Committee, Executive team and the Board of Directors. This reporting ensures senior management is engaged in the risk management process.

POLICY FRAMEWORK

1. MODERN SLAVERY POLICY

Our Modern Slavery Policy is published on the Group's intranet, making it available to all staff. This Policy describes the Group's commitment to addressing the risk of modern slavery in our operations and supply chain and states the Group's opposition to forced labour.

2. WHISTLEBLOWER POLICY

NEX Building Group has a Whistleblower Policy, published internally on the Group's intranet and publicly on the Group's corporate website, which describes the Group's commitment to supporting a culture of professional behaviour, ethical conduct and integrity. The policy ensures staff, suppliers, subcontractors and other stakeholders have a means to raise concerns regarding suspected or actual misconduct or improper state of affairs or circumstances in relation to the Group. This could include concerns relating to modern slavery risks or suspected incidents of modern slavery. Reporting options provide for anonymous disclosure via the whistleblower hotline.

All new starters are required to complete an induction course that includes an overview of the Group's Code of Conduct and Whistleblower Policy.

RISK ASSESSMENT AND MONITORING

1. PERFORM RISK ASSESSMENTS AND ASSESS OUR SUPPLY CHAIN

In FY24, we undertook the following risk assessment activities:

- > Use of the NSW Inherent Risk Identification Tool to review the inherent risks in our supply chain. This highlighted procurement categories which may contain inherent risks requiring further review in FY25.
- > Review of the Modern Slavery Statements of our top 50 suppliers by expenditure (where statements were available). This gave us an understanding of the anti-slavery frameworks implemented by our suppliers and the potential risks within their supply chains.
- > Utilisation of the Property Council of Australia's Modern Slavery Supplier Platform (Informed 365) to obtain risk profile data for a range of our suppliers. We have been actively seeking to link with additional suppliers through the platform to improve our understanding of modern slavery risks within our supply chain and increase collaboration with our suppliers in this area.

2. SECTOR COLLABORATION

We have been members of the Property Council of Australia's Modern Slavery Supplier Platform (Informed 365) since March 2021. This platform allows us to collect and review data about our suppliers' operations, supply chains and the actions they are taking to assess and address modern slavery risks. It also creates a forum for discussion of key issues, risks and trends.

Monthly virtual meetings for platform partners are attended by a member of the Working Group to discuss these matters and receive updates on the portal, the Act and best practice processes.

WORKING WITH SUPPLIERS

1. SUBCONTRACTOR SELECTION AND ONBOARDING PRACTICES

The Group has pre-selection criteria for sub-contractors that includes a requirement to act in accordance with the Modern Slavery Act, to respond to risks in their own operations and supply chains, and to inform the Group in the event any material risk or instance of modern slavery is identified. This supports our anti-slavery and responsible sourcing principles by requiring commitment to compliance before sub-contractors are engaged to work for the Group. It also helps increase awareness of modern slavery issues with our sub-contractors and identifies the whistleblower hotline as a means to report modern slavery risks, or suspected incidents of modern slavery, where identified.

2. UPDATE SUPPLIER CONTRACTS

The Group uses supplier contracts which include requirements to comply with all local, national, and other applicable laws and regulations in the areas in which they operate. Additionally, the Group's Preferred Supplier Agreements include a section describing the requirements of the Modern Slavery Act and the obligations of suppliers and contractors in relation to it. This includes an overview of modern slavery and information on the Group's Modern Slavery Policy to provide some education to suppliers on modern slavery risks and issues.

3. SUPPLIER CODE OF CONDUCT

The Group prepared a Supplier Code of Conduct setting out our expectations of key suppliers in terms of ethical conduct and responsible sourcing, including modern slavery risks. This Supplier Code of Conduct was subsequently adopted by the Procurement team in Q2 FY25 and will be incorporated into the onboarding process for key suppliers moving forward.



EDUCATION AND TRAINING

1. PROVIDE STAFF TRAINING

In FY24, we finalised an online modern slavery training module tailored to our C-suite and senior executive team. The training includes details on the Group's anti-slavery framework and what management can do in their roles to support implementation. All members of the C-suite and executive were enrolled in this training in March 2024, with progress monitored to ensure timely completion.

In FY25, training will be adapted and rolled out to more staff working in relevant areas of the business.

2. CONTINUAL LEARNING

On a continuing basis, the Modern Slavery Working Group reviews updated guidance material provided by subject matter experts, including the Australian Border Force, the Office of the NSW Anti-Slavery Commissioner and the Property Council of Australia. We also continue to review annual Modern Slavery Statements of major suppliers and other organisations in our industry to help us evaluate, and improve upon, our own modern slavery risk management processes.

ASSESSING THE EFFECTIVENESS OF THE RISK RESPONSE

In FY24, we continued to communicate our anti-slavery framework with relevant operational staff across the business, establishing awareness and understanding to embed the processes required to identify, assess, and respond to modern slavery risks within the Group's supply chain and operations. This included using Informed 365 to broaden our risk assessment processes, developing our Supplier Code of Conduct, and delivering training to the executive team. Increasing the number of staff, subcontractors and suppliers who have engaged with the concept of modern slavery through the activities performed as part of our risk framework is a measure of our effectiveness in improving awareness of these risks. As our framework and processes mature and become embedded in our day-to-day work, we will be better able to assess the impact of our risk response and define further measures of success.

Our whistleblower hotline continues to provide a variety of methods (including anonymous options) for our suppliers, employees, and other stakeholders to raise any concerns they may have regarding misconduct, or improper circumstances, in relation to the Group, including incidents of suspected modern slavery. The hotline enables us to gain feedback on the effectiveness of the actions we take to mitigate and remediate any issues identified.

Additionally, our Modern Slavery Working Group continues to provide a forum for regular engagement and feedback between the Group's Procurement, Work Health and Safety, Legal, Construction and Internal Audit and Risk teams in relation to our ongoing risk assessments and implementation of our anti-slavery framework. It is also providing periodic reporting to the Group's Governance, Risk and Compliance Committee, the Executive team, and the Board of Directors.

Preparing the annual Joint Modern Slavery Statement for the Group also helps raise and maintain awareness of modern slavery with the Group's executives and the Board of Directors.

CONSULTATION

The legal entities covered by this statement operate under Asahi Kasei Homes Australia, within the NEX Building Group. The policies, standards and actions outlined in this statement apply to all reporting entities and brands in the Consolidated Reporting Group. Management has undertaken a consultation process with the Directors of each of the reporting entities to prepare this Joint Modern Slavery Statement. This Joint Modern Slavery Statement has been reviewed by relevant subject matter experts within the Procurement, Construction, Work Health and Safety, Legal and Internal Audit and Risk business units, as well as relevant members of the Executive team.

APPROVAL AND ENDORSEMENT OF OUR MODERN SLAVERY STATEMENT

This Modern Slavery Statement has been approved by Asahi Kasei Homes Australia's Board of Directors on 27 September 2024.



KOJI NAGANAWA

Director, Asahi Kasei Homes Australia Pty Ltd (ABN 27 618 859 877)

Director, NEX Building Group Pty Ltd (ABN 59 089 524 050)

Director, McDonald Jones Homes Pty Ltd (ABN 82 003 687 232)

Director, Mojo Homes Pty Ltd (ABN 31 166 754 696)

Director, Wilson Homes Tasmania Pty Ltd (ABN 96 126 636 897)

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