

MODERN SLAVERY STATEMENT



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01 Introduction

Slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour, forced marriage, debt bondage and human trafficking, whether adults or children, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

Scott Park Group is committed to acting ethically and with integrity in all our business dealings and relationships, and to implementing and enforcing effective systems and controls, to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains.

This Modern Slavery Statement describes the steps taken by Scott Park Group Pty Ltd (ACN 118 798 253) (Scott Park Group) and its controlled entities during the financial year ending 31 December 2022 to address modern slavery risks to its business and supply chains.

Scott Park Group makes this statement in accordance with the Modern Slavery Act 2018 (Cth) and draft guidance for reporting entities. We consulted the relevant entities we own or control in the risk assessment, actions taken and suggested actions to be taken, and in the development of this statement.

02 Our Structure, Operations and Supply Chain

Reporting entity Scott Park Group Pty Ltd (ACN 118 798 253) (Scott Park Group) is a leading residential construction company in Western Australia with operations in Perth, Southwest and the Midwest, and an overseas operation in the Philippines.

As of 31 December 2022, Scott Park Group has 278 employees in Australia, 72 staff in the Philippines and 1,475 suppliers and contractors. We built 857 homes in the last year in Western Australia.

Scott Park Group is owned by its founder, Scott Park, and Sumitomo Forestry Australia, which is wholly owned by a Japanese listed company, Sumitomo Forestry Co., Ltd. Sumitomo Forestry Group including Scott Park Group, has declared to manage its operations and its supply chain, based on its Code of Conduct which promotes the respect of human rights for all individuals and prohibit forced labour and child labour in any form.

Scott Park Group Pty Ltd consists of housing construction businesses which include the following companies:

- Redink Homes Metro
- Redink Mid-West
- Redink South-West
- 101 Residential
- B1 Homes

As well as its vertically integrated companies:

- Let's Finance
- Glass Co Metro
- SP Ceilings & Insulation
- SP Site Services

As outlined, Scott Park Group operates under a number of brands with centralisation of some business activities including Procurement, People & Culture, Safety and IT in our Australian operations. We have an overseas subsidiary called Scott Park Group Philippines which provides a range of outsourced services to Scott Park Group including drafting and scheduling. The centralised structure for these services allows the group to be more cost-effective and maintain a consistently higher level of quality.

The Scott Park Group continues to strive in its pursuit of delivering outstanding service through its various building brands and across its core businesses. As one of the fastest growing building companies nationally we continue to train, innovate and deliver great outcomes to the most important people we know....our customers.

03 Identifying Risks of Modern Slavery in our Operations and Supply Chain

The Scott Park Group acknowledges that, in construction, we operate within a high modern slavery risk industry.

To assess the risk of modern slavery practices within our operations and supply chain we have analysed their potential to cause, contribute to, or be directly linked to modern slavery. We considered separately the risk across our Australian operations, our Philippines operation, and in our Supply Chain through a process of investigation and consultation.

Risks in Our Australian Operations:

We have identified and assessed the risk of modern slavery practices within our Australian operations below, a process which is ongoing and involves regular review.

Identified Risks	Risk Level	Reasoning behind Risk Assessment
Permanent Staff	Low	<p>* Board of Directors which has overall responsibility for ensuring Scott Park Group complies with our legal and ethical obligations, our code of conduct, and that those under their control comply</p> <p>*Modern Slavery Committee which is comprised of representatives of Scott Park Group's building companies, vertical integrated companies, Procurement, Safety and People & Culture which identifies and is responsible for consulting on and monitoring entities on risks of modern slavery</p> <p>*Strong HR controls including employment contracts which adhere to all relevant fair work legislation</p> <p>*An online Employee induction & onboarding process which ensures all employees have read and understood policies and are able to communicate risks and/ or concerns</p>
Casual Staff or Contractors	Low	The majority of SPG staff are in permanent employment. 10 Casual Staff are paid above award wages and in line with all fair work legislation.
Casual Workers under the age of 18 years old	Low	SPG has no casual employees under the age of 18.
Migrant workers	Low	SPG does not sponsor employees.
Staff on visas	Low	SPG has a small number of staff on partner visas or bridging visas.
Services engaged by SPG	Low to medium	SPG relies on services including recruitment, cleaning, and property maintenance. We have long-standing relationships with recognised service providers.

Scott Park Group see a low overall risk of modern slavery in our Australian operations.

Risks in Our Philippines Operations:

We separately assessed the risks of the Scott Park Philippines Group to our Australian operations because of a higher risk of Modern Slavery. The Philippines is ranked as 30th out of 167 countries by the Global Slavery Index with an estimated 784,000 Filipinos living in modern slavery (Global Slavery Index 2018).

We have identified and assessed the risk of modern slavery practices within this business below, a process which is ongoing and involves regular review.

Identified Risks	Risk Level	Reasoning behind Risk Assessment
Staff	Low	<p>*Australian General Manager, who visits the Philippines office every 2-3 months for a week, who reports to the Board, who has overall responsibility for ensuring Scott Park Group complies with legal and ethical obligations, and that those under their control comply with them, and who sits on the Modern Slavery Committee</p> <p>*History of ten years in operation with an experienced Management team in the Philippines and in Australia</p> <p>*A professional office located in a modern building in Makati City with individual desks, Perspex dividing screens, meeting rooms, kitchen, and facilities</p> <p>*72 Employees who are university educated and hold skillsets in in-demand areas such as drafting, scheduling, and estimating</p> <p>*Regular staff meetings and training</p> <p>*Strong HR controls including</p> <ul style="list-style-type: none"> • Employment contracts with salaries that well exceed minimum rates of pay, explanations of a probationary period, working hours, leave entitlements causes for termination and suspension, and procedural due process which comply, at minimum, with the Labour Code of the Philippines and are in line with Sumitomo’s Code of Conduct • A detailed Employee induction, onboarding process and 98 page HR manual which is provided to each new employee which outlines general employment conditions, compensation, benefits (including maternity and paternity), grievance process, and disciplinary code which is read and signed on the first day of employment • A formal career progression plan with yearly performance appraisal and clear guidance for salary payment and progression in career with accompanying salary increases
Casual Staff or Contractors	Low	One contractor
Casual Workers under the age of 18 years old	Low	No casual employees under the age of 18
Subcontracted labour hire	Low	Staff required such as cleaning or English language teaching are sourced and paid directly and do not supply staff

Services / Suppliers specifically engaged by Scott Park Group in the Philippines	Low to Medium	Procurement specifically sourced for the Philippines operation includes the purchase of furniture stationary, office suppliers, drafting software and computer equipment which are purchased/ leased from larger, well-known organisations
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Scott Park Group see a low to medium risk of modern slavery in our Philippines operations, with the most risk being in the supply of goods.

Our Supply Chain

Key risks of Modern Slavery in construction are in the procurement of building materials and products (KPMG Property, Construction and Modern Slavery report 2020). The materials involved, and the labour required, often have long and complex supply chains, often with poor visibility.

It is difficult for a construction company to have visibility across the multiple tiers in the supply chain of all the suppliers, the components of each material and their suppliers. We source various building materials from local and national Australian suppliers which usually, in turn, source the materials or components from their overseas suppliers. Materials used in construction are often grown or manufactured in countries where modern slavery is of high risk. Selection for materials is often made by the customer or by a subcontractor supplying labour and materials. Additionally, the transportation of these materials to Australia also creates modern slavery risk as transport and logistics are considered high risk for modern slavery.

A sizeable component of the construction and supply of materials is through our supplier and subcontractor base. Due to the length of time Scott Park Group has been operating we have a strong, collaborative relationships with our often-longstanding supplier and subcontractor base, some for over twenty-five years. Our solid reputation and ability to build quality homes is in very much reliant on them and we work with them in a cooperative and consultative manner.

Much of our labour in Australia is supplied through subcontractors, predominantly trade based, and on occasion through a labour hire agency. At present, with demand high for trade skills in Western Australia, with accompanying high rates and choice of companies hiring, we see low risk to permanent residents/ citizens. To our knowledge the employees of our subcontractors are permanent residents/ citizens of Australia however, we are aware that there have been, in the industry, instances of subcontractors and labour hire agencies sponsoring staff which we see this as a risk that requires further investigation and have therefore been added to the top 100 suppliers to consult with.

Scott Park Group have a large number of registered suppliers with approximately 1475 unique suppliers and subcontractors being invoiced in the last financial year. Our procurement expenditure in FY 2022 was \$178 million paid to suppliers in Australia (although many of these manufacture overseas).

Due to the large number of suppliers, we have developed a framework to assess our supplier risk. We identified our top 100 external high risk suppliers based on volume (total supplier spend amount), industry category, geographical area of operation and current understanding of depth of tiering, upon which to undertake due diligence to uncover and rank the relative risk of modern slavery in the supply chain. The risk of country / geographical area of origin was assessed using utilised The Global Slavery Index to identify suppliers in high-risk locations, to prioritise for more in depth exploration.

This analysis showed a fairly high incidence of suppliers in Asia, in particular for some raw material components and manufacturing processes, which are more commonly associated with practices of modern slavery.

04 Actions we have taken to address modern slavery

Scott Park Group are committed to the highest ethical behaviour attainable and will continue to train and communicate with our employees, suppliers, and the greater supply chain to reduce wherever possible any incident of modern slavery.

The Chief Operating Officer appointed in mid 2022 to the Scott Park Group was given responsibility for Modern Slavery to reflect this commitment, to ensure greater awareness across the entities and functions, to collaboratively undertake risk analysis, develop a plan and ensure progression of actions. Specific actions taken include:

a) Australia Operations

Whistle-blower, Modern Slavery and Code of Conduct Policies

The Australian operations have implemented a Modern Slavery Policy and a Whistle Blower Policy for our staff to educate and set guidelines and expectations around eliminating Modern Slavery, and in raising any breaches or any potential concerns. We have a Code of Conduct training module on our Human Resources Information System as well as a copy of the Modern Slavery Act 2018 for all employees to refer to. All employees within their first week of employment undertake education on these policies and are able to access them throughout the employment portal.

Staff Education and Training

Regular training, / education on Modern Slavery, at least once a year, take place on an ongoing basis with staff across the entities and functions.

Formation of a Modern Slavery Committee

The Modern Slavery Committee, with representatives across the entities and functions (People & Culture, Group Safety and Procurement) of the Company, has been formed as responsible for primary and day-to-day responsibility for implementing our Modern Slavery policy, monitoring its use and effectiveness, and dealing with any queries about it and meets on a quarterly basis. The designated contact for queries or concerns regarding Modern Slavery is Adam Roberts who chairs the Committee. He works closely with the COO with responsibilities including:

- (a) monitoring, consulting, and auditing internal controls and procedures to identify risks of modern slavery practices in our operations under Australian modern slavery legislation, including in our subsidiary organisations
- (b) monitoring and consulting with our suppliers, contractors and business partners to identify risks of modern slavery practices in our supply chains;
- (c) developing measures to assess and address any risks of modern slavery practices, including through due diligence in our contractual relations;
- (d) monitoring the effectiveness of those measures;
- (e) developing appropriate training materials and programs for our employees to comply with this policy'
- (f) preparing our annual modern slavery statement in accordance with our disclosure obligations under Australian modern slavery legislation

b) Philippines Operations

Whistle-blower, Modern Slavery and Code of Conduct Policies

The Philippines operations have implemented a Whistle-blower Policy and Modern Slavery Policy for our staff to

educate and set guidelines and expectations around eliminating Modern Slavery and in raising any breaches or any potential concerns. The HR manual, which is read and signed on an individual basis upon commencement, contains these policies as well as policies in relation to conduct.

Staff Education

Staff education on Modern Slavery has commenced with the introduction of the Modern Slavery Policy. Regular training, / education, at least once a year, will take place on an ongoing basis.

Modern Slavery Committee

The General Manager of the Philippines operation is on the Modern Slavery Committee which meets on a quarterly basis.

Procurement

Consultation with those involved in procurement has taken place. In line with the Australian operations procurement outlined below a risk-based approach has been adopted ensuring that during commercial processes outlined below including measures around clauses to supplier contracts, contacting high risk suppliers and assessing new suppliers according to criteria that includes adherence to the Company's approach towards anti-slavery and human trafficking.

c) Subcontractors and Suppliers

Subcontractor Trade and Supplier Agreement

Scott Park Group is in the process of implementing a platform that requires subcontractors and suppliers to sign and agree to new Supplier and Subcontractor Agreements. These agreements have been amended to include reference to Modern Slavery, specifically a requirement to warrant that the Supplier and, to the best of its knowledge and belief, its supply chain, have not been convicted of any offence involving modern slavery and do not have any actual, potential, or perceived modern slavery currently taking place. The registration confirms that the supplier and its supply chain will conduct their business in a way that reduce the risk of modern slavery in their operations and supply chain, and that it will immediately notify Scott Park Group if it becomes aware of any actual, potential, or perceived modern slavery in its operation or its supply chain. It also includes agreement to participate in Modern Slavery Audit.

Vetting of New Suppliers for Major Tenders

Scott Park Group has included, as a requirement for any major tenders, that the bidder address the risk of modern slavery in its supply line and operations and outline what prevention measures, they have in place. Scott Park Group will include scoring of that information as part of the tender selection process.

Consultation with Key & High-Risk Suppliers

We have commenced the process of engaging with the top 100 suppliers across the Scott Park Group deemed high risk on a one-to-one basis to further determine and establish a risk profile. The larger suppliers, many international companies, with turnovers of in excess of AUD\$100 million are progressed in their own risk assessment of their supply chain and have been able to supply Modern Slavery statements and evidence of compliance to SPG. As we see risk in response in our one-on-one consultations, we have commenced working with suppliers who lack awareness of the risk of modern slavery and will work with them to improve understanding.

Our next course of action commencing 2023, and through into 2024, will be to focus on high-risk sectors and suppliers that extend beyond the top 100 suppliers, including subcontractors and agencies, and to assess high risk suppliers for each entity. We are aware to extend this throughout our supplier's supply chain and through our entire supplier list will be a lengthy and complex process.

We also identified that competitive pricing, with contract terms with low margins and significant pressure on delivery times, can be a driver for modern slavery and that our influence on this in our dealings with suppliers needs awareness and consideration in supplier selection.

Through the process of consultation across the Scott Park Group entities we have further identified the need to:

- develop an annual review questionnaire for those suppliers to understand suppliers' self-assessment of slavery issues, allowing better identification of slavery issues as they develop over time and collection of supplier provided data to tackle improvement in suppliers' attitudes
- develop an audit selection and schedule

05 Assessing the Effectiveness of our Actions and Path forward

Scott Park Group has not, as yet, identified any cases of actual or suspected modern slavery or associated behaviour occurring in our supply chains and operations over the reporting period.

We are in the process of developing a more detailed framework with specific measures for assessing the effectiveness of our actions in each of our areas of focus.

Key measures we are establishing, and monitoring include:

- The number of risk/s identified, the number of incidents identified, and the number of questions generated through our officers, employees, and contractors in relation to Modern Slavery to our Modern Slavery Committee and / or Managers
- The use of any whistleblowing procedures through which Modern Slavery risks in the business or supply chain have been drawn to the attention of Scott Park Group
- The level of supplier compliance with Scott Park Group's anti-slavery policies and procedures, that suppliers understand and comply with Modern Slavery laws and have adequate measures in place to do so
- The number of desktop or onsite audits of suppliers undertaken, or the number of supplier questionnaires issued to, and received from, suppliers
- The level of visibility, leverage, and oversight of suppliers in relevant goods and services supply chains

As we move through the process of consulting with our suppliers we intend to also measure:

- Information about remediation, for example, the number of supplier contracts cancelled, or number of corrective action plans implemented
- Levels of awareness through staff and supply chain to identify whether, and if so, how well its awareness of these issues has "moved the dial" for our operations and supply chain

06 Describe the Process of consultation with any entities the reporting entity owns or controls

Scott Park Group has undertaken education and consultation with our owned and controlled entities.

We have also taken a functional process of consultation with key services such as People & Culture in Australia and the Philippines for training, Procurement in Australia and in the Philippines for supplier risk analysis and investigation, and Group Safety and Accounts in relation to subcontractor compliance requirements.

Consultation has involved ensuring there is an understanding of what Modern Slavery entails, an analysis of possible risks and the development of a framework to investigate and report on Modern Slavery key measurements.

Key measures, referenced above, developed in consultation with the entities, are reported to the Modern Slavery Committee ensuring that risks are assessed, discussed, and addressed. The Modern Slavery Committee has responsibility for communicating to the businesses and to the Board.

At present much of the discussions are on the process of the framework and undertaking the risk assessments with suppliers and subcontractors with the development of future areas of further investigation. We see this as a process of continual learning and improvement to better understand and reduce the risks of Modern Slavery in our operations and supply chain.

We have not identified any evidence or indication of modern slavery in our business and supply chain, but we will continue to raise the risk of modern slavery as an issue and conduct assessments.

This statement was approved by the members of the board of Scott Park Group on 30th May 2023.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Koichi Nomoto

Director

