



Design +
Construction

Kerman Modern Slavery Statement

Financial year ending 2024



Care & Respect



Accountability



Integrity



Passion



Excellence

Kerman Contracting
Pty Ltd

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Overview

At Kerman, we pride ourselves on building strong relationships with our people, clients, and suppliers. This is reinforced by our organisational values – Care & Respect, Accountability, Integrity, Passion, Excellence, and Teamwork, which shape our internal culture and inform how we interact with local communities. We firmly believe that by fostering lasting relationships, we are better equipped to promote an ethical workplace that is free of human rights abuses.

This is why Kerman does not tolerate direct or indirect modern slavery practices of any kind, and we expect our clients and suppliers to embrace the same values.

During the 2024 financial year, we continued to enhance our modern slavery risk management framework through appropriate review and maintenance of our existing policies, procedures and contractual terms. Specifically, we launched enhanced Supplier prequalification questionnaires, inductions and awareness training across the business. This ensured our continued compliance with applicable legislation while gaining the functionality to efficiently capture and assess matters that may concern breaches of human rights. These updates were widespread, extending beyond internal policies to both internal and external resources, website pages and contractual templates.

We are proud that no instances of modern slavery were identified in our operations or supply chain during the 2024 reporting period, but this result does not weaken our desire to enhance our due diligence processes and framework further. We remain committed to continually improving our overarching modern slavery risk approach. For this reason, we have clear and transparent governance in place, with Kerman's Operational Leadership responsible for overseeing our approach on behalf of the Board, which in turn guides the evolution of our modern slavery risk management framework.



Mark Nagle
Managing Director
Kerman Contracting Pty Ltd

Dated: 07th January 2025

This statement was approved by the board of Kerman Contracting Pty Ltd in their capacity as the principal governing body of Kerman Contracting Pty Ltd on 07th January 2025.

Our Commitment

Kerman is committed to

- Operating its business in accordance with the Modern Slavery Act 2018 (Cth), including all emerging amendments to this legislation
- Ensuring our people understand modern slavery and the risk it presents to our operations
- Providing our people with appropriate avenues for reporting potential instances of modern slavery within our operations or the operations of our suppliers and/or clients
- Mitigating modern slavery risk within our operations
- Eliminating potential and/or actual modern slavery practices from our operations and supply chain
- Utilising the due diligence completed to date to facilitate effective action plans and 'next steps' in the pursuit of modern slavery risk mitigation and elimination using a proactive approach
- Ensuring appropriate transparency with our people, clients, suppliers and stakeholders regarding the refinement of our modern slavery due diligence process and the findings arising from this
- Enhancing our data insights to better measure the effectiveness of our existing modern slavery risk framework

Our Structure and Operations

Kerman Contracting Pty Limited (Kerman/The Company) (ACN 008 987 988) is an Australian company registered at Level 1/30 Kearns Crescent, Applecross, Western Australia, 6153, Australia.



This statement has been developed in accordance with the requirements of the Australian Modern Slavery Act 2018 (Cth). It sets out the actions taken by Kerman to identify, assess and address modern slavery risks in its operations and supply chain.



This Modern Slavery Statement is made pursuant to the Modern Slavery Act 2018 (Cth) for the reporting period 1 July 2023 to 30 June 2024.

Kerman has been trading for 44 years and specialises in the design and construction of bulk storage/materials handling facilities, non-process infrastructure, including accommodation villages and industrial facilities, and the SMP erection of processing plants throughout Australia. We contract with medium and large organisations involved in agriculture, mining, and the general industry.

We are resourced directly by approximately 100 employees at any given time, and the proportion of labour hire across the business is less than 1%. About 97% of our workforce is permanent, with the balance comprising fixed-term and casual employees. Our entire workforce is domiciled in Australia. We do not hold any original copies of our employees' identification documents, and all our employees are paid in accordance with Australian laws regarding awards and wages.

Our Governance

Members of the Kerman Board are accountable for ensuring the appropriate management of modern slavery risk by providing appropriate governance and direction to operational leadership. Their responsibilities include governing, guiding, and directing the company toward satisfying organisational objectives in the interests of our employees, shareholders, and the wider community.

Operational leadership is represented by the Managing Director, Operations Manager, Human Resources Manager, WHSE Manager and Project Managers.

Our human resources team undertakes the day-to-day implementation and coordination of our modern slavery approach in collaboration with other areas of the business.

Through our risk management framework, we identify and assess potential human rights risks across our operations and supply chain. This framework helps ensure the consideration of risks by senior management and the Board. The WHSE and HR Managers are responsible for overseeing risk management (including human rights and modern slavery risks) on behalf of the Board. Human rights (including modern slavery) risks are captured in our corporate risk register, with mitigation and action items assigned to relevant operational leadership team members.

Our Supply chains

Clients

In the 2024 financial year, Kerman performed professional services for approximately 14 clients.

Suppliers

In the 2024 financial year, Kerman successfully contracted with approximately 50 suppliers. Of our suppliers, 98% are Australian businesses domiciled in Australia.

Our suppliers provide us with the goods and services we need to support the delivery of professional services to our clients. Kerman's supplier spending can be predominantly attributed to eight core areas:

- **Property:** includes office leasing and car parking
- **Operational:** includes subscriptions, professional membership fees, accounting, consultant, asset security and security services, employee assistance programs, fire first aid and safety, office supplies and stationery, furniture and fit-outs, cleaning, catering, hospitality, and postage and printing costs, utilities,
- **Project Management Services:** Includes Design, Engineering, Procurement, Construction and Commissioning
- **Labour Hire:** Hiring of temporary skilled labour to fill resourcing gaps
- **IT & communications:** includes the purchase of IT equipment and software, as well as the procurement of IT services
- **Insurance:** includes coverage of all major forms of general, public, and professional insurance, including professional indemnity insurance
- **Professional services:** includes the provision of project management services and legal services
- **Travel:** includes booking services and accommodation.

Kerman acknowledges that our supply chain extends beyond those with whom we have direct contractual relationships. We promise to continue to understand the subsequent layers of our supply chains in future reporting periods.

Modern slavery risk areas

Kerman acknowledges that the key source of complexity in identifying and managing modern slavery risk is that supply chains typically span diverse sectors. Further, Kerman acknowledges that continually taking steps to understand where the risks of Modern Slavery are in our operations and supply chains and how these risks change each reporting period is a crucial step towards taking effective and accurate action in response to those risks. We have carefully considered the United Nations Guiding Principles on Business and Human Rights to better understand how an entity like ours can cause, contribute to, or become directly linked to Modern Slavery.

Kerman's modern slavery risk can be broadly classified into three distinct areas:

- Our suppliers
- Our clients
- Our people.

We attribute a risk level to each area based on the perceived exposure likelihood each presents, guiding our response to modern slavery.

Highest Risk: Our suppliers

Kerman engages with various suppliers, each assessed based on risk factors that inform their risk profile. Certain suppliers may present a higher risk of modern slavery by virtue of the industry(s) in which they operate, the potential for vulnerability in their workforce and the state of their internal controls (policies, procedures, and systems). We are committed to identifying and understanding these risk factors, as well as any others that contribute to the overall risk profile of our suppliers.

High-risk Industries identified in our supply chain include:

- Manufacturing

Manufacturing often occurs in geographic locations with a high prevalence of labour rights abuses including, but not limited to, forced labour, child labour, unsafe working conditions and excessive overtime. Manufacturing workers may also have limited resources or methods for raising and resolving grievances. Further, there is a risk that products may be manufactured using raw materials produced by workers subjected to modern slavery. Kerman may be directly linked to human rights impacts through the actions or omissions of its suppliers and/or their suppliers. Kerman may also contribute to human rights impacts if its procurement practices apply excessive pressure on suppliers, such as aggressive cost reductions or shortened delivery times.

- Construction

Kerman may be directly linked to human rights impacts through the actions or omissions of its construction subcontractors and/or their suppliers. We may also contribute to human rights impacts, such as excessive overtime, if its contracting practices apply excessive pressure on subcontractors, such as significantly shortened construction schedules.



- Recruitment agencies and Labour Hire

Recruitment and labour hire industries, particularly those recruiting migrant and base skilled workers, have a higher risk of modern slavery abuses including, but not limited to, human trafficking, forced labour, debt bondage and deceptive recruitment. As a result, Kerman may be directly linked to human rights impacts through the actions or omissions of its labour hire suppliers and/or their suppliers.

Kerman prefers to undertake business with prequalified suppliers operating under negotiated subcontracts and procurement terms and conditions. During the period, approximately 95% of its supplier spend was under negotiated subcontract agreements and Company procurement terms and conditions.

Moderate risk: Our Clients

We take great pride in building relationships and providing professional services to an expansive client base. The volume of organisations and individuals Kerman works with requires us to be aware that, on occasion, Kerman may be at risk of unwittingly entering into an arrangement with a client who does not genuinely share the same commitment to preventing modern slavery as us.

Kerman prefers to undertake business with Clients operating under negotiated terms and conditions. During the period, all work performed for Clients was under negotiated agreements.

Lowest risk: Our people

The majority of Kerman's workforce is employed directly, and this direct engagement, therefore, will reduce the potential for direct cause of Modern Slavery risks within Kerman's operations. A Common Law Contract covers all our permanent employees. Site-based employees are employed on a fixed-term basis and are covered by Common Law contracts or the Kerman Contracting Pty Ltd Enterprise Agreement 2022. This clearly outlines conditions such as the contract duration, work hours and remuneration. Our bi-annual salary reviews ensure we pay our people above award/market indicative rates. We consider that this lowers the risk of modern slavery practices within our operations. Kerman does not employ casual, contractor or seasonal workers.

Modern Slavery Due Diligence

Our due diligence is an ongoing and iterative process that considers actual and potential adverse human rights impacts through our activities and business relationships. Our modern slavery due diligence process includes three core elements underpinned by continuous engagement and collaboration:

- identification and assessment
- awareness and prevention
- monitoring and communication.

Kerman applies risk assessment criteria to identify suppliers with a high risk of modern slavery, including industry and spend. Suppliers operating within specific industries with known labour risks and those recruiting vulnerable populations are considered to have elevated risks of modern slavery. Where a low-risk rating is identified, no further action is taken. The supplier is subject to ongoing monitoring for any changes.

Where a moderate risk is identified, Kerman will review the factors contributing to that risk and consider the actions required to address those factors.

Where a high risk is identified, Kerman will facilitate a discussion with the supplier and agree on necessary actions to address the risk. Kerman will evaluate feedback from the supplier in relation to addressing those actions, which may include

- The regular and appropriate release of a Modern Slavery Statement, where the supplier is legally required to comply with relevant legislation
- The implementation of appropriate policies or procedures addressing modern slavery-related risks
- If we are unable to reach an amicable resolution with the supplier to reduce their modern slavery risk profile, Kerman will terminate the relationship with the supplier as soon as possible after any contractual obligations have been met.

Kerman policies and procedures outline our commitment to detect, address and report risks of Modern Slavery within our operations and supply chains. Our Modern Slavery Policy applies to all employees and highlights the various pieces of legislation and guiding material that Mills Oakley expects all staff to comply with, including:

- Fair Work Act 2009 (Cth);
- Modern Slavery Act 2018 (Cth);
- Australian Criminal Code Act 1995 (Cth), specifically, Division 270 or 271 of the Criminal Code, extending to conduct in and outside of Australia;
- Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy Framework';
- Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and

Children; and

- ILO Convention (No. 182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour

Kerman understands that Modern Slavery includes only the most severe forms of exploitation. We also know that the existence of substandard workplace conditions can be a precursor of Modern Slavery.

We have in place the following policies that we believe ensure our operations are aligned with our legal and ethical workplace requirements: Policy for Leave Entitlements, Code of Conduct, Workplace Standards, Equal Employment Opportunity, HR Policy, Anti-Corruption and Anti-Bribery Policy, Performance Discipline and Grievance Policy, Workplace Violence, Aggression and Bullying Policy, Whistle-blower's Policy, Modern Slavery Policy, Respect in the Workplace Policy, Right to Disconnect, Grievance Procedure, Health and Safety Policy, Fitness for Work Policy.

From a remedial perspective, we advise employees that any employee who breaches the Policy by engaging in or conspiring to engage in any Modern Slavery conduct may face disciplinary action, that Kerman may terminate relationships with individuals or organisations on a breach, and that referral action to proper authorities will be taken in cases involving breaches of the criminal law.

All employees receive training explaining Modern Slavery, its prevalence, and its nature. We also discuss our legal obligations and what further actions each employee needs to take to ensure those obligations are met.

Suppliers

Kerman continues to undertake due diligence on all current suppliers annually, regardless of whether or not they have previously satisfied a pre-qualification assessment. This indicates our commitment to continued risk assessment and management of our suppliers.

Kerman acknowledges that some parts of its operations use labour through third-party providers and subcontractors. However, this amounts to less than 1% of its total workforce. Kerman maintains direct supervision over these third-party workforces and their terms and conditions of employment.

The Vendor Pre-qualification assessment questionnaire requires suppliers to provide information about their own human rights and modern slavery due diligence, governance of their operations and supply chain risk, workforce conditions and recruitment practices, the availability of grievance mechanisms, specific questions about their supply chain and verification of compliance.

Risk considerations include, but are not limited to:

- Systems, policies, and processes in place
- Commitments made
- History of modern slavery and modern slavery-related risk
- Industry in which the supplier operates

- Where the supplier is primarily domiciled (jurisdictional risk)
- Where the supplier's own suppliers are primarily domiciled
- The findings of the supplier's modern slavery due diligence

The data collected was collated against the spend threshold to identify suppliers who may pose an inherent risk to our operations due to their level of involvement.

Responses are given a score out of 20 based on the level of compliance in accordance with legislation.

A score of 15-20 requires no further action.

A score of 10-15 requires further review to determine factors contributing to that risk and consider the actions required to address those factors.

A score of below 10 requires a discussion with the supplier and agreement on actions required to mitigate risks.

For FYE 2024, no suppliers received a score of less than 15. Kerman is not aware of any actual incidents of Modern Slavery cases that it has caused, contributed to, or been directly linked to. We are aware that fully understanding our position in this regard is a complex and challenging exercise, and we endeavour to continue to search for more risks and information to further assure ourselves of this position. We are aware that the absence of evidence is not always evidence of absence.

We believe that by developing our processes and fostering relationships with our suppliers, we can maintain a supply chain free of modern slavery.

Actions taken

- Two new IT platforms were implemented, including a human resources information system and an online managed timesheets system for payroll.
- Modern Slavery Questionnaires that specifically target labour-hire firms.
- Updated our Whistleblowers policy to include a 24/7 reporting hotline.
- Updated our Purchase orders to Suppliers to include our commitment to eradicating Modern Slavery where detected in our supply chains.

Clients

Kerman works with clients who must submit Modern Slavery statements under the Modern Slavery Act 2018 (Cth).

Kerman Terms of Trade, which are executed by our clients and are contractually binding, are constantly reviewed to ensure the document outlines our expectations around Modern Slavery, including but not limited to

- Compliance with Modern Slavery Laws
- Undertaking reasonable steps to ensure there is modern slavery in the client's supply chain or elsewhere in their business operations
- Notification in the event that modern slavery laws are contravened

Due diligence for the period was undertaken through onboarding mechanisms and our own policies and procedures. We received no reportable complaints during the relevant period and will continue to monitor these and other related channels for modern slavery-related complaints.

Actions taken

- Reviewed and updated Terms of Trade
- Implementation of HRIS

Our people

Our HR team at Kerman seeks to ensure that we not only have the right people to deliver high-quality services to our clients but also that our employees enjoy a safe working environment free of undue duress. This sets a cultural tone that speaks to Kerman's core value of encouraging relationships built on mutual trust.

Our stringent recruitment and employment practices reflect this cultural underpinning, and as a result, it has been determined that the risk of Kerman actively participating in or contributing to modern slavery through our people is low.

Considerations addressed through the due diligence process included, but were not limited to:

- Standard conditions of employment
- Remuneration and benefits
- Recruitment process
- Performance management procedures
- Policies and procedures
- People due diligence findings.

People due diligence findings

Through this year's people due diligence process, the following core findings were made, and contextualise Kerman's people risk profile:

- Approximately 97% of Kerman's workforce is comprised of permanent employees
- Approximately 3% of Kerman's workforce is under fixed-term contract arrangements. All contracts are in line with regulatory requirements and industry standards for worker rights
- Less than 1% of Kerman's workforce is sourced through labour hire agencies
- The implementation of a new HRIS has improved data insights about our people and the rigour of our onboarding processes.

- All permanent employees hold either Australian permanent residency or citizenship or have legal rights to work in Australia (one)
- The vast majority of Kerman's workforce are highly skilled professionals who hold tertiary qualifications in line with their field of expertise

We have extensive policies and procedures designed to mitigate all forms of risk associated with employing, managing, and retaining a diverse network of people. This framework gives us great confidence in the quality of our well-educated and professionally trained people and reinforces the belief that our people pose minimal modern slavery-related risk. All Kerman personnel must comply with this policy framework outlined in their employment contract.

Our focus in 2025 would be to continue to bolster employee awareness by requiring all personnel to complete annual online training on Modern Slavery, including the mandatory reading of our Modern Slavery Policy and Statement.

Our next steps for modern slavery due diligence

Next steps for our suppliers

We are committed to continuous improvement, including:

- Continuing to increase the scope of our expanded due diligence to ensure more of our suppliers undergo rigorous assessment. We will clearly outline our expectations of suppliers prior to awarding a contract. Kerman will devise a preferred supplier list to ensure we include only those suppliers that demonstrate a commitment to the principles of integrity, confidentiality, objectivity, professional competence and professional behaviour whilst conducting business.
- Improving systems to support interactions with our suppliers, our clients and our people
- Providing ongoing communication to our people to ensure awareness and clarity around modern slavery-related considerations and responsibilities.

Next steps for our clients

We are focused on continuously improving the quality of due diligence on our clients. This includes:

- Enhancing guidance in client acceptance and continuance procedures to assess modern slavery risk.
- Implementing new systems to support our interactions with our clients.

Next steps for our people

We are committed to continuous improvement, including:

- Making any updates required in our annual review of policies and procedures to supplement our modern slavery risk management framework, where applicable
- Progressively releasing new learning module



Assessing the effectiveness of our modern slavery risk management framework

At Kerman, we are committed to continuously improving our modern slavery risk management framework. By adding rigour to this framework, we can mitigate modern slavery related risk where it concerns our suppliers, our clients and our people. We collate data insights from our various due diligence undertakings to better conceptualise the effectiveness of our existing framework. In 2025, we endeavour to improve the quality and breadth of these data insights through various initiatives detailed above. In turn, this data will promote further rigour in our framework and identify points of focus leading into the future.

Kerman will always communicate transparently regarding the risk of modern slavery in our operations and supply chain. Clients, vendors and other stakeholders who approach us directly for information about our Modern Slavery Statements outside of what is disclosed in this Modern Slavery Statement will be directed to Kerman's HR Management team for further information.

Regulatory Compliance

Modern Slavery Act Requirement	Kerman Modern Slavery Statement
Identify the reporting entity.	Our structure and Operations
Describe the structure, operations and supply chains of the reporting entity.	Our structure and Operations Our Supply chains
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity.	Modern Slavery Risk Areas
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls to address those risks, including due diligence and remediation processes.	Modern Slavery Due Diligence
Describe how the reporting entity assesses the effectiveness of such actions.	Assessing the effectiveness of our modern slavery risk management framework
Describe the consultation process with any entities the reporting entity owns or controls.	Our Governance
Provide any other information that the reporting entity or the entity giving the statement considers relevant.	Our Commitment