

AHRENS GROUP

# MODERN SLAVERY STATEMENT

FINANCIAL YEAR 2019 - 2020



Ahrens



**Ahrens are committed to having a positive and meaningful impact on the communities in which we operate.**

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**Ahrens**



## INTRODUCTION

Modern Slavery is a crime and a violation of fundamental human rights. It takes various forms, as set out below. Each of these types of Modern Slavery involve coercion, threats or deception and have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain;

- Trafficking in persons - recruitment, harbouring and movement of a person for exploitation through slavery
- Slavery - the offender exercises powers of ownership over the victim, including the power to make a person an object of purchase and use their labour in an unrestricted way.
- Servitude - the victim's personal freedom is significantly restricted and they are not free to stop working or leave their place of work.
- Forced labour - the victim is either not free to stop working or not free to leave their place of work
- Forced marriage - Coercion, threats or deception are used to make a victim marry or where the victim does not understand or is incapable of understanding the nature and effect of the marriage ceremony
- Debt bondage - Victim's services are pledged

as security for a debt and the debt is manifestly excessive or the victim's services are not applied to liquidate the debt, or the length and nature of the services are not limited and defined

- Child labour - Where children are:
  - Exploited through slavery or similar practices, including for sexual exploitation; or
  - Engaged in hazardous work which may harm their health, safety or morals; or
  - Used to produce or traffic drugs.
- \*The worst forms of child labour can occur in a variety of contexts and industries. This may include orphanage trafficking and slavery in residential care institutions, as well as child labour in factories and manufacturing sites, mining and agriculture
- Deceptive recruiting for labour or services – the victim is deceived about whether they will be exploited through a type of Modern Slavery

## IMPACT OF COVID-19

As Ahrens are in the early stages of our journey, the advent of COVID-19 did not significantly interrupt the development or implementation of our Modern Slavery program across our operating regions during the reporting period.

Eliminating modern slavery risks from our supply chains remains a resolute commitment, as we continue to progress our initiatives in collaboration with our people, supply chain and business partners.

As our program is further developed it is anticipated that COVID-19 will have an adverse impact on our ability for implementation as a number of due diligence measures may require increased face to face interaction, domestic & international travel. This will need to be taken into consideration to ensure the actions we take to minimise our Modern Slavery risks are effective.

## WHO WE ARE

### The Reporting Entity

Ahrens Group Pty Ltd (ABN 76 114 260 230) (Ahrens) is a privately owned Company incorporated in Australia with Headquarters in Adelaide, South Australia.

Ahrens is a national full-service construction, engineering, rural infrastructure, mining services, water storage and electrical services company, delivering a

complete range of project services and cost-effective solutions. We achieve this through our complete range of in-house capabilities, our numerous strategic locations and our collaborative, personable approach to business.



**5th GENERATION  
FAMILY BUSINESS**



**IN-HOUSE  
TRADES**



**NATIONAL  
FOOTPRINT**

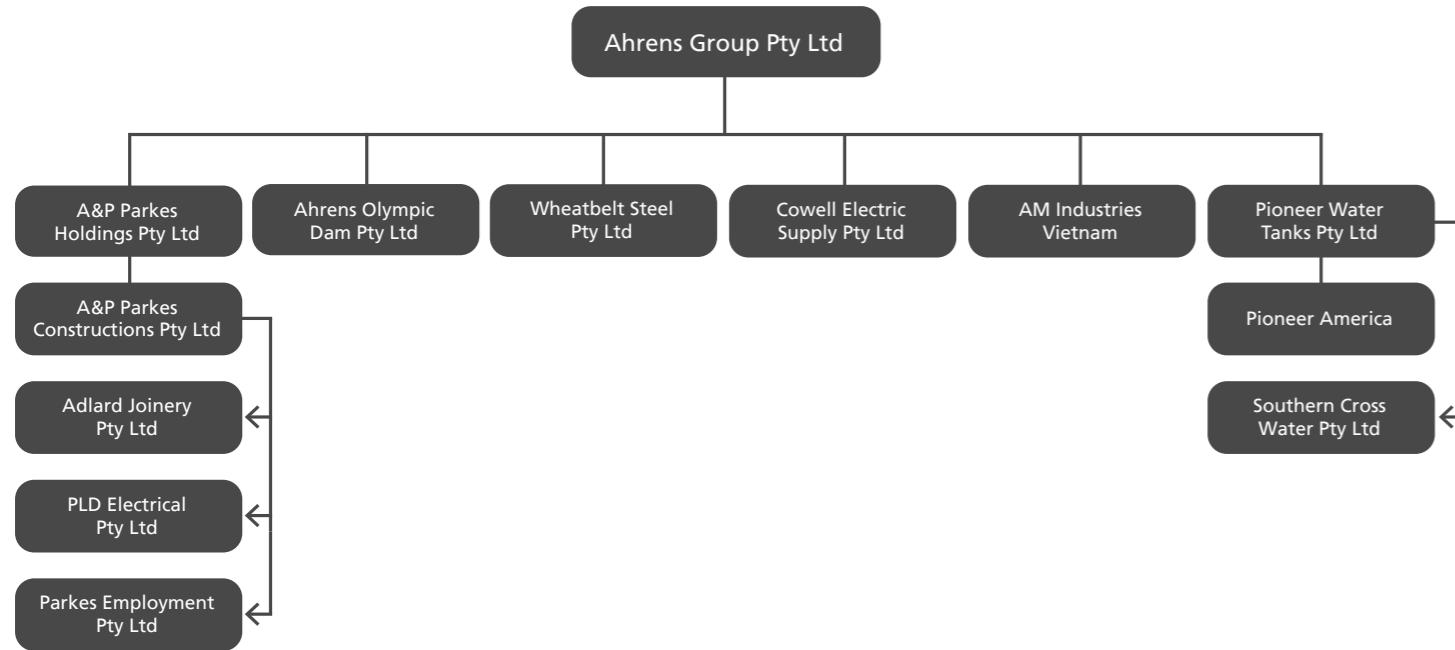


**AUSTRALIAN  
OWNED & MADE**



## OUR STRUCTURE

Ahrens is structured as follows and this statement covers the following entities;



## OUR FAMILY OF BRANDS

The strength and stability of Ahrens is due to the extraordinary diversity of our family of businesses, all working towards a shared vision.

Our vertically-integrated structure means we can offer our clients full-service construction capabilities – from concept to completion – enabling a greater control over programming, costs and quality.

We employ a collaborative approach on all projects to ensure stakeholders are engaged as early as possible. This ensures all priorities are effectively communicated and understood and it enables us to focus on finding value-for-money solutions for all our clients.



## WHAT WE DO

Ahrens is a vertically integrated business operating six diverse divisions:

- Design & Construction - specialising in industrial and commercial buildings; retail refurbishment and fit out, ATM installations, and engineering projects specialising in the grain and food industry.
- Mining Services – specialising in construction and maintenance, mining infrastructure, refurbishments, electrical and HVAC, servicing regional and remote areas
- Rural infrastructure - specialising in grain storage and sheds.
- Water Storage Infrastructure – specialising in rural, commercial and export water tanks, inspection, maintenance and refurbishment.
- Steel Fabrication & Components – specialising in structural steel, cladding, mechanical, piping, platework, machining and blast and paint.
- Energy – specialising in low voltage, high voltage electrical construction & maintenance services, Remote Areas Energy generation and distribution & retailing.





# OUR DIVISIONS

Our extensive and diverse family of brands provides infrastructure services for a wide-range of industries.

## Design & Construct



### Ahrens D&C

- Industrial Buildings
- Commercial buildings
- Bulky Goods Facilities
- Car parks
- Warehouses
- Workshops
- Feedmills
- Grain Storage Complexes

## Refurbishment & Fit out



### Parkes Constructions Adlard Joinery PLD Electrical

- Bank refurbishments
- ATM/SSD/POS install
- Commercial refurbishment
- Electrical & joinery
- In-house design
- Government sectors
- Supermarkets

## Mining Services



### Ahrens Mining

- Resource Engineering
- Maintenance
- Resource Building
- Electrical
- Water Storage

## Steel Fabrication & Components



### Ahrens Steel AM Industries

- Structural steel
- Cladding
- Mechanical
- Piping
- Platework
- Machining
- Blast & Paint

## Energy



### Cowell Electric

- Low voltage
- High voltage electrical construction & maintenance services
- Remote areas energy generation
- Distribution & retailing

## Water Storage



### Pioneer Water Tanks Southern Cross Water

- Bolted steel water tanks
- Fire, process, potable water
- Tanks from 15kL to 10ML
- Relines and refurbishments
- Export water tanks
- Safe access retrofits
- Custom water storage
- Global capability

## Sheds



### Ahrens Sheds Wheatbelt Steel

- Domestic, Rural & Industrial
- Barns
- Stables
- Horse arenas
- Hay sheds
- Machinery sheds

## Silos



### Ahrens Rural

- Transportable silos
- Site erected silos
- Flat bottom silos
- Augers & Conveyors
- Material Handling systems
- Grain storage & handling complexes
- Bulker systems

# OUR LOCATIONS

Ahrens operations are located across Australia, in the USA and Vietnam as shown below.





## OUR PEOPLE

From humble beginnings as a one-man blacksmith shop in the Barossa Valley more than 115 years ago, Ahrens has grown and diversified to deliver a complete range of project services and cost-effective solutions across the country and globally.

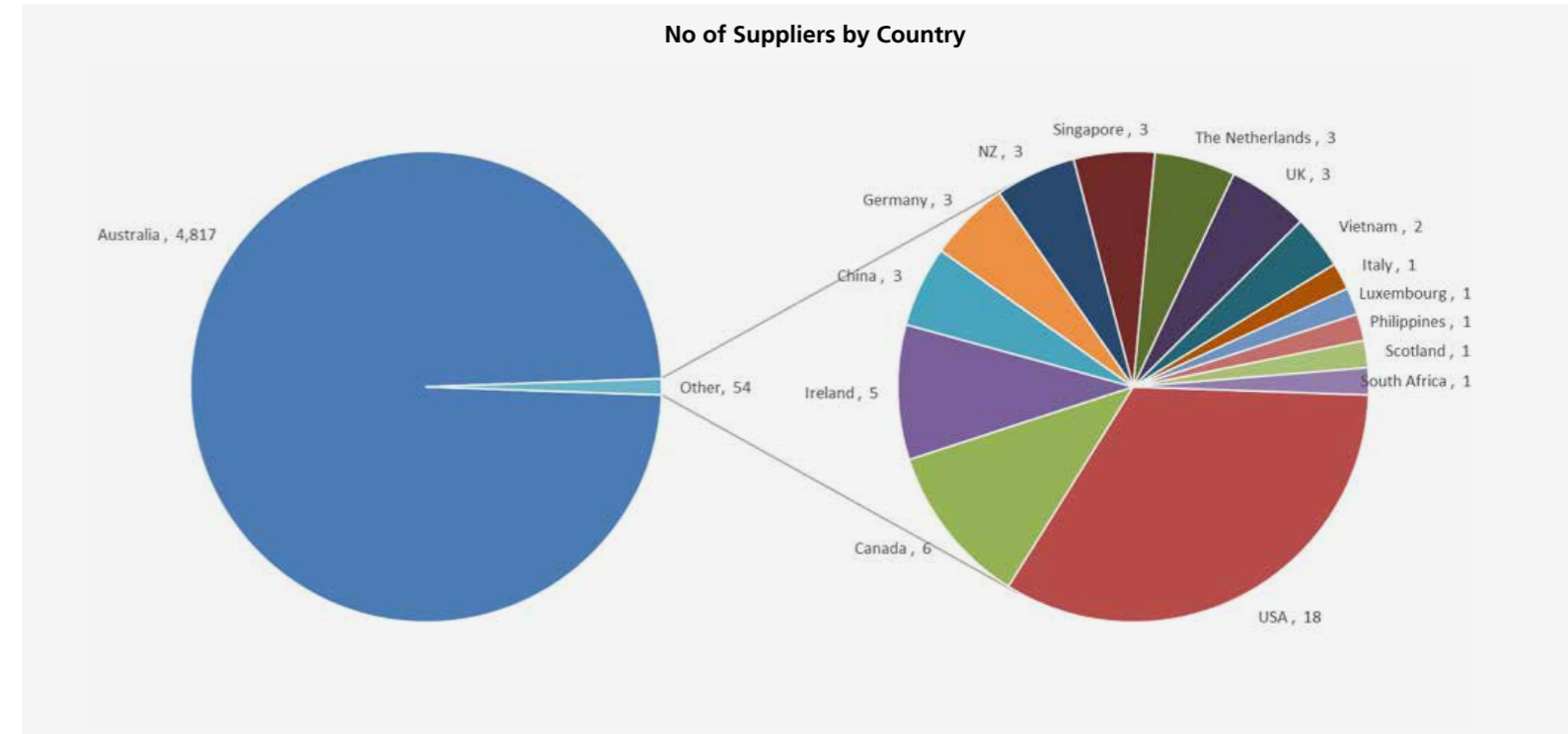
Today, Ahrens employs more than 1,000 people spanning across multiple industries including construction, engineering, rural infrastructure, mining services, water storage and electrical services.



## OUR SUPPLY CHAIN

Ahrens supply chain is wide ranging and complex across many countries. During the reporting period we engaged approximately 5,000 suppliers of products and services.

The vast majority of our direct suppliers (99%) are based in Australia with the remainder from other countries as shown below;



## OUR VALUES

Our values describe the core principles that define our culture and influence our behaviour. They are the benchmark of how we conduct ourselves and go about our business.



### Our People

Wellbeing, training, development and reward



### Innovation

Always searching for a smarter, better way



### Commitment

The best it can be every job, every time



### Integrity

Partnerships based on honesty and respect



### Safety

The welfare of every individual is important



### Cost-aware

Everything we touch and use has value

It is important that our people share common values to ensure we are all aligned and working towards the same vision.

Despite the complexity of our large and diverse supply chains, Ahrens are committed to continually improving how we work to meet our moral and ethical obligation to combat modern slavery. We expect all of our subcontractors and suppliers to comply with all legislative obligations and to mitigate the risk of Modern Slavery.

Our supply chain includes, but is not limited to;

### Products provided to Ahrens by suppliers

- Materials and components for direct fabrication or manufacture by Ahrens (eg: Structural Steel, Metal sheeting)
- Company clothing
- Construction Plant and equipment
- IT equipment

### Services provided by suppliers

- Trade contractors (eg/Processing plant assembly, Cleaning services)

- Specialist consultancy services (eg/Design Consultancy services)
- Transport and Shipping services

### Products and services used by indirect suppliers in Ahrens supply chains

- Materials (eg/Concrete, Steel, Carpet, Mechanical equipment)
- Specialist consultancy services (eg/Mechanical design, Acoustic design)
- Specialist Trade Contractors (eg/Welding, Building Services Commissioning)

Our subsidiary companies have controls and these are being reviewed for potential standardisation across the Ahrens Group.

# OUR MODERN SLAVERY RISKS

Ahrens follow the UN Guiding Principles on Business and Human Rights in scoping potential modern slavery risks that we may either cause, contribute to, or to which our operations may be directly linked. Our assessment has considered these risks in the context of:

- Our direct operating conditions;
- Labour conditions in connection with the materials we source; and
- Labour conditions of indirect labour used in our operations

An initial desktop review at a macro level has been conducted to assess the potential for risks of Modern Slavery in the following Divisions;

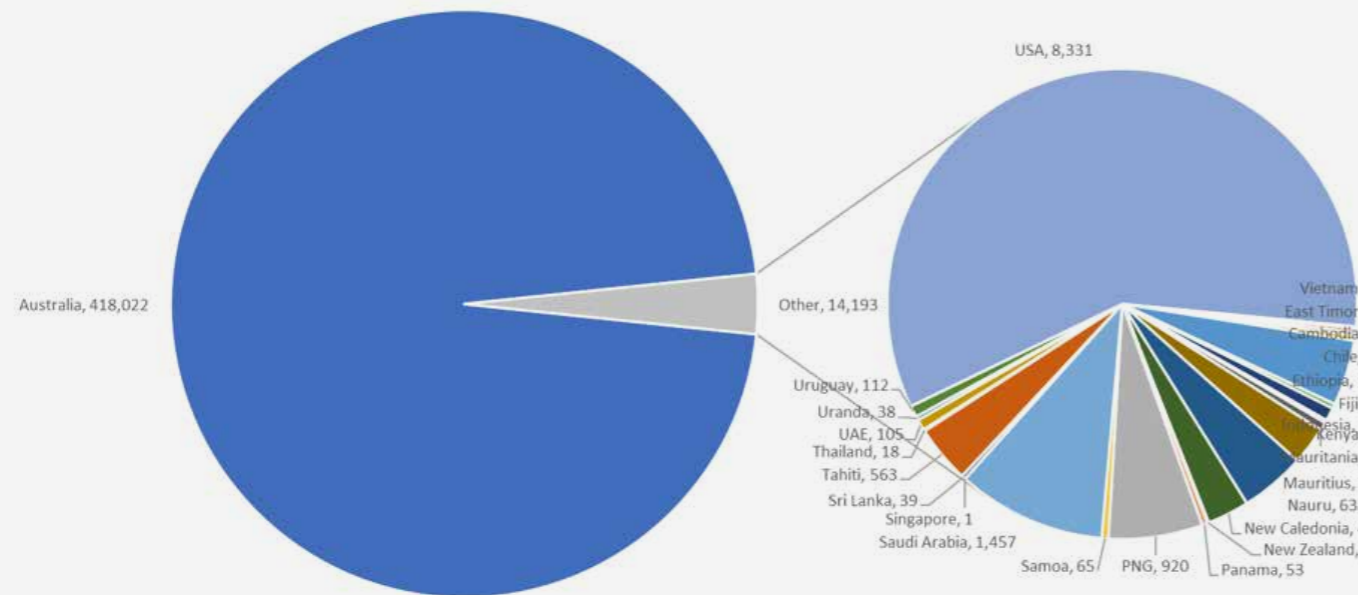
- Design & Construction
- Rural
- Mining Services
- Water Storage

## Labour

Whilst our operations are based in Australia, USA and Vietnam, a number of our projects are located in other countries where subcontract labour may be used for the installation and erection of assets.

The value of projects undertaken and products supplied during the reporting period in Australia and overseas is shown below with the vast majority (97%) being in Australia.

Value of Projects (\$AUD K) by Project Location



In particular our water storage operations have exported water tanks to numerous countries as shown below. A number of these projects are located in countries where the risk of exploited labour has been assessed as high.

In addition, these projects require materials and componentry to be transported by ship which has been identified as having a potentially higher risk of labour exploitation.



## Materials

The Global Slavery Index identifies that sourcing supplies from countries such as China (light fixtures, office machine parts, telephones, rubber footwear), India (potentially used minerals, machinery and mechanical appliances) have an increased risk of modern slavery in supply chains.

Components of building products which are linked to increased risk of modern slavery include cobalt, granite, rubber, cement, and copper.

Ahrens purchase a number of materials directly for our operations such as metal sheeting, structural steel and concrete whilst other materials are obtained through our supply chain (eg/mechanical equipment, carpets, paint etc). The source materials for these and the manufacture of the products may present a higher risk of Modern Slavery depending on the source or manufacturing location. The shipping of these materials to our operations or projects may also present a higher risk.

In addition, Ahrens owns and maintains a multi-million dollar fleet of plant and equipment. Whilst new plant and parts are purchased through dealerships, Ahrens have little or no visibility of the supply chain involved in the manufacture of such plant and equipment.

Similarly Ahrens purchase a large amount of company clothing and personal protective equipment (PPE) for it's employees. This is also conducted through retailers however Ahrens have no visibility as to the supply chain for materials and textiles used in the manufacture of the clothing and PPE with textile production having been identified as having a high risk of labour exploitation in some countries.

Ahrens also purchases IT equipment (computers, printers, phones etc) through retailers. We have no visibility into the supply chain for the source materials, component manufacture or assembly of such equipment.

## COVID-19

High demand for frequent and wide-scale cleaning services across all sites could reduce visibility of recruitment practices in third-party labour hire.

There is also an increased risk of labour exploitation to produce face masks and sanitisers at low prices and with time pressure.



## ACTIONS TAKEN TO ADDRESS OUR MODERN SLAVERY RISKS

### Our Community Engagement

Ahrens are committed to having a positive and meaningful impact on the communities in which we operate. We aim to empower our people and the wider community to be an active part of supporting a brighter future for all.

Driven by our mission to challenge for better and advocate for change, Ahrens have identified and

developed key initiatives to support and fund, to guide us in achieving our goal of building a better global community.

The mitigation of Modern Slavery risk is a key component of our overall business and operation risk management framework.

### Due Diligence Actions

During the reporting period our focus has been on establishing a solid base and framework for the assessment and management of our Modern Slavery Risks.

During the reporting period, the following actions were undertaken;

- A review of the requirements of the Modern Slavery Act 2018

- Review of supply chain due diligence processes
- Raising the awareness of Modern Slavery
- Consideration of the incorporation of Modern Slavery risks into our risk management framework
- Identification of opportunities for Integration into our existing Business processes (eg/Ahrens Group Standards)

### Actions taken by entities owned or controlled by Ahrens

Ahrens undertook the above actions to address the risks of Modern Slavery in our operations and supply chains.

These actions were undertaken by the Ahrens group

and as such covered the entities owned or controlled by Ahrens.

### Remediation Actions

There were no instances of actual or suspected Modern Slavery reported to Ahrens during the financial year. As such no remedial actions were required to be initiated.

As our Modern Slavery strategy develops it is envisaged

that the reporting of instances of Modern Slavery and the subsequent remediation actions will form part of the Ahrens Whistleblower Protection and Grievance policies and processes.

## HOW WE ASSESS THE EFFECTIVENESS OF ACTIONS TAKEN

At this stage of development of our Governance structures for the management of our Modern Slavery Risks, the primary method of assessing the effectiveness of actions taken is through regular Senior Executive Meetings which are chaired by the Ahrens Managing Director. These are normally held monthly.

Members of the Executive Committee include the Manager of the following Divisions;

- Design & Construction
- Rural
- Mining Services
- Water Storage

This provides a mechanism for the actions taken by each entity owned or controlled by Ahrens to be assessed as all of these entities form part of the above Divisions.

Input into this assessment have included;

- A review of the requirements of the Modern Slavery Act 2018
- A review of the status of our Modern Slavery Action plan
- Feedback from our Employees, supply chain and business partners

As our Modern Slavery strategy develops this process will be continually improved through the addition of further contributing factors into the assessment.

## CONSULTATION WITH OUR SUBSIDIARIES

Similarly, consultation with entities owned or controlled by Ahrens regarding the development of this statement occurred in the Senior Executive Committee meetings described above.

This included the distribution of the draft report for review and comment by each Division.

## STATEMENT APPROVAL

This statement has been reviewed and was approved by the Ahrens Board of Directors on March 25, 2021.

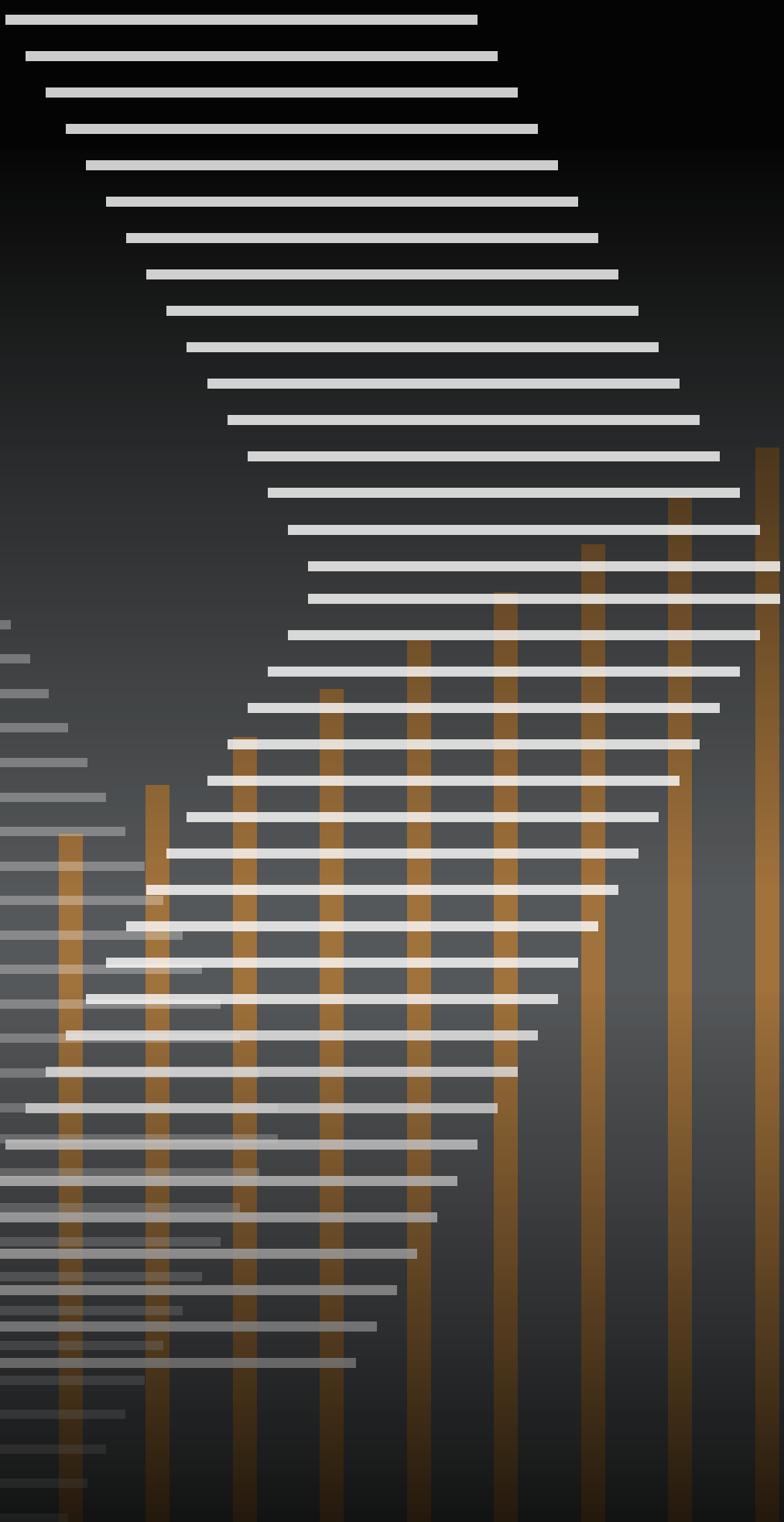


Stefan Ahrens  
Managing Director, Ahrens Group Pty Ltd





Ahrens



[ahrens.com.au](http://ahrens.com.au)



[ahrens@ahrens.com.au](mailto:ahrens@ahrens.com.au)



1800 268 519



Ahrens Group