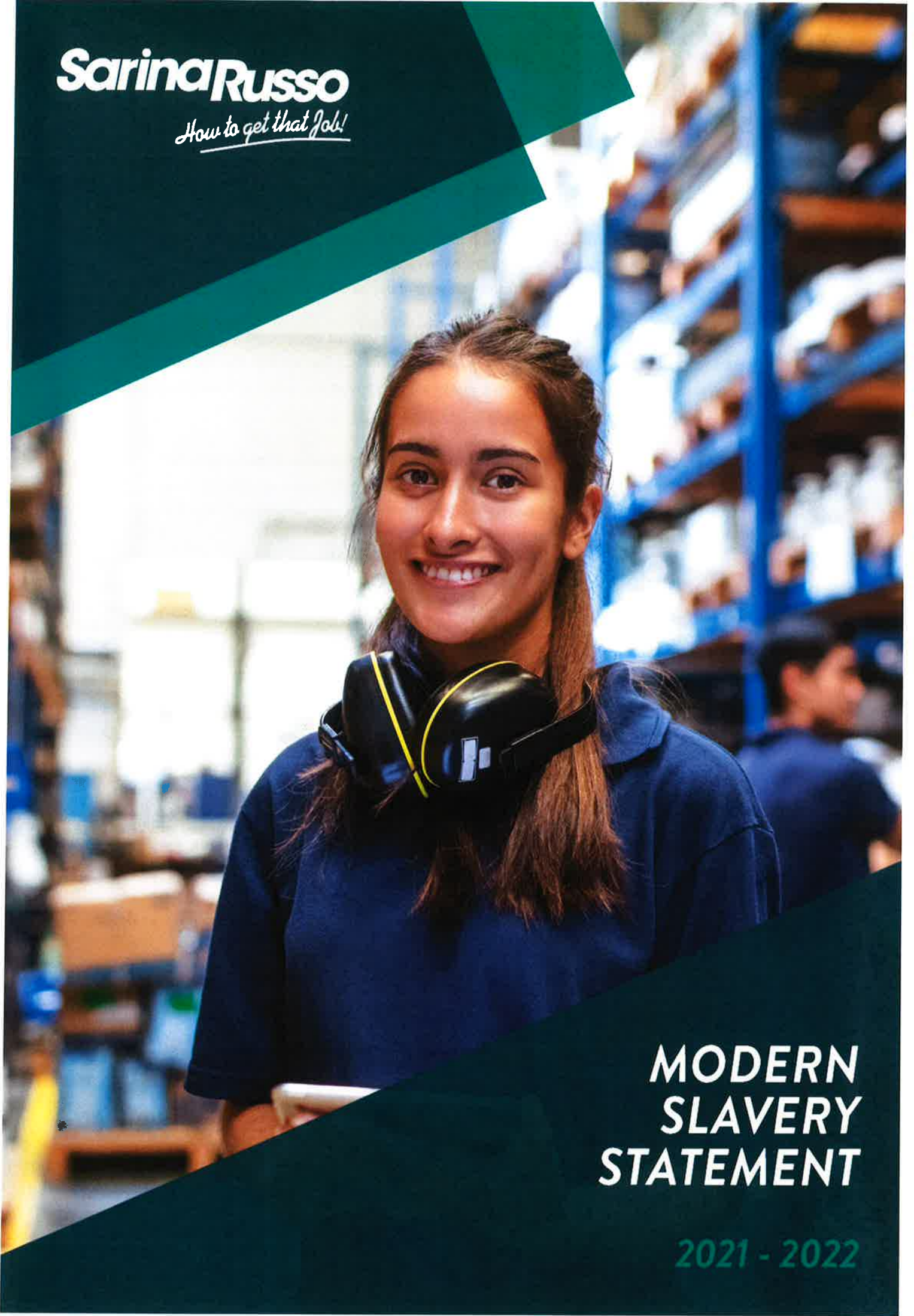


**Sarina Russo**

*How to get that job!*



**MODERN  
SLAVERY  
STATEMENT**

2021 - 2022

## INTRODUCTION

The Sarina Russo Group of Companies is a market leader in education, training and recruitment services across Australia. The Sarina Russo Group comprises all of the operating entities on pages 3 to 4 and constitutes the Reporting Entity for this Statement (“the Group”).

This statement sets out the actions of the Group in recognition of our obligations under the *Modern Slavery Act 2018* (Cth). This includes our obligations to report on, monitor and where possible manage, lessen and remove the risks of modern slavery in our operations and supply chains.

In providing services on behalf of the Commonwealth across various contracted programs and also as a higher education provider within a strict legislated compliance framework, the Group has an extremely low risk appetite for being associated with suppliers who are at risk of modern slavery in their operations.

Whilst we recognise that all levels of operations and management have a responsibility for implementing effective measures to ensure compliance with the Act, the Executive Team and particularly the Risk Management and Compliance Committee are primarily responsible for the oversight of this Statement’s contemplated actions.

The Chair of the RMCC which is made up of executive representatives receiving reports from the key risk areas of Legal, Quality Assurance, Property, IT and Education endorsed this Statement with the Managing Director.

## OVERVIEW OF THE 2021 – 2022 MODERN SLAVERY STATEMENT

This Modern Slavery Statement covers the reporting period of 01 July 2021 to 30 June 2022.

All references to modern slavery in this Statement are understood to refer to the definition of modern slavery in s 4 of the *Modern Slavery Act 2018* (Cth) and the expanded definition provided in the Commonwealth Modern Slavery Act 2018 – Guidance for Reporting Entities published by the Department of Home Affairs.

### Legislative Framework

This Modern Slavery Statement had regards to the below existing instruments addressing modern slavery in Australia.

Instrument	Summary
<b><i>Criminal Code Act 1995</i></b>	Criminalises trafficking, slavery and slavery-like practices

<b>Crimes Act 1914</b>	Provides protections for trafficked persons when giving evidence and allows a court to order that offenders make reparation to victims
<b>Migration Act 1958</b>	Provides offences for allowing an unlawful non-citizen to work or breach work-related visa conditions, and to contrive a marriage for the purpose of obtaining a visa. Changes in 2015 strengthened penalties for paying for visa sponsorship
<b>Fair Work Act 2009</b>	Provides for minimum work standards and obligation on employees' workplace rights. Empowers the Fair Work Ombudsman to enforce compliance with the Fair Work Act
<b>Marriage Act 1961</b>	Provides offences for solemnising or going through a ceremony of marriage with a person who is not of marriageable age.
<b>Proceeds of Crime Act 2002</b>	Provides a scheme for tracing, restraining and confiscating the proceeds of crime, including trafficking and slavery

The Group recognises that modern slavery is an offence under the Criminal Code.

Offence	Criminal Code Section	Maximum penalty	Maximum penalty (aggravated offence)
Slavery	270.3	25 years imprisonment	
Servitude	270.5	15 years imprisonment	20 years imprisonment for aggravated offence
Forced labour	270.6A	9 years imprisonment	12 years imprisonment
Deceptive recruiting for labour or services	270.7	7 years imprisonment	9 years imprisonment
Forced marriage	270.7B	4 years imprisonment	7 years imprisonment
Trafficking in persons	271.2	12 years imprisonment	25 years imprisonment
Domestic trafficking	271.5	12 years imprisonment	20 years imprisonment
Child trafficking	271.7	25 years imprisonment	20 years imprisonment
Organ trafficking	271.7B	12 years imprisonment	25 years imprisonment where victim under 18 years
Debt bondage	271.8	4 years imprisonment	7 years imprisonment

## The Reporting Entity | Structure | Operations and Supply Chains

The Sarina Russo Group is comprised of multiple companies that operate across the employment and education sectors. The Group operates across nearly every state in Australia and overseas. Sarina Russo Job Access is the largest privately-owned employment service provider in Australia.

During the reporting period this statement covers, the Sarina Russo Group actively engaged and consulted with all companies we own or control in the development of this statement (entities outlined in the Corporate Structure Table). We discussed details of the Modern Slavery Act’s reporting requirements, information regarding the actions we intend to take to address these requirements and provided them with relevant materials and updates. Without limitation, this consultation took the form of:

- Reporting on the Requirements and Progress of the Modern Slavery Statement to the Risk Management and Compliance Committee, a group make up of representatives of other related entities and executives with Group-wide responsibilities.
- Executive approvals of amendments made to our ISO27001 information security regarding information particularly regarding supplier management and auditing ISO9001 quality management approved purchasing, delegation, procurement and expenditure policies to incorporate measures to counter modern slavery risks as detailed in this Statement.
- Standing Items in Executive Meetings between all companies we own or control highlighting the requirements of modern slavery risk treatments in all engagements with present modern slavery risks.
- Tabling of Modern Slavery Statement in draft and final form to controlling representatives of all companies we own or control to obtain required endorsement.

Full Legal Names	Service Type and Major Supply Chain
<p>Sarina Russo Schools Australia Pty Ltd trading as Sarina Russo Institute (“SRI”)</p> <p>ABN 39 010 129 325</p>	<p>SRI is a registered training organisation which educates thousands of domestic and international students in the delivery of courses in English Language and vocational education. As a provider of education, its supply chains relate principally to the procurement of students, including international students and the goods and services chains that assist in the provision of education delivery.</p>
<p>Sarina Russo Job Access (Australia) Pty Ltd</p> <p>ABN 21 090 052 350 (“SRJA”)</p>	<p>SRJA provides employment services to around 60,000 jobseekers at any given time, providing employment services under the Commonwealth’s Workforce Australia Contracts, Employability Skills Training and Disability Employment Services. Across over 80 sites principally across Queensland; Victoria and New South Wales, SRJA’s employment services include providing services towards employability, engaging with training and Commonwealth services towards enhancing prospects of jobseekers achieving sustainable employment.</p>

Sarina Russo Entrepreneurs, a subdivision also provides business and entrepreneurship training for those seeking to establish their own business under the Commonwealth's Self Employment Assistance arrangement. The supply chain is principally through the referral of jobseekers from the Commonwealth and the supply chains of goods and services which relate to assisting in the referral of jobseekers into employment.

Sarina Russo Apprenticeships (SRA) operates under similar Commonwealth-led supply lines but consists of a caseload seeking entry into apprenticeships and traineeships. SRA thereby operates as a supply line intermediary between the Commonwealth and employers in referring to them suitable trainees and apprentices. Its supply chains similarly relate to the provision of services assisting trainees and apprentices in placements with employers. Sarina Russo White House (SRWH) is a property facilities and cleaning company which provides cleaning and property support services principally for the properties which the Group owns and leases.

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Sarina Investments Pty Ltd

ABN 81 056 887 757

(In its own capacity and also the trustee of entities including the 82 Ann Street Nominees)

Sarina Investments Pty Ltd is a property investment company which owns, leases and operates commercial – particularly CBD buildings. Its supply chains relate principally to the engagement of supplies, consumables and property-relates services and contractors to ensure the effective operation of the buildings and its services.

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Russo Higher Education Pty Ltd ("RHE") trading as "James Cook University Brisbane"

ABN 78 114 135 563

James Cook University Brisbane is a university campus operated by RHE through a joint venture with James Cook University offering courses in Accounting, Business, Education, Hospitality and Tourism and Information Technology.

JCUB students consists of international students from over 30 different countries procured through overseas agents as well as goods and services provided in the course of delivering education and campus experiences to students.

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VOICE Psychologists and Allied Professionals Pty Ltd

ABN 65 120 069 570

VOICE is the psychology arm of the Group, principally providing services on behalf of SRJA as contracted to provide employment services under the Workforce Australia Contract. VOICE provides interventions to assist jobseekers overcome emotional and psychological barriers to employment. Its supply chains are aligned to the other employment services divisions in providing employment related services to job seekers. VOICE also provides Employment Assistance Program activities for external employers to assist employees in overcoming their barriers to optimising their work engagement.

## Assessment of Potential Modern Slavery in Operations and Supply Chains

The Group continues to adopt a disciplined approach to assessing the risks of modern slavery in our operations and supply chains. Although the company has a diverse range of operations, there are some common risks relevant to its line of services given that the Group entities work in related industries of education, training and recruitment. The common supply lines and risks between entities enabled us to perform a broad review over all entities.

The assessment was undertaken in accordance with the Risk Rating Matrix Contained below.

The combination of assessing both the consequence and likelihood of the risks against this matrix ascribed a risk rating (low, moderate, high or extreme) and a risk level (numerical output of multiplying the consequence and likelihood values). This enabled us to rank the risks in totality at a **low** risk rating in accordance with the Key in the Risk Matrix. This low risk rating has been ascribed after assessing Inherent Risks and, the Residual Risks after the implementation of our Risk Treatments detailed in this Statement.

Risk Type	Meaning
Inherent Risk	The risk that exists prior to any Risk Treatments being implemented to manage the risk.
Residual Risk	The risk which remains after Risk Treatments have been put in place and are operating effectively to manage the risk.

Given the Group's principal services of education, training and recruitment are inter-related services, common supply and operational lines – and therefore- supply line risks – exist Group wide.

The Group's risk focus on modern slavery reflects the defined eight categories of serious exploitation in Australia.

- 1) Trafficking in persons
- 2) Slavery
- 3) Servitude
- 4) Forced Marriage
- 5) Forced Labour
- 6) Debt Bondage
- 7) Deceptive Recruiting for Labour or Services
- 8) The Worst Forms of Child Labour

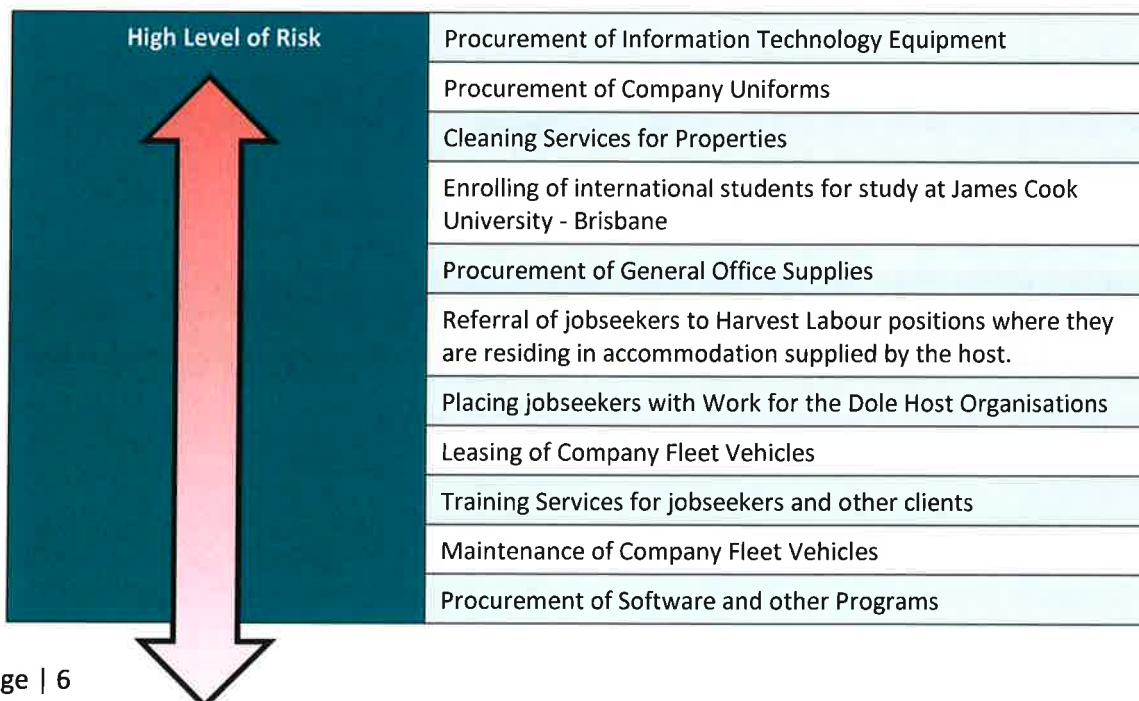
Based on our risk assessment, the primary risks given our line of services relates to the underlined categories above.

## Form of Modern Slavery    Meaning in Australian Context

<b>Servitude</b>	Occurs when the victim does not consider themselves free to cease providing their labour or services OR to leave their place or area of work because of threats, deception or coercion. Servitude is found in situations where the victim is deprived of his or her personal freedom.
<b>Forced Labour</b>	Occurs when the victim does not consider themselves free to cease providing their labour or services OR to leave their place or area of work because of the use of threats, deception or coercion.
<b>Debt Bondage</b>	Occurs when the victim pledges their services or the services of a third person as security for a real or purported debt where this debt is: manifestly excessive; or the reasonable value of their services is applied to the debt; or the length and nature of their services are not limited or defined.
<b>Deceptive Recruitment for labour or services</b>	When a person is deceived about their work and their work involves exploitation through a type of modern slavery.

### Operational Risks in the Group's Supply Chains

Although risks of modern slavery were identified during this assessment, there is no evidence currently that any modern slavery incidents are occurring in our Group operations or supply chains. The risks identified as part of this assessment largely relate to situations or circumstances where no modern slavery was evident, but there existed inherent industry risks or circumstances of some potential vulnerability or dependence which if not subject to Risk Treatments may devolve into modern slavery. The graph below provides an indicator of scale of our Modern Slavery risk across business units operational and supply lines.



Low Level of Risk	Cleaning Materials and Supplies
	Maintenance of Properties
	Maintenance of Information Technology Equipment
	Information Technology Services
	Staff Training and Welfare
	Audit Services

## EMPLOYMENT SERVICES

### Identified Issues

The scope of our audits into our Employment Services regarding modern slavery noted the below potential issues for consideration:

- Placing vulnerable jobseekers or those with other barriers to employment in employment with employers who may subject staff to modern slavery
- Placing jobseekers and working holiday makers in harvest labour jobs that may be exploitive or have inappropriate business practices having regards particularly to their room and board requirements and large proportion of culturally and linguistically diverse participants in harvest labour
- Placing jobseekers in industries and sectors that are known to have poor compliance with labour laws and regulation or unscrupulous employers
- Placing jobseekers in employment that may involve illegal practices or operations
- Placing jobseekers in industries and sectors that are known to have a high risk of modern slavery practices, such as cleaning services
- Placing jobseekers with Work for the Dole Host Organisations that may treat them in an inappropriate, exploitative or unsafe manner
- Placing apprentices in workplaces that have inappropriate or exploitative work practices

The Inherent risks against the Risk Rating Matrix identified that in terms of likelihood and consequences the above risks are overall **low** to **moderate** on our Risk Rating Key. This Statement details our overarching additional Risk Treatments but in relation to the above issues, we have implemented additional Risk Treatments specific to the above potential risks:

Risk Treatment	Function and Effect
<p>Our processes under the Deed we have with the Commonwealth with each jobseeker we are obligated to:</p> <p>a) Explain to jobseekers their rights and obligations under Social Security Law; and</p>	<p>This ensures that at the commencement of our engagement with each jobseeker, we provide to the jobseeker details of the minimum labour and wage requirements as well as the body to which complaints regarding the Fair Work Act or labour rights breaches may be lodged. This</p>



- b) The National Minimum Wage,
- c) The Fair Work Ombudsman website (including the Pay and Conditions Tool);
- d) contact details for the Fair Work Ombudsman,
- e) otherwise comply with any Guidelines stipulated by the Commonwealth.

education safeguards jobseekers from being unwittingly subject to deceptive labour practices or forced labour otherwise.

Translation support services also ensures that cohorts who may not be aware of their workplace rights have a process by which they may be availed of their rights.

For culturally and linguistically diverse clients, we have translation services to help explain these workplace rights.

In most of our Commonwealth Agreements, SRJA is inhibited from subcontracting without the Commonwealth's prior written approval.

Modern Slavery is often capable of thriving in circumstances in industries which adopt subcontracting models across its supply chains.

Accordingly, the review of any subcontracting proposal is subject to review by the Commonwealth.

The employment services system of forbidding subcontracting without Commonwealth approval ensures the Commonwealth itself subjects SRJA and the Subcontractor against its own standards of approval. As the Workforce Australia Deed indicates, this standard includes stringent requirements in relation to complying with workplace laws and the subcontractor (if approved) commanded to notify the jobseekers of its workplace rights.

Contractual provisions also require that that every Subcontractor is aware (if approved by the Commonwealth) of all terms and conditions of our Workforce Australia Deed relevant to the Subcontractor's part in the provision of the services. This includes the notifications regarding the jobseekers work rights as detailed above.

Together this works to significantly limit the risk that any supplier of services under the Commonwealth contracts would be able to operate in contravention of workplace laws.

In any event, our Contractual obligations with the Commonwealth details that we are liable to the Commonwealth for all losses for the acts or omissions of the subcontractor.

Work for the Dole team provides substantial risk and compliance measures including ensuring

- a) Subject to a risk assessment in relation to the Host Employer and activity undertaken by the Host;
- b) Have binding legal agreements specifying clear details as to the nature of duties of participants and obligations to report incidents – all signed by In-House Legal Counsel.
- c) Due diligence is performed with Hosts including ABN searches, website reviews and insurances are reviewed prior to engagement;

These functions ensure that there is a clear due diligence process into assessing the Host and the functions of the activity. Strong legal agreements which bind the host to ensuring clear risk assessments are undertaken in relation to modern slavery strongly obligate the Hosts towards compliance with our safe work standards.

A monitoring program after the commencement of the Activity ensures that there is strong oversight over the nature of work for the dole activities such that risks relating to modern slavery are promptly flagged.

- d) Visitations and risk assessments are undertaken after the commencement of the activity to ensure effective monitoring following commencement of the Activity.

Wage Subsidies facilitated by SRJA and provided to Employer are conditional upon the employer's provision of:

- a) A written agreement confirming the payment has been made in accordance with award conditions; and
- b) Provision of primary evidence such as payslips to support the payments in compliance with these workplace laws.

This Risk Treatment ensures that empirical evidence of proper payment of jobseekers is provided by the employer before the employer satisfies the preconditions under the Wage Subsidy Agreement.

Making payment of the wage subsidy to the employer as contingent of satisfaction of these conditions is a strong safeguard towards ensuring that the subject employer pays the employee in accordance with the minimum requirements at law.

A dedicated post-placement support team provides contact with jobseekers after placement. This includes enquiring with the employee on his or her workplace activities.

Post placement support provides a mechanism by which jobseekers once placed in employment may confirm to us any inappropriate work practices.

Regularly, the post-placement support also includes the collection of wage evidence from the jobseeker.

The collection of wage evidence from the employee provides a primary source from which we can verify if the jobseeker is paid in accordance with Award conditions.

**Pre-Established Compliance and Audit Standards**

The Group is in an advanced position to address the risks of modern slavery in our operations and supply chains.

Our operations have a full time Quality Assurance team which have established ISO9001:2015 compliance and quality standards to audit our performance of our contract which requires adherence to labour laws.

Having a central team dedicated solely to the reconciliation and approval of claims and internal audit provides a broad and consistent higher audit standard than what exists in less regulated industries. This downgrades the potential that supply line engagement or modern slavery risks would persist unchecked.

The Risk Treatments implemented by the Group in employment services significantly reduce the Inherent Risks in the industry and supply lines such that the Residual Risk of jobseekers in employment services being placed into situations of Modern Slavery are **low**.

**James Cook University Brisbane Students**

Russo Higher Education Pty Ltd trading operates the Brisbane Campus of James Cook University. James Cook University Brisbane provides tertiary education for international students; a cohort who are at higher risk of falling into modern slavery.

## Identified Issues

We have identified the below potential Inherent Risks in this industry:

- The chief recruitment of international students is through third party agents in other countries, some of which are flagged by the United Nations as being nations with less labour law protections
- There is the potential of debt bondage for international students who are in financial difficulties, particularly in the casual labour market
- International students experiencing financial hardship have been prone to taking out problematic or dangerous loans which may lead to situations of coercion
- Students potentially entering forced marriages as a method of financing their education or to exploit immigration laws
- Recruiting international students from countries or regions that have been identified as having a high risk of modern slavery and exploitation

Risk Treatment	Function and Effect
<p>We have Agent Agreements which bind the Agents towards complying with our compliance standards.</p> <p>The Agent Contract is based on a pro-forma contract drafted by In-House Legal with the Agent.</p> <p>The Agent agreements specify that the Agent is bound by Australian laws in all dealings under the Arrangement.</p>	<p>The binding of agents to Australian laws safeguards against adopting inferior standards in the recruitment process. The direct contacting of students outside the Agent relationship also ensures direct vetting of Students to ensure appropriate eligibility.</p>
<p>The International Compliance Team ensures that the University complies with regulatory requirements which apply to the delivery of education services to international students, along with administering commission payments and other foreign funding arrangements.</p> <p>Potential students are required to go through a document verification process and have video interviews with JCUB staff prior to engagement.</p>	<p>Several layers of vetting after the Agent engagement ensures an extra layer of monitoring of recruitment practices. Independent engagement with the students to ensure eligibility criteria is met and safeguards implemented.</p>

<p>Students undergo a financial assessment check to ensure they meet any financial eligibility requirements.</p>	<p>Debt bondage and the lure of casual work with invalid payment practices has a potential to develop where students are unable to meet their financial commitments.</p> <p>This assessment ensures that students need to pass financial standards which assist in verifying the student's capacity to pay and live independently whilst studying in Australia. This reduces the likelihood that students who enrol are going to find themselves in hardship and prone to engaging in unlawful forms of employment.</p>
<p>When working with third party agents based outside of Australia there are several levels of due diligence performed. Third party agents are always reference checked and require references from other universities and are requested to provide business registration information.</p> <p>JCUB provides publicly available Information for Agents summaries which confirms that we take all reasonable measures as part of our selection criteria to only engage Agents who have sound knowledge and understanding of the Australian international education industry and who are honest and maintain integrity when conducting their services.</p>	<p>The process of Agent recruitment provides strict vetting of Agents' knowledge of the education industry and compliance requirements.</p> <p>Independent audits into the agents themselves ensure monitoring of the overseas recruitment process to ensure compliance with our modern slavery standards and safeguards.</p>
<p>Management staff also conduct inspections of the Agents in countries of origin to assess recruitment practices.</p>	<p>This Risk Treatment enables management to inspect for compliance Agent recruitment practices as well as observe labour markets within countries of origin for students.</p>
<p>Overall, accreditation for James Cook University and Sarina Russo Institute respectively is provided pursuant to strict federal higher education legislation.</p> <p>This legislation and skills quality framework requires a high level of reporting and audit standard.</p>	<p>Overall, the high-level compliance and reporting standards for this highly regulated sector demonstrate that modern slavery risks are readily identified in already-developed procedures.</p> <p>This combined with the independent audit standards inherent in these standards ensures the capacity to engage suppliers unchecked is</p>

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more limited than in other less regulated commercial enterprises.

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The Risk Treatments provided in education services significantly limit the Inherent Risks such that the Residual Risk of students being placed into situations of Modern Slavery are **low** to **moderate**.

## Sarina Russo White House

Sarina Russo White House (“SRWH”) is a property, cleaning and facilities management company operating under SRJA.

With respect to Inherent Risks in these operations, we have observed the following:

- Risks are inherent given the industry often uses lower skilled labour
- The prevalence of a subcontracting model amongst other competitors within the industry. This coupled with a competitive industry which puts price pressure on labour costs, leads to heightened risks that businesses may unwittingly contract services to a contractor who either does not pay in accordance with award rates or otherwise subcontracts the services to another party who may not make payments as required to award conditions
- The use of chemicals in the supply of services and work being undertaken in various locations creates an Inherent Risk that staff and contractors may be more likely to be exposed to unsafe work environments
- The industry itself has a preponderance of migrant and visa holding workers. This cohort is more prone to falling into modern slavery owing to either a potential unawareness of labour laws or limited capacity to find other forms of suitable employment

Risk Treatment	Function and Effect
The base standard procurement of any contractors requires their explicit agreement, through our contract which:  <ol style="list-style-type: none"><li>1. Prohibits subcontracting;</li><li>2. Requires payment of award conditions to all staff; and</li><li>3. Commands compliance with our specified safe work procedures including hazard reporting.</li></ol>	The central vetting of the Contractor business by Executive also ensures Contractors are only engaged with valid business structures.  The restriction on subcontracting significantly limits the inherent risk of Contractors on-subcontracting the services to unscrupulous operators.  As all work is undertaken by the primary contractor’s business, SRWH is able to have primary oversight over and contact with workers to ensure the compliance with our safety and payment requirements.
In addition, all Contractor businesses are vetted by Executive for appropriate business registration details and insurances.	

Adoption of a low risk appetite which has committed to a stringent vetting of clients for cleaning services such that:

1. Engagement of external business does not exceed a disproportion balance to that of internal cleaning within the Group.
2. All tenders for work are first approved by Legal Counsel having regards to the host business corporate standing, site risk assessment and our limited risk appetite.
3. Requiring the SRWH business unit to comply with the requirements of its ISO9001 business requirements.

A policy of ensuring that a large proportion of work is undertaken internally within the Group's owned and leased buildings ensures that there is day to day oversight of cleaning and facilities teams by other business units.

This restrictions on the engagement of large numbers of external clients supplements the no subcontracting model to ensure that the business unit remains scaled down to ensure appropriate oversight of modern slavery risks.

Requiring the business to operate against the ISO9001 accreditation holds the business to higher standards in its operational standards as prescribed under that certification.

Internal and External audits are undertaken to ensure quality and compliance standards. This includes our engagement of external auditors to provide the CM3 Health and Safety prequalification.

The engagement of external auditors against a national standard supplements internal oversight to ensure that work practices of our contractors are maintained to the national standard.

SRWH is a registered business name of SRJA and is bound by the Workforce Australia Deed.

This means SRWH standards in relation to workplace laws are bound to the stringent requirements of the Commonwealth's Workforce Australia Deed regarding compliance with workplace laws.

The above Risk Treatments demonstrate the Group's commitment to an extremely low risk appetite when it comes to modern slavery risks, particularly in the property facilities and cleaning industry. The limit on scaling up the business, preclusions of subcontracting and assurance of the business unit being bound to ISO2009:2015 and the Commonwealth's contract standards has reduced the Inherent Risks found in the industry. The Residual Risk of modern slavery in SRWH operations has been determined to be **low**.

## Information Technology Procurement Risks

The assessment of information technology supply lines identified several supply chains that have a higher risk of modern slavery given the potential origins of the product's manufacture. The following risks were identified as being inherent in this supply line:

- There is a high risk in sourcing equipment from suppliers out of the country due to the lack of direct oversight
- The overall supply chain and assembly process for information technology related equipment can be opaque and non-transparent for those who are the end of the supply chain
- There is a high risk in sourcing equipment directly from countries that have documented modern slavery incidents as well as less stringent worker protections
- The presence of modern slavery in the making of information technology equipment is well documented given the mass production of these items
- There is often no readily available way to identify if an organisation involved in the construction and assembly of a device or equipment has sub-contracted to another organisation that may not have suitable work practices

The Group has noted the risk in Modern Slavery in information technology procurement risk. As such, the procurement of information technology equipment has been centralised within our Procurement Policy. That is, there is no information technology equipment which may be sourced outside Corporate Services head office and subject to the strict criteria below.

We note that the following overarching Risk Treatments also supplement the Risk Treatments specific to the business units above. Accordingly, this effects a reduced Residual Risk rating in all these business units' operational and supply lines.

## **Overarching Risk Treatment – Centralisation of Supply Line Engagement**

The Group recognises that transparency of the supply line operations from procurement, to diligence, engagement and operations is fundamental to safeguarding against modern slavery risks. Modern slavery in supply lines readily thrives in circumstances where individuals within an organisation have unfettered rights to procure and engage goods or services with unverified suppliers.

Subject to the restrictions detailed above, the Group counters this risk by also centralising supplier and subcontractor engagement within Head Office Corporate Services.

This review takes two forms:

1. **Prior to Engagement** – established vetting, procurement and due diligence processes in accordance with the Group's Procurement Policy and financial controls.
2. **Post-Engagement** – a process of periodically monitoring and reviewing the supplier to ensure the standards sought in the procurement phase are being implemented.

Both stages of the assessment are undertaken by Corporate Services. This includes professional services such as Certified Practising Accountants, full time Quality Assurance staff and In-House Lawyers. Collectively, this Corporate Services team possess specialised professional knowledge of Modern Slavery and Fair Work Principles to provide a high procurement and audit standard.

In practice, this overarching safeguard of centralising supply chain engagement and review includes the following Risk Treatments and results:

Risk Treatment	Function and Effect
<p>A Centralised Procurement Policy</p> <p>Any requests for larger suppliers or those high on the risk profile (including information technology) require the direct involvement of the Procurement Manager and a tender process assessed on the following Policy criteria to ensure the good repute of the supplier based on:</p> <ul style="list-style-type: none"> <li>• Size of the Supplier</li> <li>• Trade History</li> <li>• Existing Client Base</li> <li>• Product on Offer</li> <li>• Contract Terms</li> </ul>	<p>The centralisation of these procedures precludes large supplier engagement outside the Corporate Services Procurement Policy which itself has significant safeguards to inhibit engagements which may have an increased modern slavery risk:</p> <p>The criteria specifically serve to ensure that the supplier:</p> <ul style="list-style-type: none"> <li>• <i>Size</i> – has the supplier the capacity to deliver to a large organisation without resorting to unlawful work practices</li> <li>• <i>Trade History</i> – is an organisation which has established trade references to provide third party account of their good repute.</li> <li>• <i>Existing Client Base</i> – is a trusted and previously vetted existing supplier or related entity)</li> <li>• <i>Product on Offer</i> – is product necessary for business needs and does it require further for risks including supply chain and Modern Slavery Grounds</li> <li>• <i>Contract Terms</i> – requires In-house Legal Counsel to vet the Agreement including inserting warranties from suppliers to safeguard against modern slavery. This may include warranties staff are paid in accordance with Award conditions and provision precluding subcontracting.</li> </ul>
<p>A centralised and restrictive Expenditure Authorisation Policy</p> <p>This requires vetting through finance, executive and Managing Director for approval over minor limits.</p>	<p>This control inhibits the engagement of any major supplier or third-party payee in excess of individual payment authorisation delegations.</p> <p>This policy effectively inhibits the engagement and payment of even small sized third-party suppliers not approved by 3 levels of management.</p>



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All third-party applications for credit are reviewed and signed by Legal Counsel.

This ensures no third-party debts and engagement can be accrued without reference to pre-vetted legal terms which typically also include requirements for third party trade references.

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Finance computer system "Workplace" provides the Head Office Finance Department with alerts of any new suppliers to be engaged for payment through Head Office accounts.

This flags a requirement for new suppliers to be duly vetted against their ABN registration and legal relationships to the Group before any commercial engagement.

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Restrictive written petty cash procedure and controls inhibiting cash payments to suppliers.

This policy responds to the risk that improper underpayments for goods or services are often facilitated by cash payments, a less traceable form of payment.

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Below we have detailed some key steps in the Procurement Processes which serve to safeguard against Modern Slavery.

The approach to this document incorporates our considerations under the below Policies (parts of which are excerpted below):

1. SRG Risk Appetite Statement.
2. SRG Risk Management Policy.
3. SRG Risk Management Framework Procedure.
4. SRG Risk Matrix.

### SRG Risk Appetite

SRG's Executive is responsible for ensuring the risk appetite is implemented operationally and drives behaviours and decision making that aligns with the risk appetite at all levels of the organisation. SRG's risk appetite is operationalised into day-to-day activities qualitatively through policy, procedure or directive and quantitatively (through financial limits, KPI's and delegations of authorities). The table below indicates SRG's Risk Appetite across certain categories:

## SRG Risk Appetite - factors

Several factors influence the risk appetite of SRG including capacity to accept the risk; goals and objectives; stakeholder demands – internal and external and industry / market conditions.

### Risk Appetite Tiers

Tier	Risk Appetite Description
Unacceptable to take risks	Avoid risk / zero tolerance. Never trade off to achieve another objective
Adverse/Cautious	Conservative Trade off only to achieve critical objectives
Flexible	Justification for risk taking strongly demonstrated Willing to trade off if conditions allow Regular reporting of risk rated above 'High'
Open willingness to take risks	Seek Opportunities Willing to trade off downside to achieve objectives

These risk categories do not operate in isolation and must be balanced when making risk decisions e.g. Investment decisions must be mindful of the return on investment.

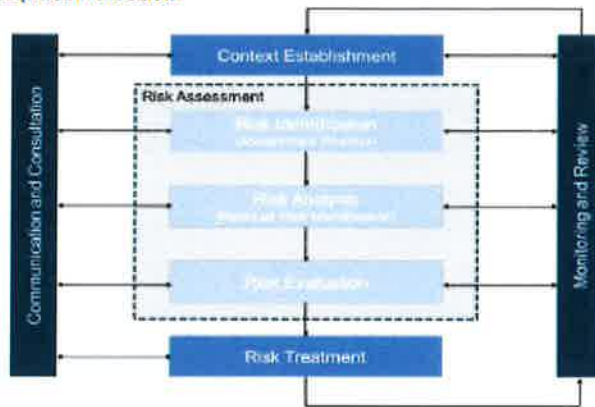
Risk Category	(Unacceptable to take risks)	(Adverse / Cautious)	(Flexible)	Open willingness to take risks
Target Risk Appetite - Correlation to Risk Rating Key in Risk Matrix	$\geq 12$	12 - 15	$\leq 12$	$\leq 12$
Goals/Objectives (Strategy)				
Market Share and Competition				
Stakeholder Collaboration and Engagement				
Financial Risks				
Infrastructure and Capital Management				
Investments and Projects				
Shared Services				
Human Resources / People				
Governance Risk and Compliance				
Workplace Health and Safety				
Education and Training				

### Correlation between Risk Appetite and Risk Matrix

In the table above we have included a correlation with the Risk Matrix. What this means is that for an activity related to a Risk Category above we must ensure that the activity does not proceed unless the Inherent Risk or the Residual Risk (the inherent Risk with Risk Treatment Plans) sits at or below the specified Target Risk Appetite.

**PROCEDURE  
REQUIREMENT – RISK  
MANAGEMENT  
PROCESS**

SRG leverages the globally recognised standard AS/NZS ISO31000 Risk Management - Principles and Guidelines as depicted in the below.



The key elements of the Risk Management process are:

1. communication and consultation;
2. establishing the context;
3. assessing the risk (identification, analysis and evaluation);
4. treating the risk;
5. monitoring and review; and
6. recording and reporting.

**Risk Rating Matrix**

Risk Likelihood	Risk Consequences				
	1 -Negligible	2 -Minor	3 -Moderate	4 -Major	5 -Extreme
5 - Almost Certain	Low (5)	Moderate (10)	High (15)	Extreme (20)	Extreme (25)
4 -Likely	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
3 -Possible	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
2 -Unlikely	Low (2)	Low (4)	Moderate (6)	Moderate (8)	Moderate (10)
1 -Rare	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

**Key Terms**

The key terms to understand are:

*“Inherent Risk” - that is, the risk that exists prior to any Risk Treatments being implemented to manage the risk.*

*“Residual Risk” - that is, the risk which remains after Risk Treatments have been put in place and are operating effectively to manage the risk.*

*“Risk Appetite” is the amount and type of risk that SRG is willing to pursue or retain in pursuit of its goals and objectives.*

*“Risk Management” an assurance process whereby activities are co-ordinated to direct, control and monitor risk.*

*“Risk Tolerance” is SRG’s readiness to bear the risk, after Risk Treatment Plans, to achieve objectives.*

*“Risk Treatment” - specific action(s) taken to modify the likelihood or consequence of the risk being realised. Treatment options include avoiding, accepting, removing, amending or sharing the risk.*

*“Risk Treatment Plan (RTP)” - this is the plan recording the Risk Treatments to address any risks that are outside of risk appetite or at risk of moving outside of appetite. This also includes action owners and timelines for completion.*

SRG's Executive is responsible for ensuring the risk appetite is implemented operationally and drives behaviours and decision making that aligns with the risk appetite at all levels of the organisation. SRG's risk appetite is operationalised into day-to-day activities qualitatively through policy, procedure or directive and quantitatively (through financial limits, KPI's and delegations of authorities). The table below indicates SRG's Risk Appetite across certain categories:

Collectively, the overarching Risk Treatments to centralise procurement, payment and third-party supplier engagement Group wide within Head Office Corporate Services places significant checks and balances inhibiting the engagement of unchecked suppliers. This reduces our overall risk rating to **low** across our line of services.

ISO/IEC 27001 (further details available in <https://www.sarinarusso.com/about-us/standards-accreditations/>)

## Investigating and Remediation of Potential Incidents

Internally, the Group's Permanent Quality Assurance Team and Risk Management and Compliance Committee (RMCC) chaired by the General Legal Counsel receives reports and audits all business units and the key risk areas of Quality Assurance, Property, Legal and Information Technology. The RMCC is primarily responsible for assessing the effectiveness of actions made under this Statement.

The Group recognises that all staff should be able to report concerns regarding safety and modern slavery in the supply line openly and without fear of recrimination. Underpinning the RMCC reporting process is the Code of Conduct which has a whistleblower policy which enables staff members to report confidentially on concerns of Modern Slavery without fear that the reporting will be prejudicial to the staff member's position. Based on any reports or complaints submitted to the RMCC, the RMCC has authority under its terms of reference to order investigations and remediation processes in the event any instance of Modern Slavery is reported or suspected.

Depending on the alleged breach and the expertise involved, the General Counsel will provide details of the specialised staff required to investigate and respond to the potential issue of modern slavery. Specialist staff in financial audit and quality assurance, the terms of the investigation will be performed on a case-by-case basis given the requirements to ensure procedural fairness in the process.

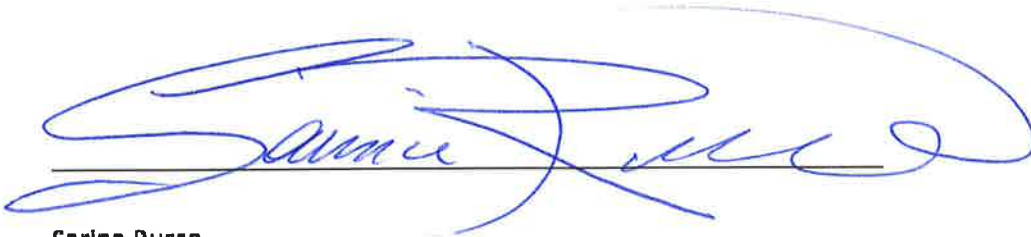
## Key Future Items

In addition to the measures reported in this Statement, the Group has provisioned for the below upcoming developments to assist in safeguarding our supply chain and clients from modern slavery risks:

1. The Group will finalise the introduction of a Modern Slavery Policy which will outline the group's response. This will include the development of a Supplier Code of Conduct and Modern Slavery Clauses to include in new and ongoing contracts.
2. The Risk Management and Compliance Committee will continue to oversee and implement remedial actions, particularly regarding the review of the Modern Slavery Policy and Supplier Code of Conduct. The Risk Management and Compliance Committee will continue to take reports from the key risk areas of operations, Quality Assurance, Information Technology and Property and assesses the effectiveness of risks and our measures against this matrix.
3. The Sarina Russo Group will publish our annual Modern Slavery Statement in the Modern Slavery Register. We will also make our statement available internally to all staff and communicate through our website. If there are modern slavery allegations against the Group or one of our suppliers, we will publicly communicate what we are doing to investigate and address these allegations.

## Signature

This 2021 – 2022 Modern Slavery Statement has been approved by the principal governing body of the Sarina Russo Group and signed by the undersigned Managing Director for and on behalf of the Reporting Entity.

A handwritten signature in blue ink, appearing to read 'Sarina Russo', is written over a horizontal line. The signature is stylized and cursive.

Sarina Russo

**Managing Director**

Dated Effective 21 December 2022.