

SARRAH



Modern Slavery Statement

2023

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 combating 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.**

Contents

- 1.0** About Us
- 2.0** The Risk of Modern Slavery in our Operations and Supply Chain
- 3.0** Actions Taken to Assess and Address the Risks, Including Due Dilligence and Remediation Processes
- 4.0** How we Assess the Effectiveness of our Actions
- 5.0** How this Statement was Prepared

01.

About us

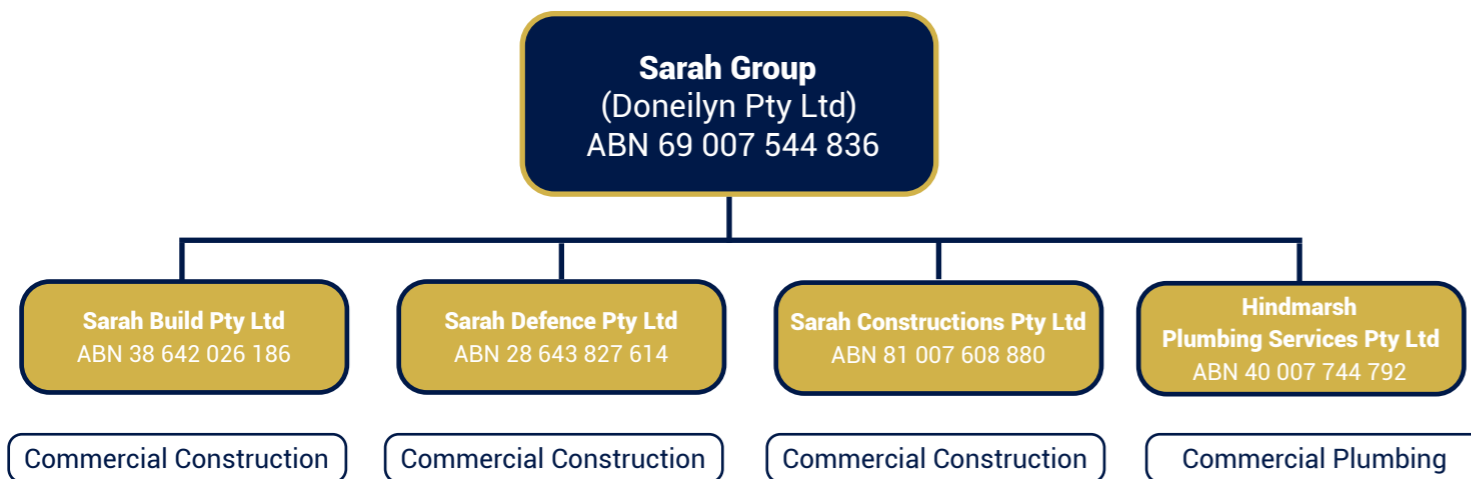
This Modern Slavery Statement is made by Sarah Group Holdings ("Sarah") ABN 69 007 544 836 for the reporting period ended 30 June 2023 (FY23) pursuant to the Modern Slavery Act 2018 (Cth) ("Modern Slavery Act").

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 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 Operations

During FY23 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.

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.

Sarah Constructions

Hindmarsh Plumbing

Our Projects

Key projects undertaken during the reporting period include:



Westminster Stage 1-3 \$28.1M

The Westminster School Campus Masterplan facilitates the school's commitment to providing their students with space to learn, create and grow. Sarah has been involved over 3 separate stages, delivering this major campus transformation to provide the school community with world class facilities.



Monarch Apartments \$19M

Monarch is a 6-storey apartment building, comprising of 49 high end apartments, all individual with varying customer selections and upgrades. The building incorporates a combination of precast walls and floors, in-situ concrete, and structural steel.



St Peter's College Big Quad Redevelopment \$17M

St Peter's College Big Quad Redevelopment involved the redevelopment of heritage buildings, transformed to provide more flexible, modern and diverse learning spaces to match contemporary pedagogy needs.



TQEH Stage 3 Clinical Services Building with Built Environs \$8M

Work continues on an overall \$314m update to TQEH replacing existing facilities at the hospital in a new 4-storey building, ensuring high quality healthcare in Adelaide's western suburbs. Hindmarsh plumbing is providing the hydraulic services.



83 Pirie Street with Multiplex Constructions \$3.5M

Delivery of hydraulic services to Cbus Property's 83 Pirie Street – a 22-storey office tower. The building stands proud as Adelaide's most sustainable office tower. Designed to achieve world-class energy efficiencies and environmental standards, it is the first commercial and mixed-use building that does not use any natural gas.



Memorial Drive Tennis Centre with Kennett \$3.5M

The iconic Memorial Drive Tennis Precinct underwent a large scale upgrade throughout 2022. Hindmarsh Plumbing proudly worked with Kennett to complete the upgrade which involved laying new courts, as well as the demolition and construction of brand new Northern and Eastern grandstands, catering for thousands of fans.

Our Supply Chain

In FY23 Sarah's procurement spend was approximately \$363 million.

We extended on the prior year's assessment of our supply chain during the current year, with the main categories of spend remaining largely the same and summarised below.

Commercial Construction

Subcontracts and Labour

Hydraulic and Plumbing Services
Mechanical Services
Electrical Services
Civil infrastructure
Reinforcement Fix
Fire Protection Services
Landscaping Services

Materials

Steel
Aluminium
Concrete
Reinforcement Supply
Furniture

Materials and Labour

Doors and Frames
Formwork
Cladding and Roofing
Ceilings and Partitions
Carpet and Flooring
Joinery
Concrete - supply and place
Painting
Fencing

Equipment

Rubbish Bins
Site Sheds
Equipment Hire
Vehicle Fleet

Commercial Plumbing

Subcontracts and Labour

Demolition
Fire Protection Services
Civil Infrastructure
Water Treatment Specialists
Apprentice Providers

Materials

Plumbing Supplies
Water Treatment Supplies

Equipment

Vehicle Fleet
Excavation Equipment

Corporate Services

IT Software
IT Equipment

Telecommunications
Insurance Broker and Insurance Services

Advisory Services including Professional 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.

Supply Chain and Labour Constraints

As many in our industry, we have not been immune to supply chain constraints, supply cost escalation and access to labour. To manage this risk, we have focused on building strategic relationships with key subcontractors and suppliers and bolstered our employee offering to retain talent. During the year we revitalised our new business team, looking to engage subcontractors and suppliers early and throughout the project lifecycle. As a result, we have managed to reduce loss making jobs, retain solid relationships with our suppliers and subcontractors, whilst creating a safe place to work for our people.

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. This analysis was reviewed and updated in FY22 and FY23. There has not been significant changes in activity and our current risk of modern slavery remains within our operations remains LOW for the following reasons:

- ✓ Our Governance Committee (made up of independent members and executive leadership) meet quarterly to discuss key business matters, which includes the risk of modern slavery within organisation
- ✓ We have an Audit, Risk and IT committee which is chaired by an independent member. This committee is charged with Internal Audit, which includes management of the company risk register and delivery of an annual internal audit plan.
- ✓ We have a dedicated HR team within each of our group entities. These teams have robust controls in place for onboarding new employees including but not limited to working right 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.
- ✓ We have ongoing training and engagement with our employees to ensure an understanding of modern slavery risks and responsibilities.
- ✓ All our employees are located in Australia.
- ✓ All apprentices are sourced either through Master Plumbers Association South Australia (MPA) or Trading & Apprentice Placement Services Inc (TAPS) – both of which are Australian Registered Industry Group Training Organisations.
- ✓ Approximately 25% of our employees are covered by an enterprise agreement
- ✓ We've implemented a new subcontractor management database in our commercial construction entities (covering 88% of our procurement spend) which facilitate initial engagement with subcontractors, including a preliminary questionnaire relating to their modern slavery practices. In addition, we request all subcontractors complete the Property Council of Australia's Modern Slavery questionnaire.
- ✓ We've established a Modern Slavery Working Group with members from Procurement, Risk, Finance and Human Resources across the entities. The purpose of this group is to share ideas and drive continuous improvement.
- ✓ In 2022, we engaged PwC to assess the maturity of our current approach to modern slavery against legislative requirements and best practice guidance. PwC noted that our maturity was at a 'managed' level, recognising our policies and procedures, understanding of suppliers and engagements with employees and suppliers. PwC made a number of recommendations to further enhance our maturity which have been included in our three-year plan.

In Our Supply Chain

We understand by nature of the commercial construction and plumbing industry we operate in 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.
- Tight project deadlines and price pressures

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
 High Risk	Ceilings and Linings Cladding and Roofing Joinery Painting Tiling Concrete Labour Hire	
 Medium Risk	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.

Actions Already Taken

Following the initial risk assessment and gap analysis performed during FY21 and the review of this in FY22 the following actions have been undertaken:

- ✓ Embedding our updated procurement templates within our businesses processes
- ✓ All purchase orders and subcontracts include terms with reference to Modern Slavery obligations and expectations
- ✓ Continued engagement and participation in construction industry collaboration forums in relation to modern slavery, and in particular the Property Council of Australia pre-qualification project. Currently 20% of our subcontractor database have fully participated, whilst 8% are in progress. Currently 20% of our subcontractor database have fully participated, whilst 8% are in progress.
- ✓ Engaged external consultants to review our processes and procedures in managing modern slavery risk, with the view of understanding gaps and opportunities for improvement.
- ✓ Engaged the Executive and Governing Committee to develop a three-year modern slavery strategic plan
- ✓ Established a Modern Slavery Working Group to further embed modern slavery across the business with the aim of driving continuous improvement. The Working Group consists of members from Procurement, Risk, Finance and Human Resources across the entities.
- ✓ Refreshed internal policies to provide enhanced clarity on employee responsibility, as well as improved awareness of the process employees need to follow if there is an incident or suspected incident of modern slavery.
- ✓ PwC delivered Modern Slavery Risk Workshop to our senior leadership team in Nov 2022. This workshop included training and discussion of opportunities for improvement. A feedback survey post workshop, noted the attendees experienced an uplift in their understanding of modern slavery risks, their confidence to talk about modern slavery and its impact and the role they play in maturing Sarah Group's modern slavery approach. In addition, 80% staff have completed a modern slavery online training module. The Commercial Managers also provided an update to the Project Manager meeting to reinforce the lessons in the online training module. 95% of leaders have completed modern slavery awareness training through one of these mediums.

Actions Already Taken cont..

- ✓ Implemented a new subcontractor management database, which has purpose built modern slavery questionnaires and templates to further enhance our procurement processes and procedures.
- ✓ Continued building strong relationships with our suppliers and subcontractors to gain better insight into the risks of modern slavery within their supply chain and to work as a driver for awareness and change within the industry.

Actions to be Taken:

We have engaged with Executive and the Governance Committee to develop the below three year plan to further mature our modern slavery approach:

Activity	Description	2023/24	2024/25	2025/26
Refresh risk rating framework	Develop a framework which outlines the process of risk rating suppliers. Work with operating entities to refresh supplier risk assessment using the framework.			
Develop standard onboarding requirements	<ul style="list-style-type: none"> > Develop standardised requirements across the business in relation to modern slavery questionnaires. > Document a supplier onboarding policy that outlines a decision tree of who needs to comply with which questionnaire. > As part of the supplier selection and onboarding process for suppliers in high-risk procurement categories, consider including additional mandatory questions that outline the processes and procedures in place to manage the risk of modern slavery. 			
Deep dive of Reece and Tradelink	Work closely with Reece and Tradelink to start mapping tier-two supply chains with a focus on hot spot categories based on Industry/Procurement category and location.			
Develop human rights policy and code of conduct	Prepare Human Rights Policy and Supplier Code of Conduct			
Training	Engage with employees through ongoing communication and formal training to raise awareness of modern slavery risks			
Engage with apprenticeship providers	Engage with apprenticeship providers to ensure their approach to respecting human rights and guarding against modern slavery is sufficiently robust.			
Engage external consultant	Engage third party provider to review Sarah Group's modern slavery response against legislative requirements under the Modern Slavery Act 2018 and best practice guidance			
Policy refresh	Regular policy refresh			
Consultation	<ul style="list-style-type: none"> > Regular Modern Slavery Working Group meetings > Reporting to and consultation with the Audit, Risk and IT Committee 			

04.

How we assess the effectiveness of our actions

We continue to develop 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.

Our assessment of actions undertaken will include:



Qualify subcontractors through our new subcontractor management database



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



Include modern slavery questions as part of our standard subcontractor onboarding process



Perform a half yearly analysis and review of our supply chain



Review Whistle blower reports for any trends relevant to modern slavery



Evaluation of the effectiveness of training programs run across the business

05.

How this statement was prepared

This statement has been prepared in consultation with key stakeholders and executive management across all our entities.

This statement for the financial year ending 30 June 2023 is made pursuant to section 14 of the Modern Slavery Act 2018(Cth) and has been approved by the Directors of Sarah Group Holdings



Timothy Sarah
Joint Managing Director



James Sarah
Joint Managing Director





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