



# **Farrelly Construction Services**

## **Modern Slavery Statement**

**1 July 2023 – 30 June 2024**

## Introduction

Farrelly Construction Services (FCS) is committed to eradicating Modern Slavery, forced labour, and human trafficking within its operations and supply chains. This policy outlines our commitment to complying with Australian legislation, including the Modern Slavery Act 2018, the provisions set forth in the legislation. We strive to ensure that all individuals involved in our business activities are treated with dignity, respect, and fairness.

This is the second Modern Slavery Statement submitted by FCS in accordance with the Commonwealth Modern Slavery Act 2018 (the Act).

In our previous report, we outlined our Modern Slavery policy, which includes essential information about our operations and supply chain. Additionally, we identified areas within our supply chain and operations that may pose potential Modern Slavery risks.

This second statement highlights our progress as we transition from the review and identification stage to the planning stage. Following our multi-step approach, we have begun enhancing Modern Slavery policies to govern FCS's hiring and procurement processes and integrating Modern Slavery considerations into our complaint policy and procedures.

We have also implemented RAPID Global, a contractor management system, to onboard all new suppliers during FY24. We are currently planning to include all existing suppliers in different phases, prioritising high-value suppliers first.

Finally, the concern surrounding Modern Slavery is aligned with FCS's ongoing and existing commitment towards social responsibility and environmental sustainability. We strive to ensure that all individuals involved in our business activities are treated with dignity, respect, and fairness.

This Modern Slavery Statement (Statement) has been prepared in accordance with the requirements of the Australian Modern Slavery Act 2018 (Cth) (Act) for the financial year 1 July 2023 to 30 June 2024.

## Reporting entity

The reporting entity submitting this Statement is Farrelly Constructions Services Pty Ltd ABN 19 136 719 394, which qualifies as a reporting entity under the Act.

The registered office for the reporting entity is at 108 Kyle Street, Rutherford NSW 2320.

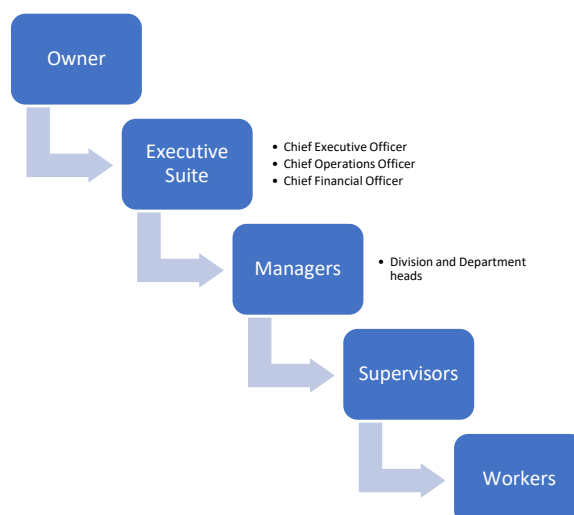
## Structure, operations and supply chain

### Structure

FCS is a privately owned construction company. FCS was established by Darren Farrelly in 2009 to address a crucial gap in the mining and construction sectors: the provision of dependable, high-quality labour, plant and equipment, project management, supervision services, and various works such as electrical installations, civil and earthworks, structural, mechanical, piping installations, and workshop fabrication.

Darren started Farrelly Construction Services to help others, responding to Rio Tinto's request for personal project management and seizing an opportunity to try something new. His commitment to building strong relationships first has led to FCS's remarkable growth and reputation for genuine, reliable, and quality service.

The organisational structure is set out below, this is the general operational reporting line also. However, there are also project specific reporting structures for the operational needs specific to project delivery. These are established on project specifications, with the same expectations and provisions around adherence and reporting to policies.



## Operations

At FCS, we pride ourselves on being a comprehensive engineering, fabrication, and construction business dedicated to serving the needs of heavy industrial clients. Our expertise lies in delivering fixed plant installations, including new projects, upgrades, and modifications. We achieve this through a diverse range of services, including Civil Infrastructure, Steel Fabrication, Electrical/Controls, Structural Mechanical Piping, Scaffolding, Plant and Equipment, and Labour Hire Services. The company is committed to delivering quality projects on time and within budget, while adhering to safe work practices and minimising environmental impacts.

FCS has demonstrated strong growth in revenue and reached annual consolidated revenue of more than \$100 million.

## Supply chain

FCS's supply chains reflect the nature of its operations. FCS requires a range of goods and services to support its activities. FCS's supply chains comprises of the following categories:

- Construction sites, which can include many separate companies all working concurrently and all with their own supply chain partners.
- Contractors such as labour hire.
- Commodities and materials used in construction projects such as steel, manufactured components, cement, aggregates, bricks, plant and equipment, cables.
- Service providers of design, drafting and other services.

The majority of FCS's suppliers both in terms of volume and expenditure, are based in Australia.

## Modern Slavery risks

We have conducted a comprehensive risk assessment of our operations and supply chains to identify areas which were more at risk of Modern Slavery practices for the reporting period.

### Modern Slavery risks within our operations

The construction industry in general faces a medium to high risk of Modern Slavery within its operations. This elevated risk is due to several factors, the following ones are applicable to FCS:

- The construction industry often faces tight deadlines and seasonal work, which can exacerbate the risk of labour exploitation.
- The demand for low-skilled labour increases the vulnerability of workers to Modern Slavery.
- The remote geographical areas where operations are performed can add another layer of complexity to managing Modern Slavery risks.

At FCS, we have implemented several robust controls to mitigate the risks of Modern Slavery within our operations. These measures include:

- Onboarding Process: Our comprehensive onboarding process ensures that all new employees undergo thorough employment checks to verify their Australian working rights.
- Wage and Salary Reviews: We conduct regular wage and salary reviews to ensure fair and equitable compensation for all employees, along with verification of corresponding payments.
- Employee Induction: Our induction process includes detailed training on our Code of Conduct and other key policies, including those related to Modern Slavery and ethical practices.

These controls are designed to uphold the highest standards of integrity and compliance, ensuring a safe and fair working environment for all our employees.

Overall, we identify a low risk of Modern Slavery in our operations.

### Modern Slavery risks within our supply chain

In assessing the risk of Modern Slavery practices within our supply chain, several factors were considered, including:

- supplier importance,
- customer interaction/ impact,
- spend (leverage),
- risk to people/ salient risk,
- geographic impact,
- industry/ sector risk; and
- business model.

We have identified the following areas of potential Modern Slavery Risks:

- Labour hire and Contractors - Competitive tendering often prioritises low costs, increasing risks, especially for low-skilled or migrant workers. Additionally, the nature of the short-term engagements poses an increased risk for Modern Slavery.
- Construction Sites - Multiple companies working concurrently on sites, each with their own supply chains, can reduce visibility and complicate risk management, particularly for vulnerable low-skilled workers.
- Materials and Commodities - Construction materials like steel, cement, bricks, PPE, and cables may be produced using Modern Slavery practices, as these industries often employ low-paid, low-skilled migrant workers.

Overall, we have classified a medium risk of Modern Slavery in our supply chain.

## **Actions to assess and address Modern Slavery risks**

### **Assessing our Modern Slavery risks**

We have conducted our Modern Slavery risk assessment for the reporting period. We have analysed our supply chain data using a data analytics tool and performed a comprehensive review of our operations, including our policies and procedures. Additionally, we included interviews with key stakeholders.

No instances of Modern Slavery have been identified during the reporting period.

### **Actions to address Modern Slavery risks**

We are committed to continually improving our understanding of Modern Slavery risk exposure and will adapt our risk management approach, measurement of effectiveness, and actions accordingly. However, during the operational reviews it became apparent that addressing Modern Slavery risks within FCS requires a comprehensive approach that encompasses prevention, detection, response, and accountability. Here's a set of actions that have been highlighted to address Modern Slavery risks:

#### **Governance and policy**

FCS has a comprehensive Code of Conduct and Ethics, guiding our people in acting ethically and follow the laws and requirements that apply where we do business. We will continue to assess the relevance of those policies and procedures to ensure alignment with both Modern Slavery requirements and also with Australian legal regulations.

#### **Our people**

FCS employees are employed in accordance with applicable Australian labour laws, including in respect of minimum wages, working hours, leave entitlements and safe working conditions.

We have numerous people controls in place to support the risks of Modern slavery, these include our process for onboarding new employees, wage and salary reviews for our employees and the verification of corresponding payments. Our onboarding process includes employment checks to ensure employees have Australian working rights. Our employee induction process also includes our Code of Conduct along with other FCS policies.

We further identified an opportunity to strengthen the subcontractor recruitment process by incorporating Modern Slavery concepts and current Australian legislation via an onboarding process that requires approval prior to working with FCS.

#### **Our suppliers**

As part of the engagement process with FCS, suppliers and contractors are required to register in our contractor management system and undergo a compliance review. During this process, they must confirm whether they have a Modern Slavery Policy and Procedure that complies with relevant legislation. The submitted documents are reviewed by the HSEQ & Governance Manager before any engagement is approved. If a supplier or contractor is not deemed compliant, their application will be declined. Additional information may be requested, and if they cannot meet the established requirements, they will not be engaged.

#### **Training and awareness**

We understand the importance of promoting Modern Slavery awareness amongst our people and supply chain partners. Recognising and knowing how to report the signs of possible Modern Slavery is a critical component of prevention efforts. Accordingly. We are looking to implement Modern Slavery awareness training for all our employees.

## Assessing effectiveness and looking ahead

### Assessing effectiveness of our actions

Below we have included our assessment on each of the actions undertaken during the reporting period:

Area - Actions undertaken	Assessment of effectiveness
Our people - FCS employs staff according to Australian labour laws and has controls in place to mitigate Modern Slavery risks, including thorough onboarding, wage reviews, and employment checks.	Very effective – we did not receive any reports of Modern Slavery incidents.
Our suppliers - Suppliers and contractors must register, confirm compliance with modern slavery laws, and be reviewed by the HSEQ & Governance Manager. Non-compliant applications are declined.	The implementation of Rapid Global has been highly effective, fostering trust with our suppliers and enhancing the transparency of our onboarding process.

### Looking ahead

We look to continue to improve our understanding of our Modern Slavery risk exposure which informs our approach to measuring the effectiveness of our actions.

Over the next 12 months, we will work on enhancing current systems, policies and procedures to more effectively combat modern slavery and evaluate the success of our initiatives. This will include:

Actions undertaken	New actions proposed for next reporting period
Modern Slavery awareness training across FCS	Ensure all our employees (100%) complete the Modern Slavery training and awareness session.
Policies and procedures review	Full review of current policies and procedures to make sure they include Modern Slavery concept.
Due Diligence on Supplier Compliance	To conduct a due diligence on our suppliers to ensure their compliance with Modern Slavery regulations. This will help us maintain high ethical standards and transparency in our supply chain.

We recognise the challenges with tracking the effectiveness of actions in a Modern Slavery context in a way that is meaningful. We are committed to making progressive improvements to our risk management approach, continually refining our approach to measuring effectiveness, and providing transparent disclosures regarding our overall progress, including against the actions/ KPIs proposed above.

## Approval

This Statement has been prepared in consultation with FCS management and approved by the Board of FCS.



**Kyle Farrelly**

CEO of Farrelly Construction Services Pty Ltd

06 December 2024