



› **MODERN
SLAVERY**
STATEMENT

2024





NORTHEAST HEALTH
REDEVELOPMENT
WANGARATTA



INTRODUCTION

This is the FY24 Modern Slavery Statement for the reporting entity, Zauner Construction Pty Ltd (ACN 087 732 607) (referred to in this statement as "Zauner Construction" or the "business"), which has been prepared in accordance with the reporting requirements of the Modern Slavery Act 2018 (Cth) ('the Act'), and the associated regulations and guidelines. Zauner Construction is wholly owned by Zauner Group Holding Pty Ltd ("Zauner Group"), which is not a trading entity. Zauner Construction does not own or control any entity.

For over six decades, Zauner Construction has been recognised as one of Australia's most respected and relationship focused regionally based construction companies. We pride ourselves on leaving a positive impact on our community. One of our most important responsibilities is facilitating the health, safety, and welfare of our people and those we work with by ensuring compliant and transparent working environments.

The purpose of this Modern Slavery statement is to reflect how our business has assessed and responded to the risk of potential modern slavery practices in our operations and supply chains. The business understands the term 'modern slavery' is a broad term that describes serious exploitation, including situations where coercion, threats, and/or deception are used to exploit victims and undermine their freedom. This can include human trafficking, slavery, servitude, forced labour, and debt bondage. Zauner Construction maintains its ongoing commitment to take action to respond to and manage those risks, and to ensure that the safety and welfare of people remain the key priority of the business.

Our business believes that corporate entities have a responsibility to respect and protect human rights, which includes taking steps to assess and address modern slavery, which has severe consequences for victims. While modern slavery can occur in any industry and sector, the construction industry has been flagged as a high-risk sector with its challenges including labour shortages, cost of materials, time and cost pressures, rising inflation and interest rates, and exposure to weather and intense working conditions. Zauner Construction is committed to undertaking ongoing, meaningful steps to help mitigate and address the risk of modern slavery occurring in the workplaces and communities in which the business operates.

This modern slavery statement was approved by Garry Christopher Zauner as the Sole Director of Zauner Group and the Sole Director and principal governing body of Zauner Construction, as defined by the Act, on 31 May 2024:

Garry Christopher Zauner
Managing Director



» CONTENTS

INTRODUCTION	3
STRUCTURE OF THE BUSINESS	5
SUMMARY OF OPERATIONS	6
SUMMARY OF SUPPLY CHAINS	7
MODERN SLAVERY RISK ASSESSMENT	9
NEXT STEPS AND ACTIONS FOR ROLL OUT	14



STRUCTURE OF THE BUSINESS

Zauner Construction specialises in the construction and development of major projects across a range of sectors, including health, aged care, education, industrial and retail. While the business operates predominantly throughout regional New South Wales and Victoria, we have extensive experience bringing our family brand of contracting to the metropolitan areas of Sydney, Melbourne, Canberra, and Hobart.

Since its inception, it has proudly remained a private, family-owned business, with the third generation now working in the business. The business was founded with humble beginnings by Rudi and Greta Zauner in 1958. Their son, Garry Zauner, has undertaken the role of Managing Director and Chief Executive Officer of Zauner Construction for over 35 years. He is also the sole director of the company. Garry holds extensive unlimited commercial and residential construction licences and accreditations across the industry, including New South Wales, Victoria, the ACT, and Tasmania.

Zauner Construction's head office is located at Northpoint Tower, 366 Griffith Road, Lavington, New South Wales, on the same site as the businesses' original site yard. In response to the increased size, value, and number of projects that the business delivers, two other offices in regional New South Wales have been established – the South Coast Office located at 132 Princess Highway, Ulladulla, and the Central West Office at 1521 Forest Road, Orange.

Today, Garry is supported in the leadership of the business by an accomplished and passionate executive leadership team.



Rudy and Greta Zauner
Founding Company Directors 1958



SUMMARY OF OPERATIONS

Zauner Construction's main operations include the project management, design management, construction, and development of projects.

For over 65 years, the business has specialised in major commercial, industrial and government construction projects across a range of sectors, including health, aged care, education, industrial and retail. We are experienced in delivering bespoke projects in operationally functioning or 'live' environments including defence, hospitals, schools, food manufacturing plant, and other environments. Zauner Construction holds an unlimited residential building licence and has built residential developments for clients and as part of its own development portfolio. The business also has a property development arm, and its operations include the management of the properties it has developed.

For its operations, Zauner Construction employs a mix of employees and direct contractors. All of those employees and direct contractors are based in Australia throughout their engagement with Zauner. These employees and direct contractors work out of one of the company's three offices in regional New South Wales. Project teams are also established onsite for the delivery of each project.



SUBCONTRACTOR ON SITE
TRINITY ANGLICAN COLLEGE
"TOWARDS TOMORROW"

SUMMARY OF SUPPLY CHAINS

Zauner Construction has supply chains that directly relate to the business's operations (namely, construction projects undertaken by Zauner Construction, either for its clients or its own developments).

These supply chains predominantly consist of consultants, subcontractors, and suppliers engaged for its construction and development projects. Zauner Construction prides itself on its workmanship and its relationships with these project partners.

Typically, the business directly engages all trades (subcontractors) required for the construction of the projects it is building. This includes civil and demolition works, all service trades (including electricians and plumbers), carpenters, glaziers, plasterers, painters, roofers, day labourers and landscapers. Those subcontractors in turn may themselves engage contractors (such as day labourers) to assist with the works package the business has engaged them for. While the business owns some of its own machinery, including telehandlers and generators, depending on the size and location of the project, Zauner will also hire plant and equipment (such as cranes, forklifts and bulldozers), as well as operators for that plant and equipment. If Zauner Construction is engaged on a 'Design and Construct' basis, Zauner will also engage the relevant design consultants, including architects and engineers.

Zauner Construction also engages a range of consultants, such as town planners and real estate agents, for its development projects.

The business does not manufacture any products or supplies used in the construction of our projects. Where Zauner directly procures products or supplies for construction, it does so from reputable, established suppliers located in Australia. In this context, the business's direct supply chain does not include any overseas factories or entities, as the manufacture, importation, and transport of any building materials used on our projects is undertaken by subcontractors and suppliers further along our supply chain.

Zauner Construction has corporate procurement supply chains that facilitate and support the business's functions and operations. These supply chains include procuring the supply of certain goods, such as corporate vehicles, fuel, office supplies and stationery, catering for staff and clients, corporate uniforms, and personal protective equipment (or 'PPE') for our site teams. The business also engages a range of services, including cleaning and security services for its offices and sites, and professional services (such as lawyers, accountants, IT, and insurance services).



SPRINGS ROAD PEDESTRIAN
BRIDGE AND PATHWAY DURING
CONSTRUCTION, CUDMIRRAH



MODERN SLAVERY RISK ASSESSMENT

Zauner Construction has considered its operations and supply chains, and has then undertaken a risk assessment to identify and assess the risk. The company's risk assessment has included, amongst other things, the development and completion of a self-assessment questionnaire.

The business appointed an internal Modern Slavery Working Group to take the lead and to assist with identifying, mitigating, and responding to modern slavery risk going forward. That Modern Slavery Working Group is comprised of members that work across Zauner Construction's functions, including key personnel from our construction delivery, human resources, tendering and new business, HSE, compliance, and finance teams.

Prior to that assessment being undertaken, the Modern Slavery Working Group undertook modern slavery training to ensure each person involved understood not only the business's compliance obligations, but the real risks and harm of modern slavery.

The business considers the overall risk of Modern Slavery in our operations and supply chain to be low.

The factors set out below contributed to Zauner Construction's determination of an overall low risk of modern slavery occurring in its operations and supply chains.

1. Culture and Leadership

Zauner Construction has worked hard for more than six decades to establish a culture of integrity, community, and doing the right thing by all those the people and businesses it works with.

- The business has a qualified and engaged Executive leadership team, with diversified experience. As part of its Modern Slavery risk awareness, identification, and mitigation strategy, each member of the Executive leadership team has undertaken training to ensure that appropriate awareness and expectations in relation to modern slavery is encouraged throughout the business, 'from the top'.



2. Management of our people

Zauner Construction's employment practices are fair and compliant, and the business strives to provide working conditions that are safe.

- The business has qualified and experienced human resources management, a robust system of HR policies and procedures to facilitate and monitor compliance, and ensure adequate employee entitlements and awards are adhered to across our workforce. Zauner Construction's HR, finance, and payroll teams work closely together to ensure that wages and other benefits are compliant and paid on time.
- In its recruitment processes, the business takes identified steps to ensure that its employees and direct contractors do not pay recruitment fees or other fees to obtain employment. The business also ensures that the identity and ages of all employees and direct contractors are checked by the business upon induction.
- The employment contracts used by the business have been prepared by reputable, external lawyers that specialise in employment law to ensure that the contracts are compliant and balanced. All employees are provided contracts in a language that they understand.
- The business is a major construction member of the Master Builders Association (both Victoria and New South Wales), and utilises the advice and guidance of that organisation, including in formulating its position in relation to human resources and people management.

3. Our Health, Safety, Quality, and Environmental management

Safety is at the heart of Zauner Construction's culture. Our work in the construction industry requires not only compliance with WHS laws but adherence to accepted industry standards and codes of practice. The robust Health, Safety, Quality and Environmental processes that Zauner Construction maintains assist the business in identifying and mitigating modern slavery risk in its operations and supply chains.

- As well as site safety teams on each project, the business maintains an experienced, dedicated Health, Safety and Environment ('HSE') team who is empowered to regularly attend sites and ensure meaningful oversight and advice is distributed across even our most remote projects. The HSE team is made up of safety professionals, including an experienced HSE Manager and three HSE Advisors. In addition to the assigned HSE officers located at each project, the HSE team are committed to regular visits to all of Zauner Construction's active construction sites. The HSE team provide advice and on-going support to all project teams, including their site safety personnel. This facilitates a strong culture of health and safety throughout all its workplaces, including Head Office, the South Coast Office, the Central West Office, and each of its project sites.

- Zauner Construction has an established and proven system of site inspection/audit program to monitor safety, compliance, work methods and work practices. These comprise of Senior Management Inspections, Site Manager and Health, Safety & Environment Officer Inspections. Because of the diverse range of clients that engages Zauner Construction, the business is also regularly subjected to external third-party audits to assess the effectiveness of our various management systems. These external audits include annual International Standards by Sustainable Certification, the Office of Federal Safety, as well as numerous independent client audits.
- The business remains committed to strive for world 'best-practice' operations, including by maintaining accreditation in international standards for Safety (ISO 45001), Environment (ISO 14001), and Quality (ISO 9001), which are audited by an independent certification body. Zauner Construction is also accredited to the Office of Federal Safety Commissioner's Work Health and Safety Accreditation Scheme. This system is complimented by our comprehensive site safety and workplace procedure and policies. Periodic internal and external audit and review of these systems ensures ongoing demonstrable compliance.

4. Tendering and Procurement

Zauner Construction has earned its reputation as a relationship-based contractor over more than 65 years. This means that the business often builds its project teams through its long-established network of current, previous, and known subcontractors and consultants.

- During the tender and procurement process, the business undertakes an industrial relations assessment of proposed and potential subcontractors which assists Zauner in ensuring that its project partners are aware of and comply with best practice and industry standards.
- The business's existing subcontractor database and procurement schedule is updated in real time during each of our projects, to ensure that high quality subcontractors are engaged on its projects.

5. Industrial Relations

As demonstrated over our 65-year proud history, Zauner Construction remains committed to building and maintaining appropriate relationships with relevant unions, based on mutual rights and obligations. We strive to ensure that workers' interests are adequately represented, including by respecting workers' rights to join trade unions.

- Zauner Construction acknowledges and understands our subcontractors' rights and obligations in the management of their industrial relationships. The business strives to achieve acceptable arrangements which provide benefits significantly above award conditions.



- Each project team takes an active approach to ensure subcontractors effectively manage industrial relations on the project, including complying with legislative requirements and code of conduct. The business requires subcontractors to provide a declaration of compliance. This includes the subcontractor verifying that the people they retain are paid at the rates and conditions prescribed by any relevant award or binding agreement. This oversight also allows for mechanisms to ensure compliance and enforcement with respect to financial records associated with the employment of labour. If Zauner has concerns about the approach taken by a subcontractor throughout the course of a project, the business retains the right to subject that subcontractor to an audit for compliance with their legislative obligations.

6. Oversight and involvement

The business employs a range of strategies to maintain safe and transparent workplaces, including project sites. These processes enable Zauner to monitor conditions on site. The strategies include initial project start-up and project inductions (including HSE inductions), regular (minimum of at least weekly) toolbox meetings, regular site meetings, subcontractor coordination meetings, consultative and safety meetings, and individual performance appraisals of subcontractors on completion of each project.



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NEXT STEPS AND ACTIONS FOR ROLL OUT

While Zauner Construction's assessment assessed the risk as low, the business has identified actions and steps it can take to identify and reduce the business's exposure to modern slavery going forward. Some of the steps below have already been undertaken, with others underway to be rolled out in the coming reporting period.

- 1. Establishment of a dedicated Modern Slavery Working Group** – the business has appointed an internal Modern Slavery Working Group to take the lead on the risk assessment and assist with identifying, mitigation, and responding to modern slavery risk going forward. That Modern Slavery Working Group is comprised of members that work across Zauner Construction's functions, including key personnel from our construction delivery, human resources, tendering and new business, HSE, compliance, and finance teams. Going forward, this Modern Slavery Working Group will meet as required, and at least twice annually, to continue to identify, assess, and respond to the risks of ongoing modern slavery risks. This Modern Slavery Working Group will also undertake rolling assessments of the effectiveness of the measures put in place by the business to manage modern slavery risk.
- 2. Dedicated Modern Slavery policy** – We are in the process of finalising a dedicated modern slavery policy, which unifies how the business will continue to identify, assess, and respond to modern slavery risk going forward. That policy will incorporate a grievance policy and reflect the requirements and practical steps for the training and other measures noted below.
- 3. Training** – each member of the Modern Slavery Working Group has undertaken training on modern slavery. As well, each member of the Executive team has undertaken similar modern slavery training to raise awareness of modern slavery issues particular to the construction industry, as well as our compliance obligations, and the steps to be taken to manage modern slavery risk going forward. As a next step, the business is preparing to roll out modern slavery training to its project teams to ensure that those managing our sites understand the risks of modern slavery, and can identify and appropriately report risk factors.
- 4. Raising awareness of modern slavery risk on project sites** – the business is in the process of designing and sourcing a poster, to be displayed at each construction site, to raise awareness of modern slavery and encourage reporting.

5. **Update to site induction procedures** – Currently, all workers on Zauner sites (including Zauner employees) are required to undertake site induction which concerns, amongst other things, WHS issues. That induction will be updated to include a section addressing modern slavery risks.
6. **Updates to our subcontract terms** – We are in the process of working with an external legal team to update Zauner’s general terms of subcontract and purchase order terms. These updates include additions to adequately reflect Zauner’s expectations in relation to modern slavery, and to mandate compliance for all new engagements with subcontracts and suppliers.
7. **Updates to our procurement processes** – New subcontractors, consultants, and suppliers will be subject to a modern slavery risk ‘screening’, and will be required to affirm their awareness of, and compliance with, modern slavery laws.





zauner
construction

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MULTI LEVEL CARPARK,
ALBURY

FULLY INTEGRATED SAFETY CULTURE





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