



# Modern slavery statement

SMEC Australia  
January to December 2020



# Contents

- 1.0** Introduction
- 2.0** The Reporting Entity
- 3.0** About SMEC Australia
- 4.0** Our Supply Chain
- 5.0** Assessing our Risks
  - 5.1** Facilities Management
  - 5.2** Personal Protective Equipment (PPE)
- 6.0** Addressing our Risks
  - 6.1** Building Awareness
  - 6.2** Improving Policies and Procedures
  - 6.3** Enhancing Due Diligence
- 7.0** Measuring our Effectiveness
  - 7.1** Measuring Awareness
  - 7.2** Measuring Improvements to Policies and Procedures
  - 7.3** Measuring Supplier Due Diligence
- 8.0** Our Consultation Process
- 9.0** Approval



1.0

# Introduction

This is the first Modern Slavery Statement ('Statement') for SMEC Australia. The term modern slavery is used to denote practices defined in the Modern Slavery Act 2018 (Cth) (MS Act) and includes eight types of serious exploitation: servitude, slavery, forced labour, forced marriage, the worst forms of child labour, debt bondage, deceptive recruiting for labour or services and trafficking.

Under the MS Act, reporting entities are required to assess the risk of modern slavery in their supply chains and operations, and the supply chains and operations of any entities they own and control, and engage with their suppliers to mitigate and address that risk.

The purpose of this Statement is to outline our approach to ensuring that SMEC Australia has robust frameworks and processes in place to minimise the risk of modern slavery in our business operations and supply chain.

SMEC Australia is fully committed to operating responsibly and adhering to the highest ethical standards. We recognise that slavery and human trafficking can occur in many forms, and we will not tolerate any form of slavery or human trafficking in our business.



Norwest Station  
New South Wales

2.0

## The Reporting Entity

This Modern Slavery Statement ('Statement') is made on behalf of SMEC Australia Pty Ltd in compliance with the Modern Slavery Act 2018 (Cth) (MS Act).

SMEC Australia is a wholly owned subsidiary of Surbana Jurong Holdings Australia (SJHA). The entities SMEC Australia owns or controls include; PDR Engineers Pty Ltd, and SMEC New Zealand Ltd.



Member of the Surbana Jurong Group

3.0

## About SMEC Australia

SMEC is an engineering, management and development consultancy delivering innovative solutions for our clients and partners. Leveraging our 70-year history of delivering nation-building infrastructure, we provide technical expertise and advanced engineering services to resolve complex challenges across the project lifecycle, from initial concept, feasibility, planning and design through to construction, commissioning, and operation and maintenance.

In Australia and New Zealand, we have over 1600 people across 17 offices delivering a core service offering covering urban renewal, transport design and energy. We provide specialist expertise and technology-driven solutions in a broad range of areas including; roads & highways, rail & metro, aviation, urban communities, water & wastewater, hydropower, renewable energy, geotechnics, dams, tunnelling, environmental, waste and asset management.



4.0

# Our Supply Chain

The guidance to the MS Act, provided by the Government, indicates that entities may either cause, contribute to, or be linked to modern slavery through their business operations and partnerships. There is an expectation that entities will prevent any modern slavery in their own operations, as this is where there is the most control and leverage.

We understand that risks of modern slavery in the first tier of the supply chain should be addressed as a priority. Over time we will assess the risks of modern slavery deeper into our supply chain.

SMEC Australia's supply chain consists of goods and services that support our consulting services business across all States and Territories in Australia and New Zealand. We have over 1,700 suppliers that are mostly based in Australia.

One of our largest supplier categories is 'Corporate Services', which includes rent and facilities management (including; security, cleaning, advertising, sponsorships, communications, entertainment and membership fees). Other categories include; sub-consultants, travel, accommodation, equipment (purchase and hire), training, and a smaller but important supplier category is Personal Protective Equipment.

SMEC Australia has significant expenditure allocated to sub-consultants, although there isn't strong visibility in the supplier data to determine the types of services they provide. We are aware that a lack of visibility can sometimes correlate to a higher risk of modern slavery, with this in mind, we are committed to improving this visibility through changes to our financial management system.



We have over 1,700 suppliers that are mostly based in Australia



We have 1,600 employees based in Australia



We operate from 17 offices located across every state in Australia

### New South Wales

- Sydney
- Wollongong
- Newcastle
- Parramatta
- Grafton

### Queensland

- Brisbane
- Sunshine Coast
- Gold Coast
- Cairns
- Townsville

### Victoria

- Melbourne
- Geelong
- Traralgon

### South Australia

- Adelaide

### Western Australia

- Perth

### Australian Capital Territory

- Canberra

### Northern Territory

- Darwin

5.0

## Assessing our Risks

SMEC Australia believes that understanding the supply chain is the first step in identifying risk. We acknowledge that the level of expenditure associated with any individual supplier does not necessarily correlate to the risk of modern slavery.

SMEC Australia commissioned Corrs, a leading independent Australian law firm, to conduct an initial high-level risk assessment of our supply chain. This process involved a thorough mapping of the supply chain, including categorisation and assessment of suppliers. This resulted in an assessment of risk that will be used as the framework for engagement with suppliers, and the ongoing development of tools to assess and address modern slavery risks.

Based on known risks of modern slavery, and the available data, the prevalent modern slavery risks for SMEC Australia relate to Facilities Management suppliers, and suppliers of Personal Protective Equipment.



# Assessing our Risks

## 5.1. Facilities Management

Facilities Management includes; cleaners, security and maintenance services. Our offices and facilities are one of our most significant expenditures. Within the facilities management category, cleaning work gains attention due to its multiple tiers of contracting, which can sometimes obscure labour conditions, whilst the low-skilled nature of the work can sometimes expose vulnerable workers to exploitation. Similarly, security and maintenance services often have multiple tiers of contracting and vulnerable low-skilled workers, also requiring further due diligence.

## 5.2. Personal Protective Equipment (PPE)

Whilst expenditure is relatively low, PPE is known to be a high-risk category. Often, suppliers are based in Australia, although materials or equipment are sourced from high-risk jurisdictions internationally. We are committed to investigating the origin of the PPE we purchase, and the nature of the workforces used in the production of that PPE.





# Addressing our Risks

## 6.1. Building Awareness

One of the key actions we have undertaken to build awareness of modern slavery is through mandatory training for all employees. The training is online and covers; what modern slavery looks like, its impact on individuals, companies and society, forms of modern slavery, how to identify signs of modern slavery, how to combat modern slavery, what each person can do to prevent modern slavery.

Modern Slavery training was launched via a global announcement from the CEO, followed by regional announcements from the respective Heads. For new employees, modern slavery training is now part of onboarding. The completion rate for the online training in Australia was 88.5% in February 2021, a good result given that this includes people on long-term leave who are unable to complete the training.

## 6.2. Improving Policies and Procedures

Improving our policies and procedures has been a priority to mitigate or remove modern slavery risks in SMEC Australia's operations and supply chains. In the 2020 financial year, we developed a Modern Slavery Policy that sets out our commitment to identifying, assessing and addressing risks of modern slavery; and informing staff of what is expected of them in actioning this commitment including establishing a process for raising issues of concern (such as reporting risks or suspected instances of modern slavery).

During this period, we also developed Supplier Minimum Standards, which establish the minimum standards required of our suppliers in relation to addressing modern slavery risks, and which are imbedded into our standard supplier agreements. These Minimum Standards are also inserted into a supplier's own agreement when a SMEC standard agreement is not being used.

In addition to these new governance measures, in the 2020 financial year, we reviewed and amended a range of policies and procedures to incorporate our commitment to addressing the risks of modern slavery, including;

- Procurement Policy
- Purchasing Procedure
- Sub-consultancy Agreement
- JV Agreement
- Contractor Standing Agreement

Prior to the 2020 financial year, where the above (new and revised) policies and procedures were released, we already had a strong governance framework in place focused on ethical business practises and protecting human rights.

This pre-existing framework includes;

- Code of Conduct
- Business Integrity Policy
- Business Integrity Risk Register
- Annual Employee Integrity Compliance Survey
- Whistleblowing Policy
- Whistleblowing Reporting and Investigation Procedure (via a third party-hosted, confidential reporting platform, where employees remain anonymous)
- Child Protection Policy
- Sustainability Policy

## Addressing our Risks

### 6.3. Enhancing Due Diligence

We understand the importance of conducting due diligence on proposed suppliers to enable us to make an informed decision prior to engaging into a business relationship.

We have a Supplier Registration process, which includes Supplier Due Diligence Criteria and a Supplier / Partner Due Diligence Questionnaire. The Questionnaire is an evaluation process performed on a current or potential business supplier (or partner) to investigate the entity's history, activities and documentation before engaging them in a business relationship. The results of the Questionnaire will determine the level of due diligence we will then undertake.

In the 2021 financial year, we will perform due diligence on suppliers with the highest perceived risks to modern slavery, including; Facilities Management (such as cleaners, security and maintenance service suppliers) and suppliers of Personal Protective Equipment. In subsequent years, we will drill down further into our supply chain and increase the level of engagement with high-risk suppliers.



# Measuring our Effectiveness

We are taking steps to manage the risks of modern slavery within our supply chain, and are committed to a program of continuous improvement to ensure our efforts are effective. Building awareness, improving policies and procedures and enhancing due diligence are the three focus areas of our Anti-modern Slavery Program. Our approach to measuring our effectiveness in these areas is detailed below.

## 7.1. Measuring Awareness

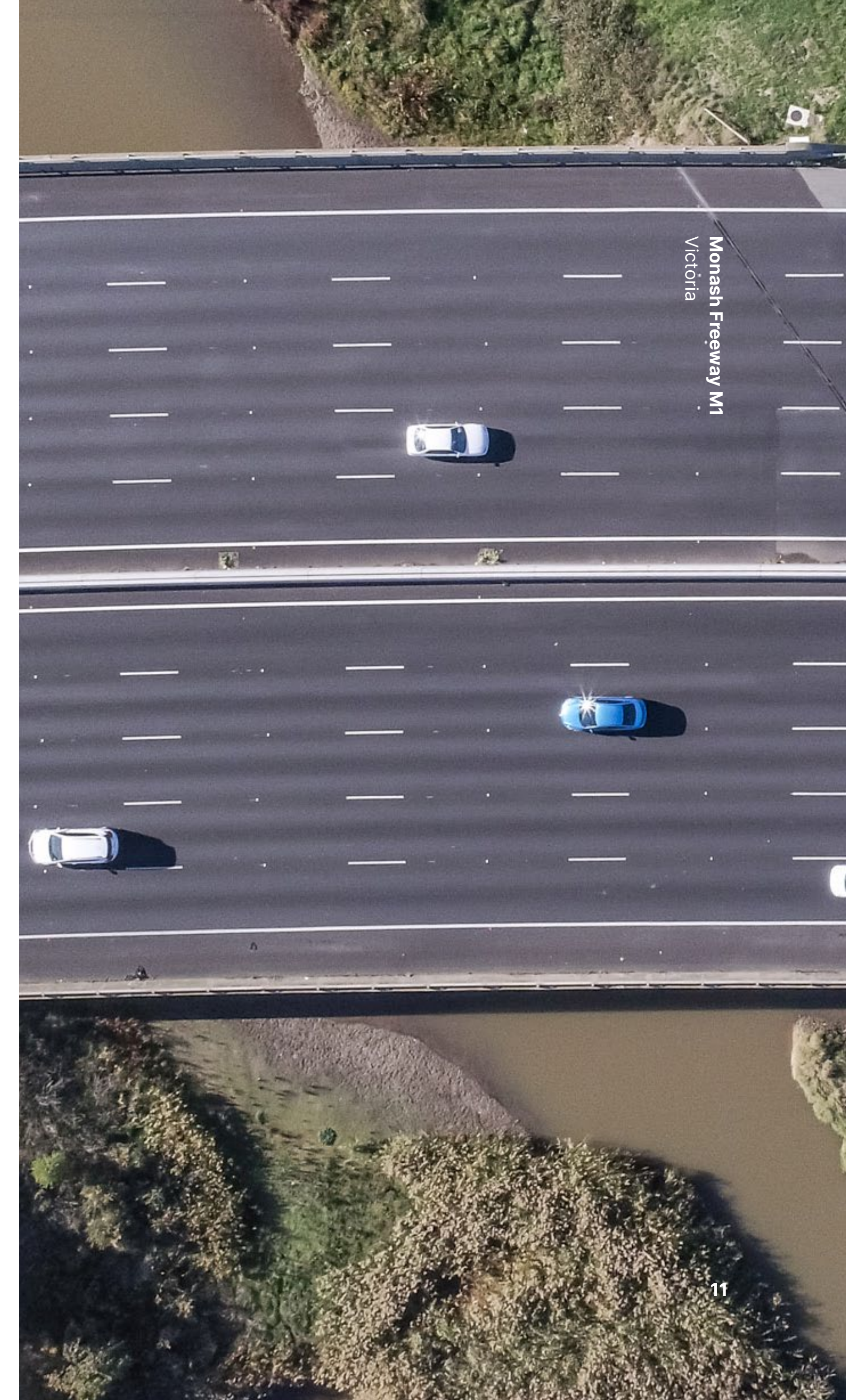
Measuring the effectiveness of our Modern Slavery training is based around answering a simple question 'Did the training achieve what it set out to do?' The objective of the training was to raise awareness of modern slavery and ensure employees can identify modern slavery risks in their everyday actions. To assess this objective, we drafted a Survey which will be administered via a random sample to employees, asking questions about the training, for example 'Rate your level of awareness of modern slavery before and after completing the training: low / medium / high'. The results of the Survey will be used to further improve our modern slavery training.

## 7.2. Measuring Improvements to Policies and Procedures

Measuring how effective our (new and revised) policies and procedures are will include conducting audits of our Supplier Agreements to ensure that the new Supplier Minimum Standards are included.

## 7.3. Measuring Supplier Due Diligence

Our enhanced due diligence on suppliers will be measured through the level of participation and cooperation in our Supplier Due Diligence Program. We are committed to encouraging greater participation in our due diligence processes, and will encourage our suppliers to adopt their own modern slavery risk programs.



8.0

## Our Consultation Process

We consulted across the Company through the Modern Slavery Working Group which comprises members of management from the business' operations and support services. We also consulted with the Boards of the entities we own and control, by circulating a draft Modern Slavery Statement for their review and feedback. We engaged with all employees from the entities SMEC Australia owns and controls through the mandatory online training.

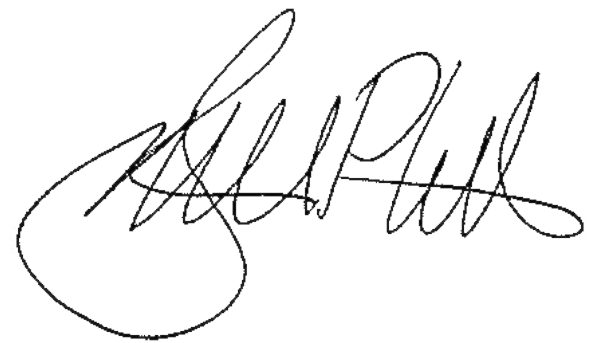


9.0

## Approval

SMEC Australia is committed to the elimination of modern slavery in its supply chain and operations. We will continue to develop our Anti-modern Slavery Program.

SMEC Australia makes this Modern Slavery Statement in accordance with section 14 of the Modern Slavery Act 2018 (Cth), for its financial year ended 31 December 2020. This Statement has been approved by the SMEC Australia Board on 18th February, 2021.



**James Phillis**  
CEO, SMEC ANZ





**We're redefining exceptional**

Through our specialist expertise, we're challenging boundaries to deliver advanced infrastructure solutions.