



## INTRODUCTION

### About Ausenco

Ausenco Pty Ltd (**Ausenco**) was founded in Brisbane in 1991 and has head offices in Brisbane, Santiago and Vancouver. Ausenco is a global company providing consulting, engineering, project delivery and asset operations, management and optimisation solutions to the minerals & metals, oil & gas and industrial sectors.

Our global team is based across 26 offices in 14 countries, drawing on the talents of around 2,100 employees covering our broad range of capabilities from study, project execution, technical solutions to operations and maintenance.

### Our Values

Our core values are the cornerstone of everything we do. They enable us to discover through ingenuity and lead by example.

#### The client is our focus

We develop trusting relationships with our business partners and clients. Helping them build better businesses and deliver outstanding results means we can do the same.

#### Safety in all we do

We let nothing compromise our safety performance. All around the world, we believe our valued people deserve to return home safely each and every night.

#### Our people are our strength

We prize the abilities, diversity and creativity of our people. The way that we care for our people, as well as develop and encourage their talents, is a key part of our culture – and we do all we can to grow their skills.

#### Respect the community and environment

Wherever we operate in the world, we respect the diverse communities and environments.

We understand that our actions leave a lasting impression, and we want to make sure it's a good one for future generations.

#### We seek ingenious solutions

We encourage our people to be lifetime learners. This nurtures the ingenuity, flexibility and creativity that we need to find solutions and manage change.

#### We are open, honest and collaborative

We respect the diversity and differences of all our people and various stakeholders, and we support this with straightforward and open communications at all times.

### Community Focus

Ausenco is committed to the development of local communities in the areas it works. This commitment includes the involvement of local labour and businesses to help reduce any impact the project may have on their environment while also providing employment and training opportunities to benefit the community.

In all our projects, Ausenco develops a tailored execution strategy which considers the local resources, skills, culture and environment. Our contracting strategies encourage and support the training and employment of local people, the participation of local contractors, subcontractors and services suppliers. Frequently we also work with the indigenous communities sponsoring the development of sustainable local businesses.

The Ausenco Foundation was established to assist local communities to benefit from the investment of mining infrastructure in their area. Formally established in 2007, the Ausenco Foundation contributes to project site communities on an on-going and as-needed basis and provides assistance in a number of different areas education, health, social awareness programs, and agricultural/environmental programs.

### Our Commitment

In 2016 it was estimated that 40.3 million people were victims of modern slavery and 24.9 million of those were believed to be in forced labour. The

# Ausenco

Australian Government estimates that there were 1,567 victims of Modern Slavery between 2015 and 2017. It was also identified that the top 5 at-risk products of modern slavery which were imported into G20 countries were:

1. Laptops, computers and mobile phones
2. Garments
3. Fish
4. Cocoa
5. Sugarcane<sup>1</sup>

For the purposes of this Statement, Ausenco will be referring to the definition of Modern Slavery is defined in the *Modern Slavery Act 2018 (Cth) (Act)* as including:

- Trafficking in persons
- Slavery
- Servitude
- Forced Marriage
- Forced Labour
- Debt Bondage
- Child labour
- Deceptive Recruiting for labour and services

**Ausenco recognises the importance of protecting human rights and is dedicated to protecting the rights of all people including its employees, clients, and those within its supply chains.**

**Ausenco does not condone or tolerate any form of modern slavery as identified under the Act and recognises the important role it can play in addressing modern slavery within its supply chain.**

## Our Approach

This is Ausenco's first year of reporting under the Act and Ausenco is committed to ensuring it meets the obligations under the Act and is dedicated to implementing risk mitigation measures in order to combat forms of modern slavery and will continue to develop,

communicate and maintain processes including employee training, supplier due diligence and statutory reporting.

Ausenco has engaged with key stakeholders within its organisation including Legal, Procurement and People and Performance to develop and implement processes into our business sphere. This statement has been approved by our Board of Directors and the Ausenco Audit and Risk Management Committee (ARMC) on 30 June 2020.

The ARMC has responsibility for reviewing the risk management framework and policies within the Company and monitoring their implementation. The role of the ARMC is to:

- Advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Ausenco Group.
- To provide the Board with necessary assurances regarding the quality and reliability of financial information prepared for use by the Board in determining policies or for inclusion in the financial report.



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**Rod Baxter**

Non-executive Director and Chairman of the Ausenco Audit and Risk Governance Committee

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<sup>1</sup> Global Slavery Index, Walk Free 2018 Findings: Highlights



## **Ausenco's policies and governance**

During Ausenco's reporting period, we have established our own Modern Slavery policy outlining our stance on Modern Slavery and embedding our commitment to address this issue in our business and supply chain.

Our policy, published on our website, intersects and supports our values and our other policies:

- Codes of Ethics and Value
- Principles of Ethics and Fairness
- Whistleblower Policy
- Quality Policy
- Risk Management Policy
- Diversity Policy
- Business Ethics Policy
- Sustainability Policy

Our Modern Slavery policy outlines our obligations under the Act and our implementation strategies to communicate and introduce processes including employee training, supplier and vendor due diligence and statutory reporting.

The policy also provides that Ausenco will not knowingly engage in or conduct business with clients, subcontractors, subconsultants, independent contractors, business partners, suppliers, vendors, or other third parties who contravene the Act.

An additional level of compliance is included to capture the responsibility Ausenco employees, officers and directors of the Ausenco Group of companies, as well as all agents of Ausenco, joint-venture partners and any third parties doing business in Ausenco's name, to ensure that any suspected activity in regard to the contravention of Modern Slavery laws is reported to their Manager, to People & Performance Team or to the Company Secretary. Ausenco will support those coming forward and will ensure they are protected under our Whistleblower Policy.

Further, the requirement to follow Ausenco's Modern Slavery policy has been built into Ausenco's standard Purchase Order Terms and

Conditions and our Subconsultant and Independent Subcontractor Agreements.



## **Ausenco's Standard Contracts**

Ausenco is implementing changes to its standard terms and conditions at multiple levels to further ensure that suppliers are aware of their obligations under Modern Slavery legislation, and to further embed Ausenco's Modern Slavery policy into our operations.

### **Procurement Level – Purchase Orders**

Every purchase order which is issued to a supplier, includes Ausenco's standard Purchase Order terms and conditions. These conditions outline the terms with which the supplier must comply when providing the service or supplying goods.

Ausenco has included provisions in these terms and conditions to define Anti-Slavery Laws and to indicate that the supplier must comply with these laws and Ausenco's Modern Slavery policy. Ausenco is entitled to terminate a purchase order if the supplier contravenes the Modern Slavery policy or the Act.

### **Subconsultants and Independent Contractors**

The majority of Ausenco's suppliers are subconsultants and independent contractors who provide either project specific services or work with Ausenco on a continuous basis.

Ausenco has amended its standard subconsultant and independent contractor agreements to ensure:

1. The supplier's personnel do not engage in Modern Slavery activities
2. Compliance with all applicable Anti-Slavery Law and Ausenco's Modern Slavery Policy
3. The supplier establishes and implements Anti-Slavery Law policies and procedures (including training), if applicable to that entity
4. The supplier has similar protections in place with its own suppliers
5. The supplier will provide Ausenco with its assistance in investigating any occurrence of a breach of Anti-Slavery Law.
6. Termination of the agreement with the supplier if the supplier fails to comply with Anti-Slavery Law or is found guilty of contravening any Anti-Slavery Law.

## **Remediation**

Ausenco has existing remediation processes in place through its operations. These processes are reflected in its standard contracts with clients and within our supply chain. All contracts contain dispute resolution provisions and suppliers are able to voice any concerns with Ausenco personnel.

Ausenco Personnel are able to utilise internal employment policies which enable employees to raise concerns regarding labour conditions and workplace grievances with their Line Manager, the People & Performance team and the Whistleblower hotline is available to all personnel.



## Our supply chains

For Ausenco's first reporting period, the focus has been towards its Australian operations, where its head office and reporting entity is based.

During our reporting period, Ausenco's Vendor Support Team contacted our existing suppliers in Australia in order to gather information to map our existing supply chain and perform due diligence. Due diligence is key concept which has been identified in the UN Guiding Principles. Ausenco's aim is to assess and address the risks that Modern Slavery practices may be occurring in its supply chains, providing further transparency and mitigating the occurrence of Modern Slavery practices in its operations and supply chains

## Due Diligence

Over 1100 suppliers were requested to complete a Modern Slavery Risk Factor Self-Assessment Questionnaire as part of Ausenco's supplier due diligence process. The Questionnaire requested information regarding the following:

- The supplier's Modern Slavery policies and due diligence processes
- The supplier's policies concerning child labour, forced labour, bonded labour and human trafficking
- The supplier's employment conditions as they relate to Modern Slavery

These Questionnaires are signed as a declaration by an authorised representative of the supplier.

To ensure that all suppliers are subject to the Modern Slavery due diligence process, this Questionnaire has been included in the Vendor Onboarding process and all new suppliers are required to complete this Questionnaire before Ausenco will issue a purchase order to the supplier.

A regular review of the due diligence process will be undertaken by Ausenco and we will continue to work with suppliers to improve this process.

## Supplier Mapping

Ausenco has determined that the majority of its suppliers provide consulting services rather than goods and equipment. Consequently, at an industry level, it is Ausenco's assessment that the risk of the occurrence of Modern Slavery activities in its supply line to be low. However, it there is a risk for Ausenco as it does perform consulting engineering services for mine sites which are in locations including the Democratic Republic of the Congo, Mozambique, Papua New Guinea and the Philippines. These countries have been identified as having a higher prevalence of modern slavery practices.<sup>2</sup>

Specifically:

- The majority of Ausenco's suppliers (94%) indicated in their response to the Questionnaire that they comply with the United Nations ILO conventions that prohibit the worst forms of child labour.
- A number of Ausenco's suppliers (36%) have Modern Slavery policies in place or have indicated that they are implementing or planning the implementation of a Modern Slavery policy in their business.
- All suppliers who responded indicated that their workers have been provided with:
  - written contracts in a language which they understand and
  - terms of employment including wage rates and hours of work which are clear.
- All suppliers who responded indicated that all employees are free to resign their employment free from restriction or penalty.
- All suppliers who responded indicated that workers are not required to lodge any security deposits or pay any recruitment fees.
- All suppliers who responded indicated that original identity related documents of workers are not retained.
- All suppliers who responded indicated that where accommodation is provided to workers, the workers are free to leave at will and that the accommodation provided to workers is checked regularly to ensure the living conditions are adequate and meet legal requirements.
- All suppliers who responded indicated that their workers are paid their legal pay

<sup>2</sup> Global Slavery Index, Walk Free 2018 Findings: Highlights



entitlements on time and are provided with payslips clearly showing how wages have been calculated and the detail of any deductions.

- The majority of the suppliers who responded were located in Australia and had ABNs.

Due to the nature of the suppliers' services, and the location of the suppliers disclosed in the Questionnaires, it is Ausenco's assessment that the risk of the occurrence of Modern Slavery activities in its supply line to be low.

### **Effects of COVID-19**

Ausenco, like most businesses, has been affected by the COVID-19 pandemic and these effects have also impacted our supply line. The COVID-19 pandemic has impacted on Ausenco's ability to assess and address modern slavery risks during this report period. Ausenco's investigation of its supply chain has been impacted by the disruption caused to business by COVID-19. Ausenco has received responses to only 5% of Questionnaires issued. Ausenco will continue to communicate with suppliers to increase the response rate for existing suppliers.

### **Raising Awareness**

Ausenco is aware from data provided by the Global Slavery Index, that many Australian businesses may be unaware of the risk of forms of modern slavery occurring in their supply chains.

Statistically, in Australia the instances of modern slavery appear to be low, but this could be due to the low level of awareness of the issues, and the actual incidence may be much higher.

One of Ausenco's aims during this reporting period was to ensure that our employees were aware of the introduction of the Act and the importance of the issue to our business and community.

### **Employee Inductions**

All new Ausenco employees undertake a series of online learning modules which educate employees on Ausenco's Golden Rules of Safety and Ausenco's ethics and anti-corruption policies.

Ausenco has included a new learning module to make employees aware of modern slavery and its

risks and introduces the employee to Ausenco's modern slavery policy.

This online learning module is also able to be accessed by all current employees via Ausenco's internal online communication platform (the Hub) and all employees will be directed to complete this module.

### **Employee Training**

Ausenco undertakes monthly employee education and awareness sessions (Toolbox) which are presented to employees in their department teams. Various topics are discussed during these sessions, most of which have a health or safety impact or relevance for our employees. The purpose of the Toolbox is to enable employees to have an educational and interactive experience.

The Toolboxes are more informal and allow employees to discuss the key issues in their groups and how the topic affects them as an employee and personally.

Ausenco has integrated Modern Slavery education into the Toolbox presentations, to educate employees as to what Modern Slavery is, what the impact of Modern Slavery is and what actions Ausenco is taking to tackle this important issue.

Ausenco believes that the first step to managing the occurrence of Modern Slavery in our supply chains is to educate our new and existing employees and make this issue a visible issue in the business.



## 2020 Recap

Ausenco has focussed on a number of key areas to ensure its compliance with the Act and that it is doing its part to tackle the effects of Modern Slavery in its supply chain. We are continuing to develop an effective response to Modern Slavery risks.

Specifically, Ausenco has implemented the following:

1. Introduction and implementation of Ausenco's Modern Slavery Policy
2. Introduction of employee training processes
3. Amendment of Ausenco's standard Purchase Order Terms and Conditions, Subconsultant and Independent Contractor Agreements
4. Implementation of supplier due diligence processes in Ausenco's Procurement practices.

As this is Ausenco's first reporting period, it is not possible to assess the effectiveness of the introduction and implementation of Ausenco's Modern Slavery Policy and processes.

## Looking Forward

Ausenco has identified further steps it can take to identify the modern slavery risks in its supply chain.

1. To work collaboratively with our existing suppliers who have not provided a completed Questionnaire, to ensure the Questionnaires are completed and returned to Ausenco.
2. To introduce training for the Vendor Support team to process, record the responses to the Questionnaires and to undertake a risk assessment, flagging any suppliers that may be 'high risk'.
3. To maintain awareness of the impact and issues associated with Modern Slavery within Ausenco's business.
4. To evaluate annually the implementation of Ausenco's Modern Slavery Policy.
5. Work with other Ausenco entities in its organisation structure to expand its Modern Slavery implementation.

Ausenco will continue to increase its understanding of Modern Slavery practices and focus on continuous improvement of its internal processes, employee training and policies.