

Scott Park Group

Modern Slavery Statement 2023

01 Introduction

02 Our Structure, Operations and Supply Chain

03 Identifying Risks of Modern Slavery in Our Supply Chain

04 Actions we have taken to Address Modern Slavery

05 Assessing Effectiveness of our Actions and the Path forwards

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

About this Statement

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 2023 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 Scott Park Group makes this statement in accordance with the Modern Slavery Act 2018 (Cth) and draft guidance for reporting entities.

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 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. 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 Operation and Structure

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 2023, Scott Park Group has 318 employees in Australia, 86 in the Philippines, and 1430 suppliers and subcontractors. We built 855 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 has a Human Rights Policy, participates internationally in the UN Global Compact and the World Business Council for Sustainable Development, and complies with international human rights bills, the International Labour organisation Core Labour Standards, the Ten Principles of the UN Global Compact and the United Nations Guiding Principles on Business and Human Rights. Their Code of Conduct calls for the respect of the human rights of all individuals and does not permit forced labour or 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 provide 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.

Our Supply Chain

Our supply chain includes various products and services primarily the procurement of building and construction goods and materials, technology, and office equipment. We work with subcontractors, suppliers, professional services, and on occasion, labour hire agencies. In the main, the responsibility for procuring building materials is centrally managed and sourced through local and national Australian suppliers.

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. We have previously assessed the risk of modern slavery practices within our operations, in Australia and in the Philippines, and in our supply chain, through a thorough process of investigation and consultation, examining their potential to cause, contribute to, or be directly linked to modern slavery. While there is no material requirement to report in Philippines on Modern Slavery, we have adopted the same risk assessment, investigation, and preventative measures as in Australia.

We review our risk analysis on a yearly basis. The information below reflects our current assessment of risk as of December 2023.

a) Risks in Our Australian Operations:

We have determined that our direction operations represent a low risk due to the following:

<u>Identified Risks</u>	<u>Reasoning behind Risk Assessment</u>
Permanent Staff	<ul style="list-style-type: none"> * 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 *COO with Modern Slavery accountability *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 which meets on a quarterly basis

	<p>* Designated Modern Slavery contact for all modern slavery related queries or concerns</p> <p>*A companywide email address for raising modern slavery possible risks or / and concerns</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; this includes Whistle Blower, Code of Conduct and Modern Slavery policies</p> <p>*An online training platform which hosts a training and awareness course on Modern Slavery which is a mandatory requirement for all employees</p>
Casual Staff or Contractors	<p>*13 Casual Staff are paid above award wages and in line with all fair work legislation</p> <p>* None of the casual employees are under the age of 18</p> <p>*Casual Staff and Contractors complete Mandatory training on Modern Slavery on online platform</p>
Migrant workers	SPG does not sponsor employees
Staff on visas	SPG has a small number of staff on partner visas or bridging visas
Services engaged by SPG	SPG relies on services including recruitment, cleaning, and property maintenance. We have long-standing relationships with recognised service providers who are included in Supplier Agreements with reference to Modern Slavery clauses

b) Risks in Our Philippines Operations:

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. Our assessment of current risk of Modern Slavery in our Philippines operation, as of December 2023, is low.

<u>Identified Risks</u>	<u>Reasoning behind Risk Assessment</u>
Staff	<p>*Australian General Manager, who visits the Philippines office every 2-3 months for a week, reports to the Board, 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 eleven 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>*85 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 • Modern Slavery, Whistle Blower and Code of Conduct Policies which align with Australian policy with a subclause for local wording • 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	<p>One contractor</p> <p>No casual employees under the age of 18</p>

Subcontracted labour hire	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	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 international organisations.

c) Risk in Our Supply Chain

A sizeable component of the construction and supply of materials is through our supplier and subcontractor base. Scott Park Group have a large number of registered suppliers with approximately 1430 suppliers and subcontractors being invoiced in the last financial year. Our procurement expenditure in FY 2023 was \$156.5 million paid to suppliers in Australia.

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. Demand has continued to be high for trade skills in Western Australia, with accompanying high rates and choice of companies hiring, therefore 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 higher risk suppliers to consult with.



As outlined in our analysis in 2022 Modern Slavery statement, key risks of Modern Slavery in construction are in the procurement of building materials and products (KPMG Property, Construction and Modern Slavery report 2020).

We have previously assessed supplier risk based on volume (total supplier spend amount), industry category, geographical area of operation and current understanding of depth of tiering, and the risk of country / geographical area of origin (assessed using utilised The Global Slavery Index) 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.

While we see the risk of Modern Slavery in our Australian suppliers as low, we acknowledge that they usually, in turn, source raw materials or components or labour from their overseas suppliers. 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.

Our visibility, and therefore understanding of the risk of Modern Slavery, is at the tier one supplier level. Our ongoing goal is to deepen the knowledge and understanding of these supply chains, the components of the materials and our suppliers' suppliers and manufacturers.

Based on this our assessment of current risk, as of December 2023, we assess tier one suppliers as being low risk, and acknowledge that tier two and three suppliers and manufacturers are not yet explored. We therefore see the overall risk in our supply chain as medium.

<u>Identified Risks</u>	<u>Reasoning behind Risk Assessment</u>
--------------------------------	--

Suppliers	<p>* Suppliers are required to complete a Supplier Registration Form, signed by a Authorised person, within which the supplier warrants that the Supplier and its supply chain has not been convicted of any offence involving Modern slavery, that it must notify the Customer if it becomes aware of any actual, perceived or potential risk and warrants that its supply chain conducts its business to reduce the risk of modern slavery and agrees to participate in a Modern Slavery Audit. This documentation is required to be signed and provided to Scott Park Group before an invoice is paid. It includes a modern slavery specific email address for any concerns or risks to be raised.</p>
Subcontractors	<p>*Subcontractors receive a Group Trade Pack which refers to the Modern Slavery policy and acknowledges receipt of, and agreement to the Policy, prior to commencing work on site. It requires Subcontractors to immediately raise concerns about any issue or suspicion of modern slavery in any part of its business or supply chains of any supplier tier. This document must be signed, and agreed to, before commencement of any work. It includes a modern slavery specific email address for any concerns or risks to be raised.</p>
Ongoing Suppliers	<p>*The process of obtaining agreements and supporting documentation from our Suppliers in relation to Modern Slavery is on an ongoing basis.</p> <p>* Particular materials and / or companies are raised, and discussed at Modern Slavery Committee meetings, to prioritise risk assessment and consultation</p>
Ongoing Subcontractors	<p>*A project is in progress to enable annual acknowledgement of Modern Slavery through an online portal</p>
Major Tenders	<p>*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</p>

4. 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. Specific actions taken in this reporting period include:

a) Australia Operations

Staff Education and Training

We have implemented an online training platform with a mandatory Modern Slavery course which helps employees and contractors to become more aware of situations where they could come across modern slavery and / or human trafficking. It is a 45-minute course designed for the business / corporate environment; it identifies what modern slavery is, areas where modern slavery could be detected at work, and develops an awareness of signs of slavery and / or human trafficking and what to do with respect to the individual's role in safeguarding. It also clarifies the importance of ensuring an ethical supply chain. Training on Modern Slavery is ongoing and will take place at least once a year with staff across the entities and functions.

b) Philippines Operations

Whistle-blower, Modern Slavery and Code of Conduct Policies & Communication Channel

Adjustments were made to better align the Scott Park Group Australian and Overseas Modern Slavery Policies with an overarching statement so where there is variance with legislative requirements, or where one jurisdiction is silent on a position, that the Australian policy takes precedence. This is in line with our decision for our Overseas Operations to adopt the same standards in relation to Modern Slavery as we have in Australia.

A designated Modern Slavery contact has been identified for any concerns or risks with Modern Slavery and an email address created and communicated for this purpose.

Overseas Staff Education

We have reviewed options for the delivery of online training for our Overseas employees with adjusted content for relevance.

c) Subcontractors and Suppliers

Ongoing Consultation with Key & High-Risk Suppliers

We have commenced the process of engaging with the top and higher risk suppliers across the Scott Park Group. 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 continue this process beyond the tier one suppliers, we have developed Modern Slavery resources and reference links to increase awareness around modern slavery for smaller suppliers.

We have begun the process of discussions within the Modern Slavery Committee on sanctions, remediations and appropriate timeframes where modern slavery concerns are raised or found.

We have developed an annual review questionnaire which will be sent out to our suppliers in 2024, and on an annual basis, to enable us to gain a greater understanding of our suppliers progression in modern slavery and to inform us of where to concentrate our risk assessment and consultation.

5. 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 have a number of key measures we have established and are monitoring which 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

On our Roadmap for 2024 includes:

Awareness of Modern Slavery

We are interested in assessing the level of awareness in 2024 with staff and supply chain to identify whether, and if so, how well awareness of these issues has “moved the dial” for our operations and supply chain which we will do through a Questionnaire we have developed.

Risk Assessment and exploration of Suppliers

We see ongoing exploration required beyond our tier one Suppliers to better understand their risks and what measures the Suppliers are putting in place to prevent Modern Slavery. This will be particularly focused on suppliers with manufacturing in Asia.

Modern Slavery Data Analysis

We seek to investigate a platform to more easily collate and assess the Modern Slavery data gained through our consultation with Suppliers and Subcontractors in order to better analyse and prioritise our efforts.

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

We have prepared this statement in consultation, and with ongoing education, with our owned and controlled entities. The Modern Slavery Committee, which is representative of our entities, ensures that risks are assessed, discussed, and addressed. The Modern Slavery Committee has responsibility for communicating to the businesses and to the Board. We see this as an ongoing process of continual learning and improvement to better understand and reduce the risks of Modern Slavery in our operations and supply chain.

This statement was approved by the members of the board of Scott Park Group on 30th May 2024.

A handwritten signature in black ink, appearing to read "Yasuhiro Odagane", written over a horizontal line.

Yasuhiro Odagane

Director