



FY21 Modern Slavery Statement

CLEANAWAY
Making a sustainable future possible



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From our CEO

I'm pleased to present Cleanaway's FY21 Modern Slavery Statement ("**Statement**"), our second Modern Slavery Statement following the statement that we produced relating to FY20.

Cleanaway takes the risks of modern slavery in our supply chain seriously. This Statement sets out the further actions that we have taken to mitigate the risks of modern slavery in our supply chain and operations during FY21.

Our mission is to make a sustainable future possible and that extends to all stakeholders including our employees, our suppliers and the communities in which we operate. Sustainable sourcing practices contribute to creating long-term value across our supply chain.

We present our FY21 Statement in the context of the continuing global disruption caused by the COVID-19 pandemic. The additional actions that we took during the year to mitigate the risk of modern slavery in our supply chain and operations were taken in the context of disrupted supply chains and challenging operating and trading conditions resulting from the pandemic. As part of our ongoing focus on modern slavery risk, we are working with our suppliers to improve transparency across the supply chain, educate our business through training about potential direct and indirect risks, and resolve areas that do not meet our standards.

During FY21 we expanded the actions that we have previously taken to mitigate the risk of modern slavery in our supply chain and operations. In particular, we broadened the use of our Supplier Code of Conduct to more suppliers in our supply chain, expanded the due diligence activities that we undertook with certain key suppliers and raised awareness across Cleanaway by implementing training in relation to modern slavery for all new and existing white-collar employees. These activities are set out in more detail later in this Statement.

By taking these actions we are identifying and mitigating the risks of modern slavery in our supply chain, which helps us to achieve our sustainability objectives, consistent with our mission.

We intend to continue to expand on these activities again in FY22 and we acknowledge that we have more work to do.

Stay safe,



Mark Schubert
CEO and Managing Director



1 - About this Statement

This joint Modern Slavery Statement covers the activities of Cleanaway Waste Management Limited and the other reporting entities within its corporate group (details of which are set out in Section 1.3 below) (collectively referred to as “Cleanaway”) during the financial year ended 30 June 2021 (“FY21”). It sets out the actions Cleanaway has taken to identify, assess and mitigate any potential modern slavery risks in Cleanaway’s operations and supply chain in the 12 months ended on 30 June 2021.

As an Australian business generating annual consolidated revenue in excess of AU\$100 million, we acknowledge that Cleanaway is required to publish annual Modern Slavery Statements, in accordance with the requirements of the *Modern Slavery Act 2018* (Cth) (“**Modern Slavery Act**”).

This is Cleanaway’s second Modern Slavery Statement, which we have prepared in relation to FY21.

1.1 - What is modern slavery?

In this Statement, the following terms have the meanings set out below:

- **Modern slavery** refers to situations of serious exploitation, in which coercion, threats or deception are used to exploit victims and deprive them of their freedoms (including, amongst others, exploitative practices such as human trafficking, slavery, forced labour and child labour); and
- **Modern slavery risk** refers to the prospect of a practice involving modern slavery occurring in a business’ operations and/or supply chain.

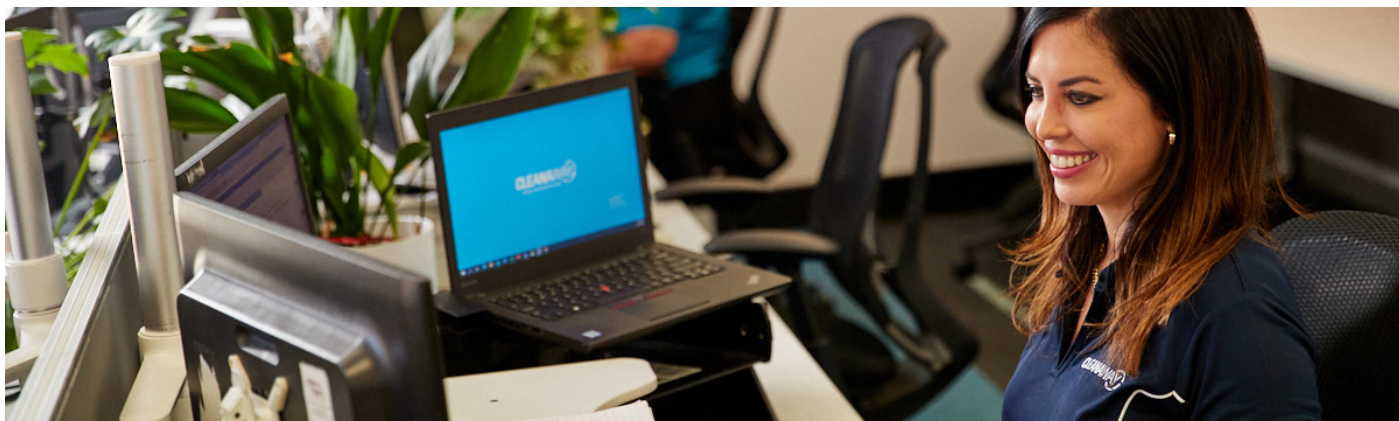


1.2 - Reporting criterion

The table below sets out the mandatory reporting requirements in the Modern Slavery Act and where each has been addressed within this Statement:

Modern Slavery Act mandatory reporting criterion	Reference in this Statement
1. Identify the reporting entity	Section 1 About this statement Page 2
2. Describe the reporting entity's structure, operations and supply chains	Sections 1.3, 1.4 and 2 Our business Pages 4,5,6
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Section 3 Risk assessment Page 12
4. Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address risks, including due diligence and remediation processes	Section 4 Mitigation of potential modern slavery risks Page 15
5. Describe how the reporting entity assesses the effectiveness of such actions	Section 5 Effectiveness of actions Page 16
6. Describe the process of consultation with any entities the reporting entity owns or controls and, for a reporting entity covered by a joint Statement, the entity giving the Statement	Section 6 Consultation Page 17
7. Include any other information that the reporting entity, or the entity giving the Statement, considers relevant	Sections 7 and 8 Grievances and remediation, our plans for FY22 Pages 17 and 18

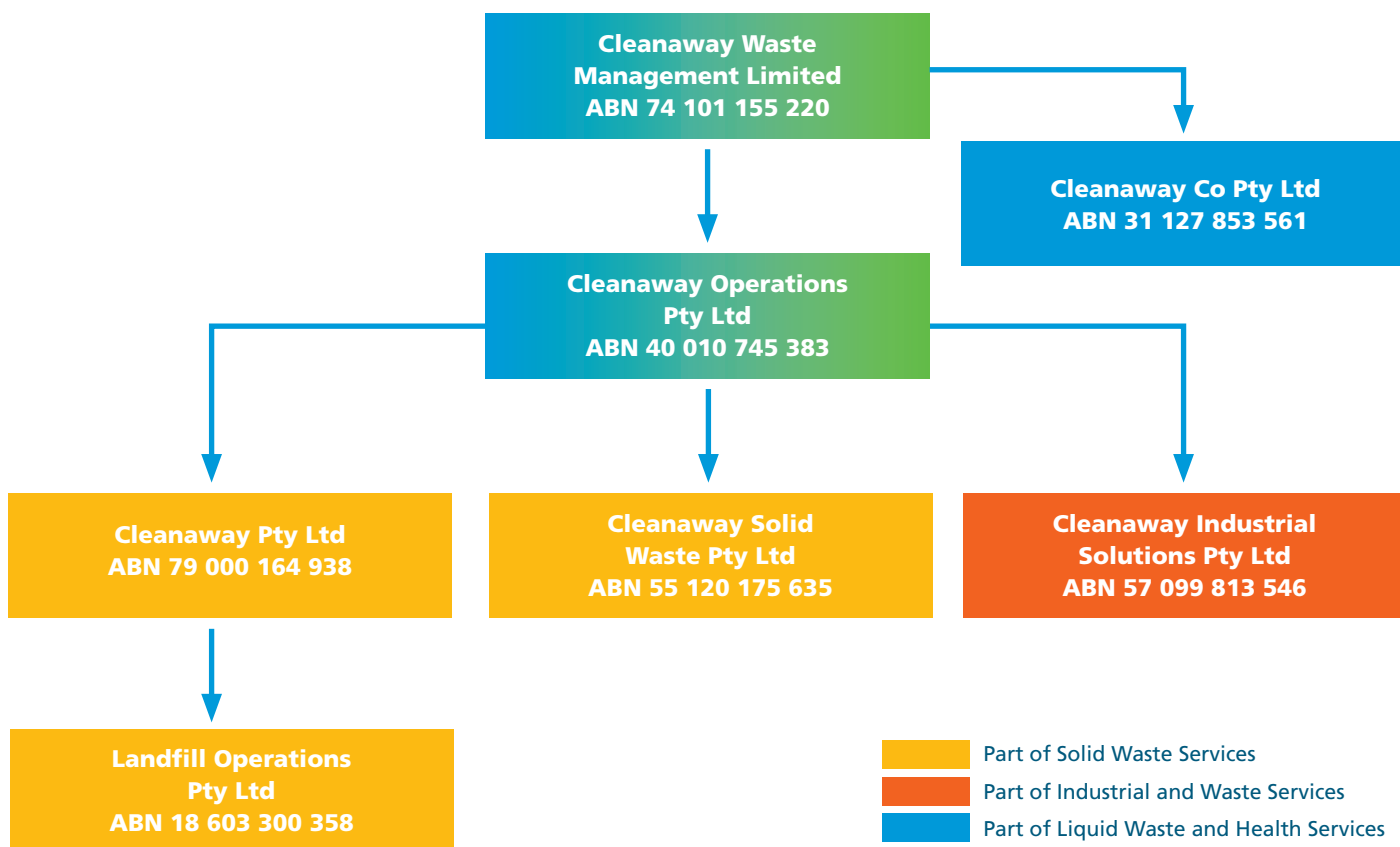




1.3 - Our organisational structure and reporting entities

Cleanaway Waste Management Limited is an Australian company which is publicly listed on the Australian Securities Exchange (ASX: CWY). Cleanaway Waste Management Limited is the parent company of a large corporate group of controlled entities. All controlled entities within Cleanaway’s corporate group (including the reporting entities referred to in the table below) (“Cleanaway Entities”) are centrally managed from Cleanaway’s corporate head office, located at Level 4, 441 St Kilda Road, Melbourne.

This Statement represents a joint Modern Slavery Statement, which has been prepared and published on behalf of the following reporting entities (as that term is defined in Section 5 of the Modern Slavery Act within Cleanaway’s corporate group):



Cleanaway Waste Management Limited does not conduct any substantive operations. Cleanaway Operations Pty Ltd enters into national accounts. The roles of the other reporting entities and which business units they perform work for are visually represented above. The business units are described further below in Section 2.1.

The information provided in each section of this Statement applies to all reporting entities and all controlled entities within the Cleanaway group. A full list of Cleanaway Entities is included in the FY21 Annual Report.

1.4 - Joint ventures

Cleanaway is party to a number of joint ventures but does not control any of them from a shareholding or operational perspective. Each of these joint ventures operates as a separate entity. Therefore this Statement does not cover the activities of any joint ventures to which Cleanaway is a party and none of the joint ventures were assessed as part of Cleanaway's operations or supply chain.

The major joint ventures to which Cleanaway was a party during FY21 were as follows:

1. TOMRA Cleanaway Pty Ltd

This is a joint venture between Cleanaway and TOMRA Systems ASA, a Norwegian reverse vending manufacturer and supplier, which performs the role of the Network Operator under the NSW Return and Earn container deposit scheme. TOMRA Cleanaway Pty Ltd is a reporting entity for the purposes of the Modern Slavery Act and is required to issue its own Modern Slavery Statement. A copy of TOMRA Cleanaway Pty Ltd's Modern Slavery Statement can be found here: <https://modernslaveryregister.gov.au/statements/file/b6abd9ab-efbc-4a63-b1fa-8a9f98015a2a/>

2. Cleanaway ResourceCo Pty Ltd

This is a joint venture with ResourceCo which operates a resource recovery facility in Wetherill Park in NSW. Cleanaway holds a minority interest in this joint venture. ResourceCo is a reporting entity for the purposes of the Modern Slavery Act and is required to issue its own Modern Slavery Statement, which can be found here: <https://modernslaveryregister.gov.au/statements/1581/>

3. Earthpower Pty Ltd

This is a joint venture between Cleanaway and Veolia that operates an anaerobic digestion facility in Sydney, NSW that accepts organic waste. Veolia is a reporting entity for the purposes of the Modern Slavery Act and is required to issue its own Modern Slavery Statement which can be found here: <https://www.veolia.com/anz/newsroom/veolia-anz-modern-slavery-statement>

4. KingKira Group

This joint venture provides solid waste, recycling and industrial cleaning services in WA. This entity does not meet the reporting threshold under the Modern Slavery Act but the modern slavery risks controls and mitigating actions are the same as faced by Cleanaway.

While Cleanaway does not control any of the joint ventures to which it is a party, it does have binding contractual arrangements with each of the respective joint venture parties. These contractual arrangements require all parties to comply with all relevant laws, including modern slavery laws and practices. Further, employees of TOMRA Cleanaway Pty Ltd are required to undertake modern slavery training on an annual basis.





2 - Our business

2.1 - Our operations

Cleanaway is Australia's leading waste management, industrial and environmental services company, providing over 300 products and services nationally, from more than 250 sites. With our dedicated team, national network of specialised infrastructure assets, and one of the largest fleets of waste collection vehicles on Australian roads, we're working towards our mission of creating a sustainable future together, for all our stakeholders.

Our 6,300-plus highly trained staff work from more than 250 locations across Australia and are supported by Australia's largest fleet of more than 5,300 waste, recycling and liquids collections vehicles.

We leverage our network of more than 125 prized infrastructure assets, including recycling facilities, transfer stations, engineered landfills, composting centres, incinerators, liquids treatment plants and refineries. We play a key role in providing waste management infrastructure and services throughout Australia and contribute to the development of a circular economy.

Cleanaway's operations are divided into the following three (3) operating segments:



Solid Waste Services

Comprising the following reporting entities: Cleanaway Solid Waste Pty Ltd, Cleanaway Pty Ltd, Landfill Operations Pty Ltd and Cleanaway Operations Pty Ltd

Cleanaway collects solid waste from more than 95 municipal councils and 100,000 commercial and industrial customers across Australia. Solid waste comprises multiple waste streams including general waste, recyclables, and construction and demolition waste and can be further divided into putrescible waste (which is solid waste that contains organic material capable of being decomposed by microorganisms) and inert waste. The services consist of collections services (i.e. the collection of waste from customers using Cleanaway-owned fleet vehicles or subcontractors) and post collection services (owning and operating waste disposal or processing facilities or operating container deposit schemes).

The Cleanaway Solid Waste Services business operates various post collection facilities including:

- Material recovery facilities where material that can be recycled (commingled recycling and material collected via container deposit schemes) is delivered and processed into various commodity streams (paper, cardboard, glass, plastics, aluminium, steel etc) and recycled by selling recovered commodities to local, national and international buyers
- Resource recovery centres where construction and demolition waste is delivered by collection vehicles, sorted and processed to remove the maximum amount of material that can be recycled or reused. Residual waste is then transported to engineered landfills for disposal
- Organics facilities where green organic and food organic waste is delivered by collection vehicles, sorted and processed before being transported by larger vehicles for composting
- Waste transfer stations where waste and recycling materials are delivered by collection vehicles, separated into various waste streams for transfer by larger vehicles to recycling facilities or engineered landfills
- Engineered landfills, which is the ultimate disposal location of waste that is not able to be recovered or recycled at the facilities detailed above.



Liquid Waste and Health Services

Comprising the reporting entity Cleanaway Co Pty Ltd

The Liquid Waste and Health Services segment generates revenue from the collection, treatment, processing, refining and recycling and destruction of hazardous and non-hazardous liquids, hydrocarbons (i.e. used oil recycling), chemical waste, specialised package and hazardous waste and e-waste. Cleanaway's Health Services business also includes services for the safe treatment and disposal of healthcare-related waste which includes sharps management, medical waste, pharmaceutical waste, healthcare hazardous waste and quarantine waste.

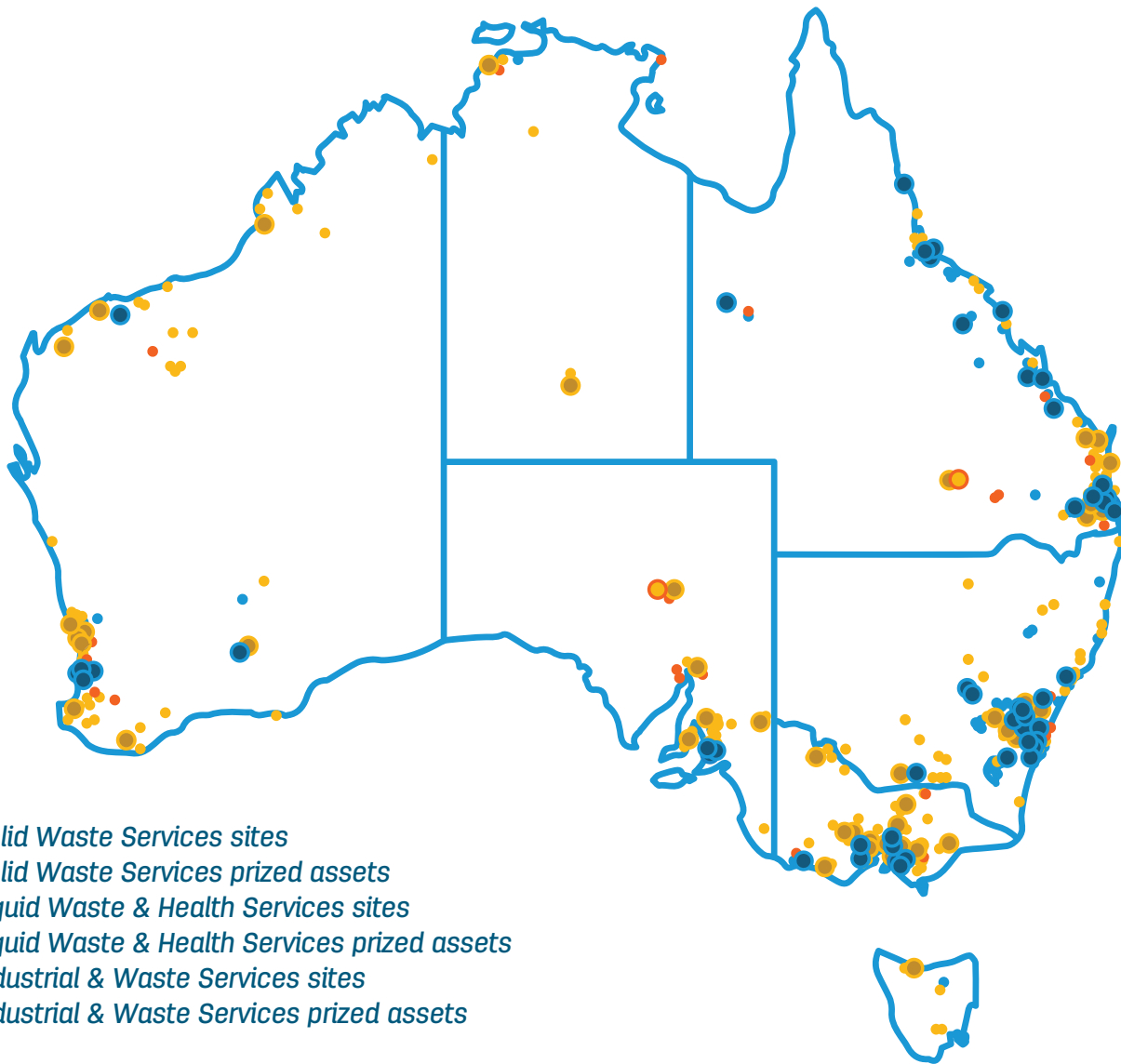


Industrial and Waste Services

Comprising the reporting entities Cleanaway Industrial Solutions Pty Ltd and Cleanaway Operations Pty Ltd

Cleanaway's Industrial and Waste Services business provides a wide range of services including drain cleaning, non-destructive digging, vacuum loading, high pressure cleaning, pipeline maintenance, hydro excavation, site remediation, CCTV monitoring and other technical services. These specialised services are supplied to over 2,000 customers in the mining and resources, construction, heavy industry, manufacturing and civil infrastructure sectors.





For further information about Cleanaway's operations, please refer to Cleanaway's website (www.cleanaway.com.au).

2.2 - Our workforce

At a glance, as at 30 June 2021 Cleanaway had:



Net revenue	\$2.199 million
Women	19.01%
Enterprise agreements	More than 104 EAs covering 55% of our staff
Employees	Headcount
Permanent fulltime	5,592 people
Part time	117 people
Casual	615 people
Fixed term	56 people
Labour hire	623 people
Total	6,380 people

2.3 - Contractors/Temporary labour

Cleanaway uses labour hire services extensively in its Industrial and Waste Services business and more sporadically (typically on an as-needed basis) in its other businesses. Cleanaway engages highly reputable employment agencies under contractual arrangements to source labour hire from a panel of suppliers. The contracts with our employment agencies contain requirements that all laws are complied with, including modern slavery laws. We also periodically require confirmation from these employment agencies that they are compliant with modern slavery laws and practices.

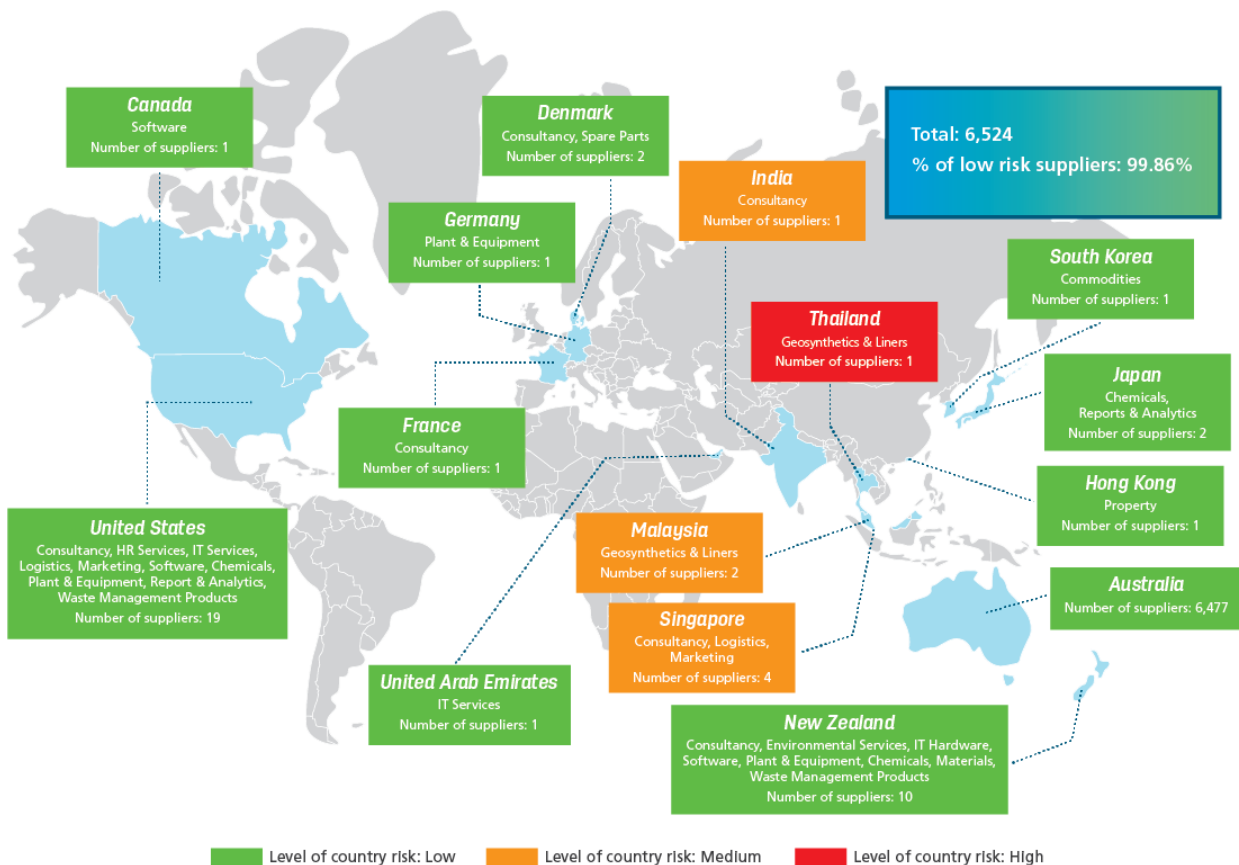
Further details on the risk assessment of potential modern slavery risks across our operations and the various actions taken to mitigate these potential risks are set out below at Section 4 of this Statement.

2.4 - Supply chain and procurement

In FY21, Cleanaway spent more than \$1 billion a year with more than 6,500 suppliers, who provide a diverse range of goods and services to help us deliver waste management, industrial, environmental and health services. In FY21, approximately \$1.28 billion of the goods and services Cleanaway procured were from suppliers based in Australia. A material portion of Cleanaway's spend is centralised through our procurement function, but a large percentage is undertaken by our operational teams across our more than 250 sites across the country. These generally consist of much smaller purchases.

We require our suppliers to comply with the Cleanaway Supplier Code of Conduct, which outlines our values and minimum requirements in relation to safety, diversity and inclusion, human rights, community, the environment and governance. This is incorporated as part of our standard procurement process and any supplier wishing to participate in such processes must confirm compliance with the Supplier Code of Conduct. Contractual protections regarding this point are also incorporated in any agreements with our suppliers.

Despite most of the finished goods procured by Cleanaway from our direct (or tier 1) suppliers, the vast majority of which are Australian-based suppliers, we acknowledge that many of the components that make up such goods are manufactured in jurisdictions that are considered higher risk for modern slavery. Similarly, we are aware that many of our suppliers that provide services have supply chains that are complex and may have inherent modern slavery risks. This is particularly the case for fleet, vehicles, information technology and personal protective equipment ("PPE").





Country of origin risk

The Global Slavery Index 2018 published by The Minderoo Foundation (“**Global Slavery Index**”) provides a country by country ranking of the number of people in modern slavery, as well as an analysis of the actions governments are taking to respond, and the factors that make people vulnerable.

The Global Slavery Index assesses risk variables across five major dimensions – governance issues, lack of basic needs, inequality, disenfranchised groups and effects of conflict – to provide an overall country score.

Based on the Global Slavery Index, our risk assessment in FY21 identified that Cleanaway has less than 10 suppliers who have a base of operations in medium-to-high risk countries.

Areas of risk

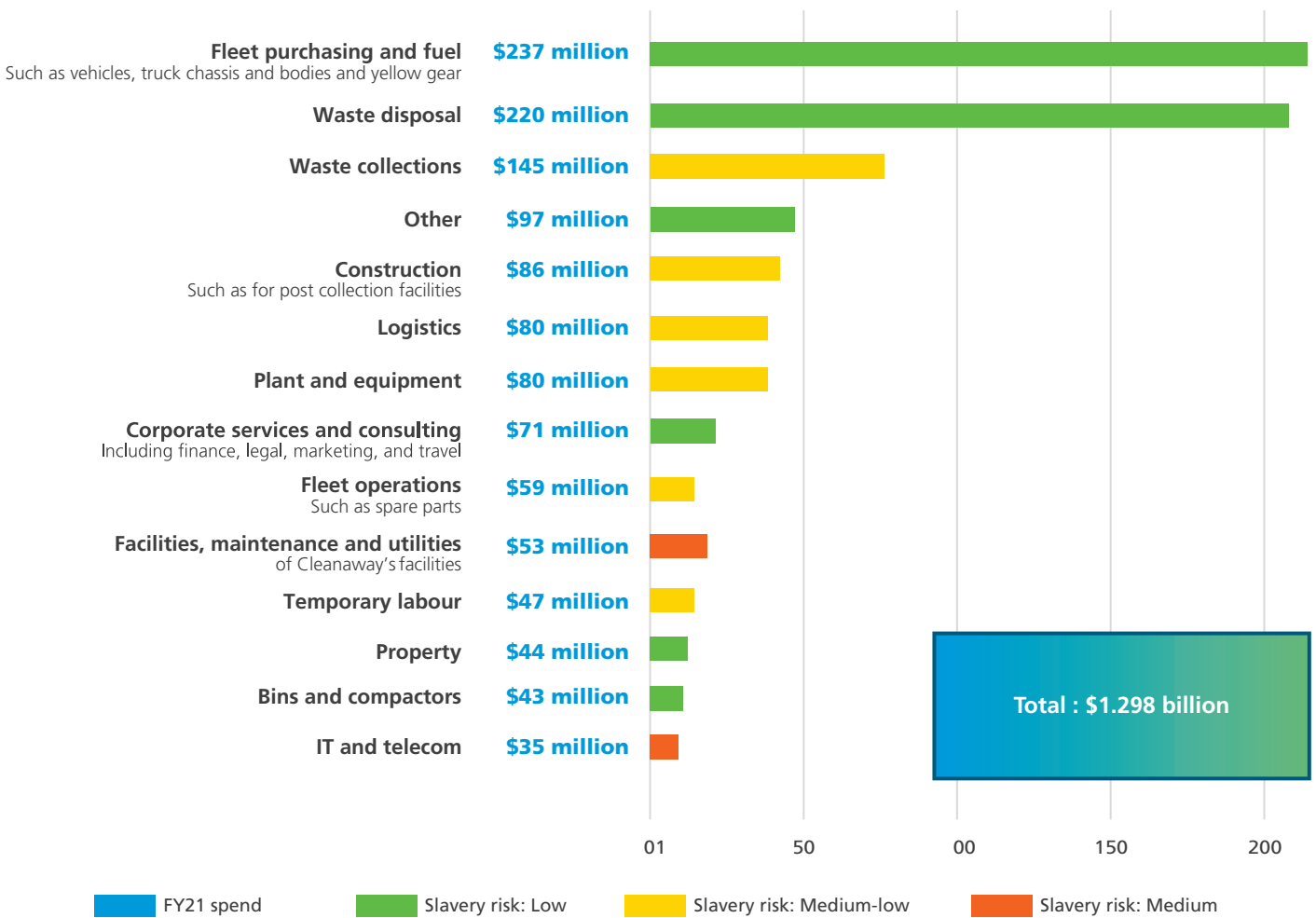
We used two publicly available tools to determine risk for each category of spend, including the Global Slavery Index and the Australian Council of Superannuation Investors’ 2019 guide. These guides provided context on high-risk populations, business models, categories, geographies and sectors.

Our risk assessment in FY21 identified that:

- Suppliers representing \$88 million spend are considered medium risk. The highest risk categories were:
 - information technology and telecommunications
 - facilities management services, maintenance and utilities, due to the risks associated with their countries of origin and product type; and
- Suppliers representing \$490 million are considered medium-low risk. These categories include procurement suppliers, who often employ migrant workers and other vulnerable populations.

While the focus of this Statement and our activities in FY21 were aimed at suppliers within Cleanaway’s direct supply chain, we have not directly reviewed nor interrogated the supply chains of our suppliers. We are aware there are modern slavery risks in the next levels of our supply chain and it is a focus of our FY22 modern slavery plan to undertake a broader and more thorough assessment of these risks. As part of this assessment we will target the higher risk categories of our procurement spend and operations, including the parts of our supply chain that manufacture finished goods in jurisdictions that are considered high risk.

Supply category breakdown





3 - Risk assessment

3.1 - Overview

Cleanaway is aware that modern slavery is an inherent risk in our operations and supply chain. We are committed to respecting all internally recognised human rights in our operations and supply chain, including the UN Declaration on Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

Human rights risks, including modern slavery, are considered within Cleanaway's broader governance framework. Cleanaway's approach to corporate governance is outlined on our website at www.cleanaway.com.au/about-us/for-investor/corporate-governance/. A summary of Cleanaway's approach to sustainability governance, including the role of the Board of Directors and Sustainability Committee, is presented on pages 16 - 19 of our FY21 Sustainability Report.

Since FY20, Cleanaway's multi-disciplinary modern slavery working group has:

- Conducted a detailed desktop due diligence assessment of the modern slavery risks which are presented by Cleanaway's unique operations and supply chain ("**Risk Assessment**"); and
- Taken various actions to mitigate the potential modern slavery risks which we identified as part of the risk assessment ("**Actions**").

The modern slavery working group ultimately reports through to Cleanaway's Executive Committee, who then report up to Cleanaway's Sustainability Committee in relation to modern slavery issues.

The modern slavery risks in our operations were assessed as low for the reasons described in detail further below. However we recognise that we have further work to do to more comprehensively explore the modern slavery risks in our operations and supply chain.

3.2 Risk Assessment: potential modern slavery risks

Cleanaway undertook research to understand which areas of our business are impacted by modern slavery, including by consulting the Global Slavery Index, Sisters of Charity Foundation and Chartered Institute of Procurement and Supply Chain resources.

As part of Cleanaway's Risk Assessment, we shortlisted 15 suppliers across different areas of the business which Cleanaway considered may have modern slavery risks. These suppliers were chosen as they represented a sizeable amount of spend and were found to be at an elevated modern slavery risk due to where they were domiciled or the industry they operated in. The types of goods and services supplied by these suppliers included IT, clothing, PPE and facilities management.

These suppliers covered 21% of the total spend managed through Cleanaway's centralised procurement function.

We then distributed a due diligence questionnaire which enquired about (amongst other things) the processes that each of the relevant suppliers had in place for identifying, assessing and mitigating any modern slavery risks in their respective operations and supply chains.

Based on the responses received:

- None indicated that they were aware of any form of modern slavery in their operations, however one identified some labour practices and behaviours that gave rise to modern slavery risks and took steps to remediate this
- All but two had a human rights policy (or similar) incorporating provisions dealing with modern slavery which was provided to Cleanaway
- Three suppliers were not reporting entities under the Modern Slavery Act due to their annual revenue being under the threshold
- Their responses indicated that modern slavery risks are most present in countries like India, Thailand and Malaysia where their second and third levels of their supply chains are predominantly based.

There was nothing that came from our Risk Assessment that indicated that Cleanaway directly caused, contributed or was linked to any of the modern slavery risks other than as set out below.



3.2.1 Operations

3.2.1.1 Workforce risk

We acknowledge that there is a modern slavery risk that any person in Cleanaway's workforce, comprising both Cleanaway employees, temporary labour hire workers and contractors, is subject to any conditions which might be considered to constitute modern slavery:

- **Temporary workers:** Cleanaway sources temporary workers during peaks in demand for our services, as well as for drivers and administration roles. Temporary workers represent a comparatively higher modern slavery risk of exploitation, given that there is a greater representation of migrant workers and other vulnerable populations. We have contractual protections and commitments from our temporary labour suppliers that they comply with applicable employment legislation and enterprise agreements ("EAs"), and we obtain direct confirmation from a majority of our suppliers. However, all temporary labour at Cleanaway is engaged via a temporary labour panel which is managed by a specialist job employment agency. Cleanaway is aware of the underpinning award and EAs (where they apply) that the labour hire companies use to engage these temporary workers and requires its labour hire providers to audit their contracts against relevant industrial instruments. We are assisted by various technologies to ensure that temporary labour is paid in accordance with local EAs and/or Australian labour laws
- **Subcontractors in India:** Cleanaway engages a small number of remote IT personnel in India, a country with higher modern slavery risks due to its different work standards and our lower visibility over their working conditions
- **Owner drivers and subcontractors:** Cleanaway also engages approximately 400 owner drivers to perform collections services, predominantly in the Solid Waste Services business unit. Owner drivers enter into standard form contractor agreements with Cleanaway to perform collection services required by Cleanaway from time to time. Owner drivers and collection subcontractors represent a higher modern slavery risk because they are paid to provide a service at a fixed price, rather than proportional to the hours they work. Cleanaway has limited visibility of the terms upon which owner drivers and sub-contractors engage their own employees or contractors.

3.2.1.2 Commodity risks

Recyclable commodities which Cleanaway procures as part of the services performed by our Solid Waste Services business unit are sold to buyers who (either themselves or indirectly through others) may engage in practices which might be considered to constitute modern slavery.

While the Modern Slavery Act does not require due diligence of our customers, where we consider the modern slavery risks in our supply chain we also consider that the sales of our commodities are a salient risk for modern slavery, and that it is an area we have particular focus on for compliance.



3.2.2 Supply chain

3.2.2.1 Supply chain risks

Our Supplier Code of Conduct outlines our values and our minimum requirements in relation to safety, diversity and inclusion, human rights, community, the environment and governance.

Cleanaway identified that there are modern slavery risks in the operations and/or supply chains of Cleanaway's various business units:

- **Suppliers of fleet, plant and equipment** – A large proportion of Cleanaway's annual procurement expenditure relates to the purchase of fleet (vehicles, truck chassis and bodies and yellow gear) and fixed plant and equipment from various third-party providers. Cleanaway's fleet, plant and equipment can broadly be categorised into two buckets – capital expenditure (procurement of assets) and operating expenses (maintenance, spare parts and fuel). Capital expenditure of fleet is lower risk, as these suppliers are large multinational companies with robust modern slavery governance processes in place. However spare parts and consumables are considered higher risk due to a lack of visibility of where they are sourced from.

While we purchase finished goods from reputable tier 1 suppliers, we are aware that the components which comprise these finished goods, such as raw materials, are manufactured in jurisdictions which are recognised as having higher risks of modern slavery. We are also aware that there are high levels of modern slavery risks associated with the transportation and delivery of finished goods and not just in the production of the finished goods themselves. These are areas that we will investigate in future reporting periods.

- **Cleaning and maintenance of our facilities** – Cleanaway procures services from external specialist service providers in circumstances where Cleanaway does not have the capacity or expertise to perform those services internally including management of Cleanaway's facilities. Facilities management involves a variety of activities and vulnerable workers can be employed in labour-based roles with the risk of labour exploitation. The Risk Assessment concluded that these procurement activities presented a medium modern slavery risk given that Cleanaway's various service providers are locally-based and do not involve the global movement of materials. While we engage reputable tier 1 labour hire providers, we are aware that the persons employed by those providers may be from a vulnerable background and at higher risk of modern slavery exploitation. This is an area that we will continue to investigate in future reporting periods.
- **Suppliers of information technology goods and/or services** - A substantial proportion of Cleanaway's annual procurement expenditure relates to the purchase of goods and services from various third-party IT providers. The Risk Assessment concluded that these procurement activities presented a comparatively higher modern slavery risk, due to employees being located in higher risk countries with forced labour (i.e. Asia Pacific) with different working standards and enforcement mechanisms. Further, Cleanaway has lower visibility across those employees' working conditions, and those employees are dealing with electronics (like computers and mobile phones) which is the top at-risk product for modern slavery according to the Global Slavery Index. Again, while we purchase finished goods from reputable tier 1 suppliers, we are aware that the components which comprise these finished goods, such as raw materials, are manufactured in jurisdictions which are recognised as having higher risk of modern slavery particularly being sourced from areas with force labour and debt bondage. This is an area that we will continue to investigate in future reporting periods.
- **Suppliers of PPE** – Cleanaway spent \$7.23 million (less than 1% of the expenditure managed by the centralised procurement function) in FY21 on PPE and workwear. The Risk Assessment concluded that these procurement activities presented a comparatively higher modern slavery risk, due to the nature of the relevant goods (i.e. textiles) and the jurisdictions in which they are produced (i.e. Asia Pacific), such sectors which include forced labour and debt bondage within the manufacturing industries. Further, while all Cleanaway PPE and workwear suppliers are located in low-risk countries, we do not have visibility over their suppliers and sub-contractors, which are likely located in countries with higher modern slavery risk. Our enhanced supplier audit for FY22, as described further in Section 8, will provide us with greater supply chain visibility for tier 2 suppliers onwards.

We recognise that beyond tier 1 suppliers we have limited visibility, presenting us with the opportunity to focus beyond this tier in future reporting periods. Further, we understand that risk exists within our tier 2 supply chain, not only in relation to the production of finished goods but also in the logistics and transport supply chains that are utilised to deliver finished goods to Cleanaway.

4 - Mitigation of potential modern slavery risks

During FY21, Cleanaway took the following Actions to mitigate the potential modern slavery risks which we identified as part of the Risk Assessment (see Section 3 above):

4.1.1 Operations mitigation Actions

4.1.1.1 Workforce risk

Cleanaway maintains strong human resources controls in place for onboarding its new employees, reviewing employees' wages and salary agreements, and verifying corresponding payments to ensure compliance with all relevant laws.

All employees receive pay and entitlements consistent with, or higher than, legislative requirements in Australia. We have more than 104 EAs covering 55% of our staff.

In addition, during FY21 Cleanaway took the following Actions to mitigate the workforce risks referred to in Section 3.2.1.1 above:

- **Temporary labour hire (i.e. supply chain)** – Cleanaway's suppliers of temporary labour hire were requested to complete a modern slavery due diligence questionnaire which enquired about (amongst other things) the labour hire service providers' processes for ensuring that there were no modern slavery risks in each of their respective operations and supply chains. These take the form of binding contractual commitments. In addition, Cleanaway requires direct suppliers to provide regular confirmations to Cleanaway in the form of statutory declarations that modern slavery laws and requirements are complied with.
- **Employees and subcontractors (i.e. operations)** – Cleanaway conducted due diligence into Cleanaway's employment practices and contracts with its employees to ensure that Cleanaway's employees are not subject to any conditions which might be considered to constitute modern slavery. Cleanaway also conducted a desktop due diligence of its subcontractors based in India and these parties were required to respond to Cleanaway's due diligence questionnaire. This will also be an area of focus for FY22.
- **Owner drivers and contractors** – Cleanaway's standard owner driver contractor agreement requires owner drivers to comply at all times with all applicable laws, including modern slavery. While we were not able to conduct extensive due diligence of all of our owner drivers, this is an area of focus for FY22.

4.1.1.2 Training

In FY21, Cleanaway launched initiatives for raising awareness of modern slavery, including mandatory training of all white-collar employees. The training was focused on educating Cleanaway staff about the requirements of the Modern Slavery Act, how to better identify modern slavery risks and the processes for reporting any concerns identified, including through Cleanaway's third party service FairCall and Cleanaway's Whistleblower Policy.

Cleanaway's third party service FairCall and Cleanaway's Whistleblower Policy allow current or former employees, suppliers, contractors and associates to anonymously and confidentially raise their concerns, including in relation to modern slavery.

In addition, all staff are required to complete modern slavery training as part of their onboarding process and all procurement staff are required to undertake an ethical sourcing online learning module as part of their induction process. This ensures that employees understand and comply with our policies and minimum standards in place.



4.1.2 Supply chain mitigation Actions

4.1.2.1 Supply chain risks

During FY21, Cleanaway took the following Actions to mitigate the supply chain risks (as well as the workforce risks in relation to the sourcing of temporary labour hire workers) referred to in Section 3.2.2.1 above:

- **Supplier Code of Conduct** – Cleanaway continued to enforce our Supplier Code of Conduct, under which potential suppliers are required to acknowledge while tendering to provide goods and/or services to Cleanaway. Amongst other things, suppliers are required to acknowledge Cleanaway's requirement that our suppliers must avoid any practices which might be considered to constitute modern slavery.
- **Contractual protections** – Cleanaway's precedent supply agreements which require Cleanaway's suppliers to comply with Australian and international modern slavery legislation were used for some supplier agreements irrespective of the size of the suppliers (not just if they are reporting entities). For example, our standard contractual provision requires suppliers to confirm that they comply with modern slavery laws and practices. However, there were no instances where we needed to enforce these clauses.
- **Due diligence questionnaire** – Cleanaway continued to roll out its due diligence questionnaire to suppliers (discussed further at Section 3.2 above). This due diligence questionnaire has been:
 - in use for new tenders conducted since FY20;
 - separately distributed to Cleanaway's existing information technology goods and services providers, cleaning services suppliers, labour hire services providers and suppliers of PPE; and
 - also distributed to Cleanaway's suppliers which account for almost 30% of Cleanaway's procurement spend, for completion in relation to each of their respective operations and supply chains.

5 - Effectiveness of Actions

Our focus during FY21 has been to build on the processes and policies put in place in FY20 to identify, assess and mitigate modern slavery risks in our operations and supply chains as set out in Sections 3 and 4.

The activities set out in Section 4 were overseen by the modern slavery working group. The working group was also responsible for assessing the risks of modern slavery within Cleanaway's operations and/or supply chain and the effectiveness of Actions that have been taken.

As part of that assessment, there was no evidence of modern slavery existing or occurring in our operations and/or supply chain during FY21.

These findings of the modern slavery working group were reported to the Executive Committee, then the Cleanaway Sustainability Committee and ultimately to the Board of Cleanaway.

While there was no evidence identified of modern slavery in our operations and supply chain in FY21, Cleanaway acknowledges that we need to take further Actions to mitigate the risk of modern slavery in our operations and supply chain. Going forward, Cleanaway will continue to take active steps to improve the effectiveness of our modern slavery risk management framework by:

- Regularly evaluating our own processes and procedures against best industry practice and peer companies
- Regularly reviewing relevant governance documents, processes and procedures
- Continuing to use our cross-functional modern slavery working group to drive improvements to our processes
- Analysing any complaints or grievances received through the third party service FairCall and Cleanaway's Whistleblower Policy mechanism or other channels.



Further details on our plans for FY22 can be found below in Section 8.

Case study:

As part of our desktop due diligence of our suppliers, Cleanaway identified one medium-sized supplier of compaction equipment who, while not a reporting entity for the purposes of the Modern Slavery Act, did not have a modern slavery statement or human rights policy in place. Through Cleanaway's longstanding relationship with this supplier, we worked with this supplier to put in place the required policies to ensure that there is a framework to identify modern slavery risk in the supplier's operations and its supply chain and appropriate mechanisms to deal with any identified modern slavery risks. This process is ongoing and will be completed in FY22.



6 - Consultation

Each of the Cleanaway Entities operates under the same governance framework, with a number of common directors and share the same centralised functional support, including human resources, procurement and sustainability. Typically members of the executive team receive the same training, particularly in relation to modern slavery. Additionally, a common director of all Cleanaway controlled entities (other than Cleanaway Waste Management Limited) is a member of the Cleanaway multi-disciplined modern slavery working group.

This shared governance framework results in a uniform approach to assessing and addressing modern slavery risks across all of the Cleanaway Entities. Each Cleanaway Entity, including the reporting entities, are subject to consistent policies and procedures. Further, the day-to-day activities of the reporting entities (and all Cleanaway Entities) are overseen by the multi-disciplined modern slavery working group which reports to these common directors, and ultimately to the Cleanaway board via the Cleanaway Sustainability Committee (a Board subcommittee).

7 - Grievances and remediation

Despite no identified incidents of modern slavery in our operations and supply chain, we will take steps to strengthen the framework around our Whistleblower Policy to ensure it is appropriate to identify and escalate any concerns of modern slavery risks from our employees, contractors and suppliers.

In terms of remediation, we are committed to continuing our collaborative approach with our suppliers to better understand the modern slavery risks in our supply chain and ensure there are appropriate frameworks in place to deal with modern slavery risks that are identified.

In the event that incidences of modern slavery are identified in our supply chain, Cleanaway would conduct investigations of the identified risks in order to gain an understanding of whether Cleanaway has caused or contributed to the identified modern slavery risk. Any such investigation findings would then be reported to the Cleanaway modern slavery working group and ultimately to the Cleanaway Board via the Cleanaway Sustainability Committee (a Board subcommittee). Cleanaway would continue to work collaboratively with the supplier to address and remediate any existing instances of modern slavery and put in place an agreed framework to mitigate any future instances of modern slavery.

If Cleanaway was not satisfied with the response from our supplier to the identified risk, Cleanaway would then seek to take the Actions it deems necessary at the time to address and mitigate the modern slavery risk, including, without limitation, removing the supplier from our supply chain.

8 - Our plans for FY22

During FY22, we plan to:

Area	Planned actions
Governance and oversight	<p>Expand Cleanaway's modern slavery working group to include broader membership and regular oversight of Actions to address modern slavery risks.</p> <p>Modern slavery working group to regularly report to Cleanaway's Sustainability Committee on modern slavery risks, processes and controls.</p>
Policies and standards	<p>Implement a human rights policy to make clear our requirements for our people, suppliers, joint ventures and controlled entities on our commitment to upholding internationally recognised human rights and complying with all applicable local human rights laws.</p> <p>Update our Supplier Code of Conduct to reflect remediation processes for any modern slavery risks.</p> <p>Implement a Sustainable Procurement Statement to identify and address any modern slavery risks.</p>
Due diligence	<p>Continue strengthening our efforts in relation to the identification (and mitigation) of potential modern slavery risks, prioritising our activities based on:</p> <ul style="list-style-type: none"> • the identification and mitigation of any new modern slavery risks which arise in our operations and/or supply chain, including: <ul style="list-style-type: none"> - for our subcontractors based in India; - indirect or tier 2 suppliers (i.e. the various levels of the supply chains of our suppliers); and - owner drivers and contractors engaged by Cleanaway; and • any inadequacies which we identify in relation to the ability for our existing Actions to appropriately mitigate the potential modern slavery risks which we have identified (and will, in the future, identify) in relation to our operations and/or supply chain.
Audit	<p>Undertake a desktop audit of up to 200 of our highest spend suppliers to enable us to better identify and understand modern slavery risks in our supply chain.</p>
Remediation and responses	<p>Further explore (and, if necessary, take additional Actions to further mitigate) the supply chain risks referred to in Section 3.2.2.1 above, including:</p> <ul style="list-style-type: none"> • providing guidance to suppliers where non-compliance or gaps are identified and working with them to develop new policies, procedures or improvements; and • take appropriate action where suppliers do not address identified instances of modern slavery or do not mitigate identified modern slavery risks, including, without limitation, ceasing to use suppliers or removing suppliers from Cleanaway's supply chain.
Training	<p>Following on from FY21, continue mandatory modern slavery training for new employees and all white-collar employees.</p>
Education	<p>Promote access of the third party service FairCall and Cleanaway's Whistleblower Policy for all former or current employees, suppliers, contractors and associates to encourage reporting of modern slavery risks.</p>

In our FY22 statement, we will report our progress against these Actions.

This Statement has been approved by the Board of Directors of Cleanaway Waste Management Limited on behalf of all reporting entities in Cleanaway's corporate group (details of which are set out in Section 1.3 of the FY21 Modern Slavery Statement above).



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