

# MODERN SLAVERY STATEMENT

FINANCIAL YEAR 2022



**Simonds Group**

ACN: 143 841 801

**Simonds Group Limited presents this Modern Slavery Statement for the year ending 30 June 2022 (FY2022). 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.



**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, targeted to purchasers in the metropolitan areas of the state capitals and in large regional centres.

Builders Academy Australia (BAA) delivers high quality, nationally accredited building and construction qualifications, developing skilled workers for high demand areas.

Simonds Group completed the sale of BAA on 30 November 2021, however the parties have entered into a preferred supplier arrangement to maintain this strong relationship going forward.

**5100+**  
SUBCONTRACTORS

**750**  
FULL TIME EMPLOYEES

**70+**  
YEAR HISTORY



# OUR STRUCTURE

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

Simonds Group Limited  
Bridgeman Downs Land Projects Pty Ltd  
City Wide Building & Training Services Pty Ltd  
Discover Developments Pty Ltd  
Discover Gisborne Pty Ltd  
House of Learning 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

## Head Office

Level 1, 570 St Kilda Road, Melbourne Victoria, 3004

## Victoria

17-19 Wills Street, Bendigo Victoria 3550  
105-107 Argyle Street, Traralgon Victoria 3844  
1/810-818 Princess Hwy, Springvale Victoria 3171  
1 Plenty Road, South Morang Victoria 3752  
9/22-30 Wallace Ave, Point Cook Victoria 3030  
477 Latrobe Terrace, Geelong Victoria 3220  
233 Anstruther Street, Echuca Victoria 3564  
5-7 Clarence Street, East Bentleigh Victoria 3165  
101 Main Street, Bairnsdale Victoria 3875  
14 Stanley Street, Wodonga Victoria 3690  
110-112 Graham Street, Wonthaggi Victoria 3995

## New South Wales

Level 5/58 Norwest Blvd, Baulkham Hills New South Wales 2153  
302-308 Wagga Road, Lavington New South Wales 2640

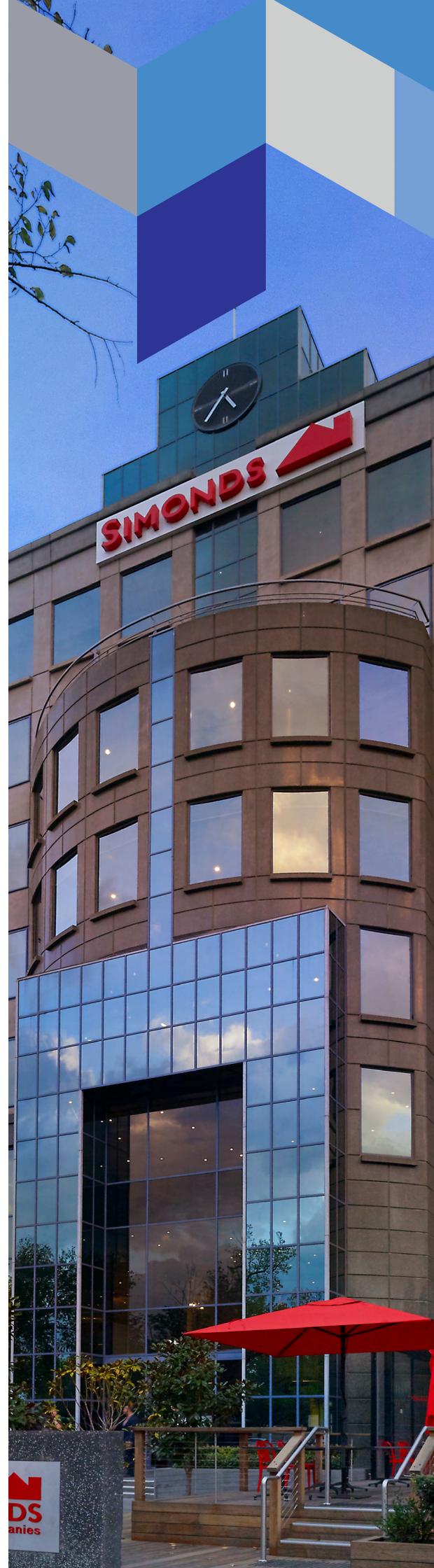
## Queensland

3894 Pacific Hwy, Loganholme Queensland 4129

## South Australia

280 Pulteney Street, Adelaide South Australia 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

Simonds Homes is one of the largest volume home builders in Victoria with operations in New South Wales, Queensland and South Australia. In FY22 Simonds Homes was engaged in construction works across ~2,376 home sites and 122 display sites.



## BUILDERS ACADEMY AUSTRALIA

Up until 30 November 2021, the Simonds Group operated a registered training organisation, Builders Academy Australia (BAA), which assists people seeking qualifications to enter the building and construction workforce or advance their careers.

The Academy provides high quality, nationally accredited building and construction qualifications in skilled needs areas. As a regulated sector, BAA continues to ensure that strong governance, quality management systems and processes are in place across its operations while aligning all activities with the needs of the building and construction industries. Every course is designed and delivered with the promise of 'builders training builders'.

**FY22**

**~2,376**  
HOMES SITES

**122**  
DISPLAY SITES

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

# OUR SUPPLY CHAIN

Simonds Group has an annual supply chain spend of circa AUD\$615 million 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 including bricks, tiles, concrete, plumbing supplies, household appliances, lighting, hardware and a wide range of timber and metallurgical products.

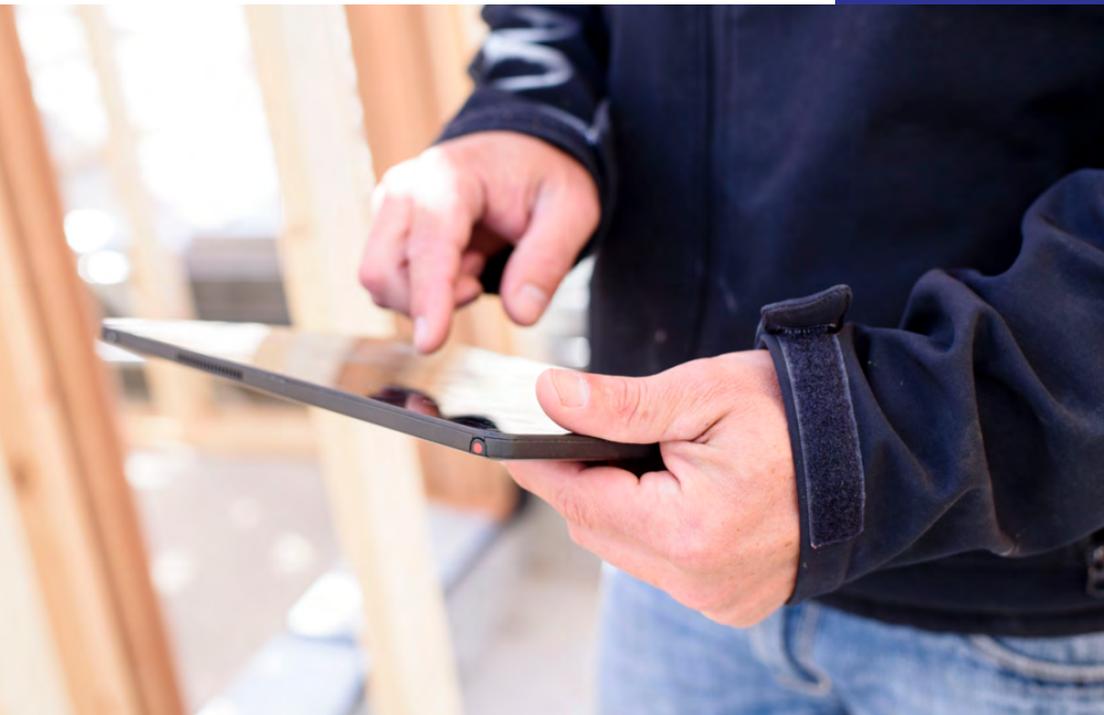
Across our offices and training facilities we are a consumer of various office supplies, electronics and garments. We also require a variety of associated services to maintain and support our premises and staff.

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.

**\$615M**  
OF GOODS &  
SERVICES

procured from

**1,500**  
DIRECT SUPPLIERS &  
CONTRACTORS



# 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.

The risk assessment indicates Simonds Group has a low risk of modern slavery within its operations.

Simonds Group operates wholly within Australia, using Australian building and construction suppliers, contractors, trades and employees that are protected by Australia's industrial relations system. Our robust system of employment and safety policies and procedures ensure compliance with employment and safety regulations across the business.

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:

## 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.

We are strong advocates for the use of qualified trades, and, while it was part of the Simonds Group, heavily promoted this through BAA. Accordingly, we do not consider our building and construction contractors to be at significant risk of modern slavery practices.

## 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 15 imported products common in G20 countries, such as Australia, which present a risk of forced labour.

Simonds Group potentially has exposure to five product categories on the Global Slavery Index, as outlined overleaf:

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

## 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 have reviewed the modern slavery statements for those manufacturers and are aware that they are actively taking steps to eliminate modern slavery within their own supply chains and manufacturing processes.
- 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.
- We engage with the suppliers of those products in order to better understand the origin of the electronics provided to Simonds Group and its customers.

### Apparel and Clothing Accessories

- We provide a portion of our staff and contractors with branded uniforms from an Australian supplier.
- We continue to work with the supplier to confirm the origin of all fabric and garments.

### 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. Safety is the cornerstone of our business, addressed as the first agenda item in every Simonds Group management meeting.

We proudly promote a positive culture of safety and wellness to all of our stakeholders. This was extended through COVID-19 with the establishment of 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.

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

**Simonds Homes is the first and only national residential volume builder to concurrently hold Quality, Environment and Safety certifications under Australian Standard 9001, ISO 14001 and AS4801.**



QMS Certification Services



QMS Certification Services



QMS Certification Services



QMS Certification Services

## 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
- permit Simonds Group to carry out inspections of their premises, in order to verify compliance with the Supplier Code.

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
- 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.

Our employees are required to undertake regular training on internal processes and procedures as well as changes to regulation and developments in our industry. All our staff have undertaken a dedicated training module on modern slavery risk.

# 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 have included:



## LinkSafe

Updated our contractor management tool, LinkSafe, to include a range of questions at induction and compliance levels that are targeted at addressing modern slavery risks



## Education

Introduced course materials within BAA to ensure future generations of building and construction workers have a heightened awareness of modern slavery risks and how to eliminate them



## Onboarding

All contractors and suppliers complete a modern slavery risk questionnaire during onboarding processes



## Training

All Simonds Group employees are required to complete the modern slavery awareness training module



## Assessment

Undertaken a risk assessment of our electrical equipment supply chain to better map and understand the source of the electrical equipment we use in the construction of our quality homes.



# FOCUS ON ELECTRICAL EQUIPMENT

## Simonds Group has undertaken a modern slavery risk assessment of its electrical equipment supply chain.

Simonds Group has undertaken a modern slavery risk assessment of its electrical equipment supply chain, including but not limited to, air conditioning units, lighting, appliances, switches, circuit boards, cable and solar PV equipment.

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 2022, we selected electrical equipment for review. Approximately 7.0% of our annual spend, or \$43 million, is directed towards electrical goods, trades, and service suppliers. The decision to focus on electrical equipment was determined due to the higher risk it posed relative to our electrical contractors. Based on the risk assessment, it has been determined that Simonds Group has a low risk of modern slavery within its electrical equipment supply chain.

Our first layer in the electrical equipment supply chain are Australian-based electrical contractors. These contractors engage skilled and qualified electricians and apprentices on Simonds construction sites. They are small to medium sized, family owned and operated businesses that do not typically use at-risk labour segments. Our electrical contractors are highly aware of their legal and ethical obligations as employers and follow Australia's employment, industrial relations and workplace health and safety laws.

Our second layer consists of a number of third-party distributors where electrical equipment is purchased by our electrical contractors. It should be noted that all equipment purchased from these distributors by our electrical contractors is specified by Simonds through direct supply agreements between Simonds and the original equipment manufacturers (OEMs).

These OEMs are our third layer within the electrical equipment supply chain and are regarded as reputable Australian and internationally based OEMs including, Clipsal (switches and boards), Climate Technologies (air conditioning units), Technika (appliances), Miele (appliances), Mirabella (downlights), Beacon Lighting (pendant lights) and CSR Bradford (solar equipment). These companies were found to be medium to large organisations with well-established processes and procedures in place to monitor modern slavery risks within their own supply chains. This is evidenced via their parent companies reporting under the Modern Slavery Act 2018 or equivalent international legislation.

At this stage, we are reliant on the established processes of these OEMs to manage any modern slavery risks within our fourth layer, these being either smaller component or raw material suppliers. It is within these layers that the greatest potential risk of modern slavery was identified within our supply chain. The relative maturity of the OEMs with their reporting obligations regarding modern slavery provides comfort that any potential risks are being effectively managed.

**7% OR \$43M**  
ANNUAL SPEND ON GOODS  
AND SERVICES DIRECTED  
TOWARDS ELECTRICAL  
EQUIPMENT

# ASSESSING EFFECTIVENESS

**The General Counsel is responsible for assessing and addressing modern slavery risks, with oversight from the Chief Financial Officer.**

The modern slavery risk assessment and approach will be reviewed annually and reported to the Board.

Recommendations will be actioned as part of our regular risk and compliance programs. The General Counsel will report to the Audit and Risk Committee and the Board 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 will:



## COMPLIANCE

Ensure suppliers and contractors complete due diligence questionnaires, and agree to the terms of our Supplier Code.



## KNOWLEDGE

Continue to engage with suppliers to greater understand the source of manufactured products and electronics.



## CORRECTIVE ACTION

Where risk issues are identified with a supplier, ensure that corrective action plans are created and implemented.



## CONTINUAL IMPROVEMENT

Continue to engage with suppliers to identify points of improvement and track modern slavery risk awareness levels.



## ONGOING ASSESSMENTS

Continue to undertake 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.



**Simonds Group**

**THIS STATEMENT WAS APPROVED BY THE  
BOARD OF SIMONDS GROUP LIMITED ON  
THE 15<sup>TH</sup> OF DECEMBER 2022**

A handwritten signature in black ink, appearing to read 'Rhett Simonds', written over a white background.

**RHETT SIMONDS**

CEO AND EXECUTIVE CHAIRMAN

