

**SARRAH** GROUP



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# Modern Slavery Statement

2021

A person wearing a white hard hat and a high-visibility yellow and green safety vest over a blue checkered shirt is looking down at a large blueprint or map. The background is a light-colored, textured surface. The entire image is overlaid with a semi-transparent blue filter and a white grid pattern in the top-left corner.

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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 2021 (FY21) 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 Operations

During FY21 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.

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## 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 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.

## 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.



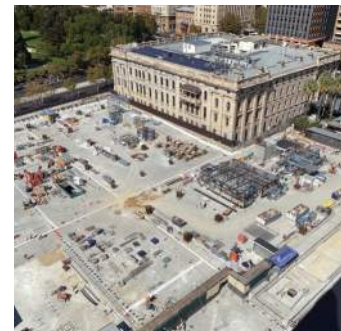
### 83 Pirie Street \$3.5M

A 30 storey, 30,645 square metre PCA A Grade office tower for CBUS property, featuring large 1,768 square metre floor plates.



### Osborne North Development Project \$2.5M

Australian Naval Infrastructure - Combat System Physical Integration Facility (CS-PIF).



### Adelaide Festival Centre Carpark \$2.9M

5 level, fully underground carpark with over 1,500 spaces to accommodate 24hour parking in the heart of the Riverbank precinct.

## Our Supply Chain

In FY21 Sarah’s procurement spend was approximately \$334 Million.

We undertook an internal assessment of our supply chain during the year, establishing the main categories of spend summarised below:

### Commercial Construction

#### Subcontracts and Labour

Hydraulic Services  
 Mechanical Services  
 Electrical Services  
 Civil Infrastructure  
 Reinforcement Fix  
 Fire Protection 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

#### Materials

Plumbing Supplies  
 Water Treatment Supplies

#### Equipment

Vehicle Fleet  
 Excavation Equipment

### Corporate Services

IT Software  
 IT Equipment  
 Advisory Services, including  
 Professional Services

Insurance Broker and  
 Insurance 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

*We are fortunate that during FY21 the COVID-19 pandemic did not negatively impact on our operations or supply chain. 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.*

*We are aware that COVID-19 further increases the risk factors linked to Modern Slavery within our supply chain, and we will continue to take this into consideration when assessing the risk of modern slavery within operations and our supply chain.*



# 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.

The risk of modern slavery was assessed as LOW for the following reasons:



Our governing body (made up of independent members and executive leadership) meet quarterly to discuss key business matters, which includes the risk of modern slavery within the organisation.



We have an Audit, Risk and IT Committee which is chaired by an independent member. This committee oversees the internal Audit function, which includes reviewing key risks and the 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 rights 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.



Approximately 30% of our employees are covered by an enterprise agreement.



We have reviewed our procurement procedures and guidelines to allow for human rights considerations. This includes incorporating these considerations into our supplier prequalification process, as well as in the questions we ask during a tender interview before shortlisting a subcontractor. We have also updated the terms and conditions within our purchase orders and subcontract agreements to specifically reference requirements under the Modern Slavery Act.

## In Our Supply Chain



We understand by nature of the commercial construction and plumbing industry we operate in that 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
 <b>High Risk</b>	Ceilings and Linings Cladding and Roofing Joinery Painting Tiling Concrete	
 <b>Medium Risk</b>	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.

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### Actions Already Taken

Following the risk assessment and gap analysis performed during FY21 the following actions have and/or will be undertaken:



Reviewed and updated our current procurement prequalification process to include modern slavery considerations.



All senior executives have completed a modern slavery training module. This has been extended to design and develop a training module which will be rolled out at toolbox sessions and included as part of our in-house professional development series for project teams.



All purchase orders and subcontracts include terms with reference to modern slavery obligations and expectations.



Participation in construction industry collaboration forums in relation to modern slavery, and in particular the Property Council of Australia pre-qualification project.

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## Actions currently in progress:

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- Further refine our code of conduct policy to include human right considerations in line with legislation.
  - Refresh and relaunch our current Whistleblowing Policy with reference to modern slavery.
  - Include the review of modern slavery compliance as part of the annual Internal Audit Plan.
  - Formalise a process for the annual review of human rights and modern slavery risks.
  - Continue 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.
  - Continue to encourage and assist suppliers and subcontractors to utilise the Property Council of Australia pre-qualification portal.
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# 04.

## How we assess the effectiveness of our actions

We are still in the process of developing and maturing 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.

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### Our assessment of actions undertaken will include:

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Track and review the number of staff who have completed modern slavery training, and ensuring all new starters receive this training.



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



Including modern slavery risk in our risk register and processes as well as included in the Audit Risk and IT Committee annual work plan as part of legislative compliance review.



Performing an annual supply chain analysis and review.



Review whistleblowing reports for any trends relevant to modern slavery.

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# 05.

## How this statement was prepared

This statement has been prepared in consultation with key stakeholders and executive management across all our entities. This involved representation from our commercial, financial, procurement, risk, operations, and executive leadership teams. This statement reflects the work undertaken during the year and has been presented to the Sarah Group governing body for review and comment prior to approval.



James Sarah  
Joint Managing Director

This statement for the financial year ending 30 June 2021 is made pursuant to section 14 of the Modern Slavery Act 2018(Cth) and has been approved by the governing body of Sarah Group Holdings.



Timothy Sarah  
Joint Managing Director







## Modern Slavery Statement

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