

SARRAH



Modern Slavery Statement

2022

Approximately 40 million people live in modern slavery globally. Australia is not immune to modern slavery, with an estimated 1900 cases to date.

All businesses have a role to play in combatting modern slavery and **at Sarah Group we take this responsibility seriously and endeavour to ensure our businesses, our people and our processes are aligned to this goal.**

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01.

About us

This Modern Slavery Statement is made by Sarah Group Holdings ("Sarah") ABN 69 007 544 836 for the reporting period ended 30 June 2022 (FY22) pursuant to the Modern Slavery Act 2018 (Cth) ("Modern Slavery Act").

Sarah Group is a privately held company and the parent entity of Sarah Constructions Pty Ltd, Sarah Build Pty Ltd and Hindmarsh Plumbing Services Pty Ltd, providing commercial construction and commercial plumbing services across Australian States and Territories.

This statement is submitted on behalf of all the below entities and when we refer to "Sarah", "we", "us" or "our" in this statement, it is a reference to all the below entities.

Our registered office and principal place of business is:

49 Glen Osmond Rd
Eastwood, SA 5063



Our Structure

Sarah is a privately owned, Australian based and owned company delivering design and construction services, as well as commercial plumbing services as follows:



Design



Construction
Project Delivery



Plumbing
Service Delivery
and Maintenance



Plumbing
Hydraulic and
Mechanical
Services



Water Treatment



Corporate Services
Including:
Finance, HR, IT,
Insurance
and Property

Our Operations

During FY22 Sarah employed 400 personnel across head office and project sites delivering work for private and government clients, across multiple sectors and predominantly in South Australia.

Our Values

Our purpose is to enable business excellence

We will achieve this by deeply immersing ourselves into operations, providing technical expertise and exceptional customer service, and always having an improvement focused mindset.

Our vision is to build great communities

We will achieve this by continually investing in our businesses and property portfolio, providing our staff with long term careers, and ensuring a sustainable future for family generations to come.



We demonstrate empathy, fairness and humility. We care about our people and our community.



We hold ourselves to the highest standards. We do what is right, not what is easy.



We create value through a one-team approach. We believe the best outcomes are achieved through many minds coming together.



We strive to always deliver on our promise, and continuously improve the way we do things.

Sarah Constructions

Hindmarsh Plumbing

Our Projects

Key projects undertaken during the reporting period include:



SA Schools PPP \$230M+

Two new birth to Y12 schools in Angle Vale and Aldinga; part of a major program to establish best practice school infrastructure across South Australia. Sarah Constructions are the Design and Construct Contractor responsible for the delivery as part of the TESA Consortium.



Whyalla Secondary College \$100M

A state of the art secondary school with 5 major buildings, multiple sporting courts, playing surfaces and performing arts spaces to accommodate 1500 students. Designed in collaboration with COX Architecture and Thomson Rossi.



ECH Modbury \$44M

A 77 apartment vertical village comprised of 8-storey and 4-storey apartment buildings connected via linkways, with basement parking, Cafe, community garden and 'urban farm'. One of the first retirement villages to incorporate a Montessori ELC, creating a one-of-a kind community.



TQEH Stage 3 Clinical Services Building with Built Environs \$7M

An overall \$314M update to TQEH replacing existing facilities at the hospital in a new 4-storey building, ensuring high quality healthcare in Adelaide's western suburbs. Hindmarsh plumbing is providing the hydraulic services.



AIR 555-1 AISREW Facilities with Lendlease \$4M

Hydraulic services below and above ground including fire protection pipework for AIRSEW (Airborne Intelligence, Surveillance, Reconnaissance, Electronic Warfare).

Our Supply Chain

In FY22 Sarah's procurement spend was approximately \$336 million.

We extended on the prior year's assessment of our supply chain during the current year, with the main categories of spend remaining largely the same and summarised below.

Commercial Construction

Subcontracts and Labour

Hydraulic Services
Mechanical Services
Electrical Services
Civil infrastructure
Reinforcement Fix
Fire Protection Services
Landscaping Services

Materials

Steel
Aluminium
Concrete
Reinforcement Supply

Materials and Labour

Doors and Frames
Formwork
Cladding and Roofing
Ceilings and Partitions
Carpet and Flooring
Joinery
Concrete - supply and place

Equipment

Rubbish Bins
Site Sheds
Vehicle Fleet

Commercial Plumbing

Subcontracts and Labour

Demolition
Fire Protection Services
Civil Infrastructure
Water Treatment Specialists

Equipment

Vehicle Fleet
Excavation Equipment

Materials

Plumbing Supplies
Water Treatment Supplies

Corporate Services

IT Software
IT Equipment

Telecommunications
Insurance Broker and
Insurance Services

Advisory Services including
Professional Services

Training
Office Supplies
Office Cleaning

Our highest spend categories were subcontractors, labour, and materials. We only contract directly with local Australian companies and do not contract directly with overseas suppliers, unless there is a specific item which the customer requests only available from overseas. Although all our direct suppliers are domiciled in Australia, they often supply goods or services sourced from other regions.

Our subcontractors mostly supply the construction materials used on our projects, which limits our visibility of the risks associated with these parts of the supply chain. Within our commercial plumbing operations 90% of our supplies are sourced from Reece and Tradelink. During the current reporting period, Sarah has to the best of our knowledge not directly contracted with an overseas entity.

Impact of Covid -19

Throughout the pandemic, we have been proactive in ensuring all State and Federal guidelines are implemented and followed with the safety of our people, subcontractors, and project sites a priority. As many in our industry, we have not been immune to supply cost escalation and labour shortages, largely because of COVID-19 and global border closures, and more recently the geopolitical tensions particularly the Russian/Ukraine conflict. To manage this risk, we have focused on building strategic relationships with top subcontractors and suppliers, and as a result overall our supply chain has remained resilient.

02.

The risks of modern slavery in our operations and supply chain

The risk of modern slavery practices within our business was assessed on their potential to cause, contribute to or be directly linked to modern slavery through our operations and supply chains.

In Our Operations

In FY21, Sarah completed an initial review and gap analysis of the risk of modern slavery in our operations. This review was undertaken by leadership within our Operations, Finance, Procurement and Risk teams.

During FY22 this analysis was reviewed and updated for current year activity. There has not been a significant change in activity and our current risk of modern slavery within our operations remains LOW for the following reasons:

- ✓ Our Governance Committee (made up of independent members and Executive leadership) meet quarterly to discuss key business matters, which includes the risk of modern slavery within organisation
- ✓ We have an Audit, Risk and IT committee which is chaired by an independent member. This committee is charged with Internal Audit, which includes management of the company risk register and delivery of an annual internal audit plan.
- ✓ We have a dedicated Human Resources team within each of our group entities. These teams have robust controls in place for onboarding new employees including but not limited to working right employment checks and preparing and reviewing employees' wages and salary agreements.
- ✓ The employee induction process includes the requirement for employees to confirm they have read and understood all our policies and minimum standards. All existing employees are required to re-confirm these every two years.
- ✓ All our employees are located in Australia.
- ✓ All apprentices are sourced either through Master Plumbers Association South Australia (MPA) or Trading & Apprentice Placement Services Inc (TAPS) – both of which are Australian Registered Industry Group Training Organisations.
- ✓ Approximately 25% of our employees are covered by an enterprise agreement

In Our Supply Chain

We understand by nature of the commercial construction and plumbing industry we operate in there are inherent factors which contribute to the risk of modern slavery.

These factors are summarised below:

- Prevalence of outsourcing, which can impact upon operational and supply chain transparency.
- Contract terms with low margins and pressure on delivery times.
- Sub-contractors who may be reliant on a migrant workforce with limited local language competency and temporary visa arrangements.
- Multiple sub-contracting arrangements with informal agreements.
- Low barriers of entry for labour hire providers.
- Potential dangerous or poor working conditions, including:
 - > Workers are not paid fairly or withheld entitlements.
 - > Workers may be required to work excessive hours.
 - > Workplace safety concerns.

Many of the suppliers and subcontractors we contract with, may source elements via overseas supply chains. We continue to build strong relationships with our supplier and subcontractor network to gain more insight and understanding of their supply chains, however it is difficult to have visibility across the multiple level and numerous components of modern slavery within our supply chain. This has been taken into consideration when performing our risk assessment and gap analysis.

The following key areas of modern slavery risk within our operations and supply chain have been identified:

	Project Supply Chains	Finance, HR, IT and Legal
 High Risk	Ceilings and Linings Cladding and Roofing Joinery Painting Tiling Concrete	
 Medium Risk	Aluminium Steel Reinforcement Fix Hydraulic Services Mechanical Services Electrical Services	IT and Telecommunication Equipment Cleaning Services Office Supplies

03.

Actions taken to assess and address the risks, including due diligence and remediation process

Sarah assessed the risk of modern slavery within our operations and supply chain by considering factors inherent to the construction industry as outlined in section 2 of this report as well as the following:

- Available evidence supporting the ability of our suppliers and subcontractors to manage the risk of modern slavery within their own supply chain.
- The extent of elements supplied by our suppliers and subcontractors which are sourced from high-risk overseas regions.
- The level of internal controls within Sarah which assist in reducing and managing the risk of modern slavery within our supply chain.
- The relationships we have with our suppliers and subcontractors.

Actions Already Taken

Following the initial risk assessment and gap analysis performed during FY21 and the review of this in FY22 the following actions have been undertaken:

- ✓ Embedding our updated procurement templates within our businesses processes
- ✓ Aligning a shared awareness and understanding of modern slavery through presentations at our plumbers toolbox session covering 80% of our plumbing workforce and a Modern Slavery module included in our in-house professional development series for project teams.
- ✓ All purchase orders and subcontracts include terms with reference to Modern Slavery obligations and expectations
- ✓ Continued focus on building strong relationships with our suppliers and subcontractors to gain better insight into the risks of modern slavery within their supply chain to work as a driver for awareness and change within the industry.
- ✓ We have updated our Whistleblowing policy
- ✓ Continued engagement and participation in construction industry collaboration forums in relation to modern slavery, and in particular the Property Council of Australia pre-qualification project. Currently 20% of our subcontractor database have fully participated, whilst 8% are in progress.
- ✓ Engaged external consultants to review our processes and procedures in managing modern slavery risk, with the view of understanding gaps and opportunities for improvement.

Actions to be Taken:

- Engage Executive and Governance Committee to develop a modern slavery strategic plan. This plan will have a 3-5 year outlook and be revisited at least annually.
- Establish a Modern Slavery Working Group to further embed modern slavery across the business with the aim of driving continuous improvement
- Refresh internal policies, in particular our Code of Conduct and Issue Resolution & Investigation policies. The purpose of these changes are to provide enhanced clarity on employee responsibility, as well as improved awareness of the process employees would follow if there is an incident or suspected incident of modern slavery.
- Enhance training programs across the business to further embed and improve modern slavery awareness. We will do this by:
 - Attending Project Manager regular meetings to educate Project Managers on Modern Slavery. This will empower Project Managers to educate their teams and improve overall project team awareness of this risk
 - Work with QHSE and HR teams to print multilingual modern slavery posters to be displayed on all sites
- Implementation of a new subcontractor management database, which has purpose built modern slavery questionnaires and templates to further enhance our procurement processes and procedures
- Continue building strong relationships with our suppliers and subcontractors to gain better insight into the risks of modern slavery within their supply chain and to work as a driver for awareness and change within the industry.



04.

How we assess the effectiveness of our actions

We continue to develop the way in which we assess the effectiveness of our actions in response to risks which cause, contribute, or are directly linked to modern slavery. Many of the actions which we have taken to date or are planning to take over the next 12 months are part of the development of our framework for the management of modern slavery risks.

As this framework matures and develops and as we gain a better understanding of our exposure to modern slavery risk, we will continue to improve and enhance our response accordingly.

Our assessment of actions undertaken will include:



Review and keep track of all suppliers and subcontractors who have subscribed to the Property Council of Australia pre-qualification portal



Following implementation of external consultant's recommendation, consider a bi-annual review to ensure our processes and procedures remain current in mitigating and managing risks



Perform a half yearly analysis and review of our supply chain



Review Whistle blower reports for any trends relevant to modern slavery



Evaluation of the effectiveness of training programs run across the business

05.

How this statement was prepared

This statement has been prepared in consultation with key stakeholders and executive management across all our entities.

This statement for the financial year ending 30 June 2022 is made pursuant to section 14 of the Modern Slavery Act 2018(Cth) and has been approved by Directors of Sarah Group Holdings.



Timothy Sarah
Joint Managing Director



James Sarah
Joint Managing Director





Modern Slavery Statement

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