



Design +
Construction

Modern Slavery Statement

Financial year ending 2023



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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.

Applecross, **WA** Head Office



This statement has been developed in accordance with the requirements of the Australian Modern Slavery Act 2018 (Cth) and 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 2022 to 30 June 2023.

Kerman 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 with agriculture, mining and general industry.

Employing around 150 employees directly at any given time, the proportion of labour hire across the business is approximately 1%.

Our Governance

Kerman is committed to employing corporate governance practices that support our compliance. Kerman adheres to applicable standards and legislative instruments while also aligning with community expectations. To achieve this end, the Board plays the principal role in directing corporate governance. The Board's responsibilities include governing, guiding, and directing the firm towards the satisfaction of company objectives in the interests of our employees, our shareholders, and the community.

The Board is accountable for ensuring the appropriate management of modern slavery risk, by providing appropriate governance and direction to operational leadership.

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

The day-to-day implementation and coordination of our modern slavery approach is undertaken by our Human Resources team in collaboration with other areas of the business.

Our Supply chains

Clients

In the 2023 financial year, Kerman performed professional services for approximately 14 clients.

Suppliers

In the 2023 financial year, Kerman successfully contracted with approximately 50 suppliers.

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

- Property: includes office leasing and car parking

- Operational: includes subscriptions, professional membership fees, catering, hospitality, and postage and printing costs
- 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.

Modern slavery risk areas

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 of these areas based on the perceived exposure likelihood each presents, guiding our response to modern slavery.

Highest Risk: Our suppliers

Kerman engages with a diverse array of suppliers, each of which is assessed based on risk factors that inform their risk profile. Certain suppliers may present a higher risk of modern slavery by virtue of the jurisdiction(s) and 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.

Moderate risk: Our Clients

We take great pride in building relationships with, 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 the prevention of modern slavery as us.

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. The

knowledge, skills and integrity of our people are paramount to our continued success as a business. In assessing the risk of modern slavery within our direct workforce, we have considered our recruitment, retention, remuneration and employment practices, as well as the nature of our workforce generally

Modern Slavery Due Diligence

Our due diligence is an ongoing and iterative process that considers both 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.

We identify and assess potential human rights risks across our operations and supply chain through our Risk Management Framework. This framework helps to ensure the consideration of risks by senior management and the Board. The WHSE and HR Managers are responsible for the oversight of 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 senior team members

Policy Framework

Our Modern Slavery Policy and Code of Conduct form the foundation of our approach to managing modern slavery risks. Respecting the human rights of all people is embedded throughout our business.

This year, we introduced our Modern Slavery policy to help ensure continued alignment with leading practice, and we updated our Vendor Pre-qualification Assessment tool to more accurately assess and address modern slavery risks.

The following policies and procedures guide our actions in addressing modern slavery risks. Other policies that help us implement our broader human rights approach include our Health and Safety Policy, Equal Employment Opportunity Policy, Workplace Violence, Aggression and Bullying Policy, Whistleblower's Policy and Grievance Procedure.

Policy	Overview	Policy in action
Code of Conduct	<ul style="list-style-type: none"> • Sets ethical standards and behaviour expectations for all Kerman employees • Promotes honest and ethical business practices • Ensures compliance with laws and regulations 	The Code of Conduct sets out our rejection of modern slavery in our operations and supply chain. It applies to all Kerman activities. Compliance with the Code is a condition of working for and with Kerman and is provided to all employees during recruitment and suppliers during onboarding.
Whistleblower's Policy	<ul style="list-style-type: none"> • Provides protection for employees who report misconduct or wrongdoing • Establishes confidential reporting processes and investigation procedures • Outlines support mechanisms for whistleblowers 	In addition to being communicated internally, the availability and details of the Whistleblowers Hotline is included in Kerman's Whistleblower Policy and included in Kerman's Vendor Pre-qualification assessment. It applies to all activities undertaken by Kerman and its subcontractors.
Grievance Procedure	<ul style="list-style-type: none"> • The procedure provides a process for addressing workplace grievances: • The process emphasises procedural fairness • the whistleblower protection policy supports employees who report illegal or unethical activities. 	The procedure is distributed company wide and ensures a safe space for employees to voice their concern, problems or complaints about their workplace, colleagues or managers.

Operational Actions

Suppliers

Kerman recognises the risks of modern slavery in our supply chain, particularly beyond the Subcontractor levels, where visibility and transparency of worker conditions are challenging. Acknowledging this risk, and consistent with our Modern Slavery Policy, Kerman undertakes supplier due diligence to identify modern slavery risks in our supply chain.

Our Vendor Pre-qualification assessment questionnaire is an important tool in understanding not only the modern slavery risks for our subcontractors but also risks within their supply chains and how they are managing these risks. The questionnaire asks suppliers about their own human rights and modern slavery due diligence and 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.

Our suppliers are monitored on an annual basis.

Where the supplier receives a low-risk rating, 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 actions, if necessary, 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.

In FY24 we will address modern slavery risks associated with temporary and migrant labour. We will create a bespoke questionnaire specifically tailored for recruitment agencies providing labour hire workers.

Clients

Kerman works with Clients required to submit Modern Slavery statements under the Modern Slavery Act 2018 (Cth).

We launched our Whistleblowing Policy to ensure continued compliance with applicable regulations.

We received no reportable complaints during the relevant period and will continue to monitor these and other related channels for modern slavery-related complaints.

Our people

At Kerman, we are committed to respecting the human rights of our employees and reject modern slavery in our operations. We also respect freedom of association, rights to collective bargaining, and the right to a fair and living wage, and we seek to ensure that all our employees are treated fairly and without discrimination.

All employees are provided with a written contract setting out the terms of employment, including remuneration, working hours, leave, and other benefits. Our employment contracts are designed to comply with local laws. We offer remuneration packages that are competitive, above minimum wage, and reviewed annually to help ensure our personnel are being paid appropriately for their work.

We are committed to fair recruitment processes, free from discrimination and coercion. Our recruitment process includes steps to verify the identity and age of applicants, confirm working rights, complete health and fitness checks, and check qualifications to help ensure personnel can safely and competently fulfil their roles. Kerman does not retain original personal identity documents of our employees, such as passports. For any international personnel engaged directly, we follow the same recruitment processes but also have mechanisms in place to help ensure that these processes are compliant with applicable local labour laws.

The recruitment and local labour hire agencies that we work with are required to adhere to ethical recruitment practices and are prohibited from presenting candidates without their knowledge, accepting any payments from candidates, and unlawfully discriminating against candidates.

Audits

Kerman recognises that audits can be a valuable part of ongoing due diligence and verification. While we acknowledge there are some limitations and sensitivities, we are committed to working with our suppliers and clients to create a transparent and robust process that provides mutual benefit. We are currently taking a risk-based approach to supplier's audits.

Risk Management Plans

We use a Risk Management Plan to guide and track suppliers identified as requiring greater due diligence and support. The plan may be initiated when issues are identified through adverse media reports, compliance and monitoring activities (including questionnaire responses), or a vendor or supplier's unwillingness to agree to audits or other verification activities. If suppliers do not demonstrate improvements over time, we may discontinue our engagement with them.

Terms of trade

Before being onboarded, suppliers are required to agree to and comply with Kerman's key policies and standards concerning modern slavery including our Code of Conduct and Modern Slavery Policy. This process assists in communicating Kerman's standards and approach to addressing modern slavery risks. Suppliers are also required to comply with Kerman's Standard Terms and Conditions which include provisions on modern slavery requiring suppliers to investigate and assess their modern slavery risks and implement due diligence actions and remediation programs to address their risks. Suppliers are required to include equivalent commitments in their contracts with their suppliers.

Training And Awareness Raising

We undertake a number of training, capacity building and awareness-raising activities to support the management of our modern slavery risks, including:

- employee training
- supplier engagement, onboarding and training

Employee training

Training builds awareness and informs and empowers our personnel to achieve our commitment to respecting and supporting human rights, including identifying and addressing modern slavery risks in our operations and supply chain. Recognising all our employees have a role to play in ensuring we respect human rights, all employees are required to undertake mandatory HR/IR inductions. This training module aims to provide our personnel with an introduction to human rights; Kerman responsibilities and commitments; modern slavery and our actions to identify, assess and address risks in our operations and supply chain; how to report human rights and modern slavery concerns; our grievance mechanisms; and where to seek further support in the business.

Supplier engagement

Supplier engagement is key to our due diligence process and provides an opportunity for us to share knowledge with and build the capacity of our suppliers. Our engagement with suppliers on modern slavery topics continues to be undertaken predominantly on a one-to-one basis through the vendor onboarding process and the questionnaire process, during contract negotiations and throughout the life of the contract.

Our approach to engagement with suppliers focuses on awareness and collaboration, underpinned by the following principles:

- building collaborative partnerships
- risk-based engagement
- recognising influence
- seeking feedback.

Grievance Mechanisms and Remedy

Kerman is committed to providing for or cooperating in remediation where we identify that we have caused or contributed to an adverse human rights impact, including incidences of modern slavery.

A key part of enabling access to remedy is the provision of effective grievance mechanisms. We provide a number of mechanisms for employees, contractors and third parties, including community members, suppliers and supply chain workers, to raise concerns, including potential instances of modern slavery, other human rights concerns, suspected or actual illegal activities and breaches of Kerman's policies, including our Code of Conduct. We also recognise the importance of accessible grievance mechanisms for workers in our supply chain. Our supplier questionnaire asks suppliers questions about the availability of grievance mechanisms for workers in their businesses.

Grievance Procedure

Our Grievance Procedure is designed to help ensure stakeholders have access to a locally appropriate mechanism to raise grievances. The Procedure requires grievances to be recorded, investigated, and resolved in a timely manner.

Whistleblower Policy

We are committed to providing our employees with access to a fair, transparent, and confidential process to resolve grievances. Our Whistleblowers policy encourages employees to raise concerns, including modern slavery and human rights concerns, directly with their line managers, leaders, or HR team in a confidential manner. These concerns can be raised face to face, via email, or phone. The policy also has a Hotline for anyone to raise concerns, seek further assistance or report potential conduct breaches such as bribery, corruption, conflict of interest, fraud, theft, serious misconduct, dishonesty, danger to the public or financial system, or an improper state of affairs. Human rights concerns, including modern slavery concerns, may be reported through the Whistleblower Hotline.

Assessing Our Effectiveness

We consider an effective response to modern slavery to involve the identification of modern slavery risks in our operation and supply chain through robust due diligence actions supported by the right policies and processes. It also involves taking action to address identified risks and using our leverage where possible to drive action across our supply chain. Where modern slavery is identified, an effective response involves taking the appropriate actions based on the UN Guiding Principles to provide for, cooperate in or encourage effective remedies as far as possible and prevent future harm.

Assessing the effectiveness of our actions and striving for continual improvement is a key aspect of our approach to identifying, assessing and addressing modern slavery risks in our operations and supply chain. However, there are challenges to assessing the effectiveness of our actions including the fact that modern slavery is often hidden, more difficult to identify and address where we have less control and/or leverage, and the risks are greater beyond subcontractors of our supply chain where visibility is reduced.

We evaluate the effectiveness of our actions through a range of formal and informal processes and indicators including:

- Reviewing and updating our modern slavery (and broader human rights) risk assessments in our operations and supply chain to help us continue improving our approach to respond to our evolving risk profile
- Undertaking periodic and external reviews of our processes and procedures to help us understand how these are working in practice and identify opportunities for continuous improvement
- Conducting due diligence activities, such as audits which help us to understand areas of risk in greater detail (including with particular suppliers), and identify specific corrective actions
- Collaborating, engaging and seeking feedback from other organisations and our peers to share knowledge and improve performance and outcomes
- Engaging with our suppliers as part of our supplier screening and monitoring processes, which provides insights into where individual suppliers are improving their modern slavery risk management approaches and how we can further support their efforts

Feedback from internal and external stakeholders is also valued in assessing the effectiveness of our actions to address modern slavery risks. While this is often ad hoc and difficult to quantify, it is a useful input in helping us assess and improve our various activities. For example, feedback from our internal stakeholders assists us in continually improving our training approach. Our vendor pre-qualification assessment tool seeks feedback from our external stakeholders, including our suppliers. This feedback is valuable in helping us refine our approach.



Signed:

A handwritten signature in black ink, appearing to read 'M Nagle'.

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.

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, and any entities that the reporting entity owns or controls	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 our effectiveness
Describe the process of consultation with any entities that 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