

2023

MODERN SLAVERY STATEMENT

A C C I O N A A U S T R A L I A

released June 2024





ABOUT THIS STATEMENT

This Modern Slavery Statement (Statement) has been prepared by the ACCIONA Infrastructure Group (Australia & New Zealand) to address the requirements of the Modern Slavery Act 2018 (Cth). It does not include or reference the ACCIONA Concesiones, Water or Energy businesses which form part of the global ACCIONA Group.

The Statement is ACCIONA Infrastructure's third modern slavery statement and covers the period 1 January 2023 to 31 December 2023 in respect of the Australian reporting entities identified under at Appendix B.

The reporting entities are referred to throughout this Statement collectively and generically as "ACCIONA", "we", "us" and "our".

The term "suppliers" includes suppliers of goods and services, and includes providers of labour hire.

This Statement is the product of collaborative effort and input from our Procurement, Health, Safety, Environment, Quality & Sustainability (HSEQS), Governance, Compliance & Legal, Project Controls, Operations, Commercial, Human Resources and Marketing & Communications teams across multiple reporting entities.

The Statement was approved in June 2024 on behalf of all reporting entities by the Board of ACCIONA Infrastructure Asia Pacific Pty Ltd, the most senior holding entity in the Australia & New Zealand Infrastructure Group.

This Statement has not been externally assured. It has been signed by the Chief Executive Officer on page 14

If you have any feedback regarding this Statement or wish to bring to our attention any risk or activity of concern, please contact us at comms.au@ACCIONA.com.

MESSAGE FROM THE CEO

ACCIONA challenges the present to make the future possible.

At ACCIONA, we understand that true progress requires going beyond sustainability and the minimisation of negative impacts. Progress demands active regeneration and restoration across all areas of life - for communities and individuals.

We are not satisfied with merely eliminating forced labour practices from our operations and supply chains. Our aim is to lead an industry that provides tangible benefits and brighter futures for all the lives we touch. By pioneering regenerative solutions that respect human rights and uplift human dignity, we can transform our sector into an engine for positive, social change.

Our work over the past year advanced this vision, and were driven by the people-centric pillar of our Sustainability Master Plan 2025 (SMP25).

We put people at the heart of our decision making, and we strengthen our resolve to reduce modern slavery risks through increased transparency, robust policies, and active collaboration with our partners.

However, our ambition extends far beyond risk mitigation.

We strive to create an environment where modern slavery has no footing, and where our activities empower workers, support families, and revitalise communities.

With this holistic, regenerative approach, ACCIONA will continue to enhance our processes, practices, and partnerships to protect human rights as we design solutions for a better planet for all.



Bede Noonan
CEO & Managing Director of the reporting entities
ACCIONA Australia and New Zealand

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OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

OUR STRUCTURE

WHO WE ARE ARE WHERE WE CAME FROM

In Australia and New Zealand, ACCIONA has evolved from a rich history of local companies who have delivered complex, sustainable, and iconic projects across Australia for over 100 years.

Our business spans the entire value chain, from design and construction through to operation and maintenance.

Our capabilities include the most experienced ground engineering design and construct team in the nation; over 20 years as a leading provider of rail solutions; a specialist in mechanical and engineering solutions; our in-house design entity; and ownership of over 1500 plant and equipment assets.

Our business combines our deep local knowledge with global experience to deliver a broad portfolio of sustainable infrastructure solutions, now and into the future.

Our Reporting Entities for the purpose of the Modern Slavery Act 2018 (Cth) are set out at Annexure B.

KEY PROJECTS - AUSTRALIA & NEW ZEALAND



BUSINESS OVERVIEW – GLOBAL

ACCIONA is a global leader in the provision of regenerative infrastructure solutions focused on transitioning to a low-carbon economy. We are a financier, developer, builder and operator of infrastructure solutions, both alongside government and significantly on our own.

ACCIONA develops infrastructure solutions that foster a systematic and regenerative change in people’s lives and communities. Globally, our opportunities are strategically based on the 17 Goals of the United Nations 2030 Agenda, especially focusing on developing solutions aimed at decarbonising the economy:

Energy: ACCIONA owns and operates renewable energy assets including onshore wind, solar, biomass, hydroelectric and solar thermal energies.

Transport: ACCIONA builds and operates infrastructure to transport people and goods (roads, bridges, railways and tunnels)

Water: ACCIONA designs, builds, and operates drinking water treatment plants, waste-water purification plants, tertiary treatments for water reuse and reverse osmosis desalination plants.

Cities: ACCIONA responds to different challenges faced by cities, including waste management, electric and shared mobility, revitalising urban spaces and expanding green areas.

Social: The company develops solutions for healthcare and education infrastructures and cultural engineering, as well as reserving and cleaning the environment.

Real Estate: ACCIONA’s real-estate activity focuses on developing and managing real-estate developments designed to increase the quality of life with minimum impact on the landscape and the consumption of resources and energy.

SUPPLY CHAIN

In 2023, ACCIONA engaged 47,576 suppliers globally and 8,059 suppliers specifically within Australia.

Furthermore, ACCIONA onboarded 11,402 new suppliers globally and 2,335 new suppliers in Australia, marking a 6% increase globally and 12% increase in Australia from the previous financial year. The increase reflects our expanding operations and the substantial projects undertaken, particularly within the Australian market.

IDENTIFYING OUR RISK OF MODERN SLAVERY PRACTICES

The construction industry by its very nature attracts a number of direct or indirect risks in relation to modern slavery practices and the ACCIONA business understands that it is not immune to those risks.

We consider the most prevalent risks of modern slavery practices in our operations and supply chains are:

1. Vulnerable populations: e.g. migrant workers and base-skill workers.

- Companies operating in the construction industry tend to follow the business model which is heavily based on outsourcing, which increases the complexity of operations and supply chains and decreases the visibility of labour risks and impacts.
- The demand for construction fuels an increased demand for low-skill workers. Due to the temporary nature of this work, labour is frequently outsourced to third-party contractors. It is this workforce which comprises of foreign workers on temporary visas, who are vulnerable to exploitative practices due to little experience working in Australia, language barriers and a lack of understanding of their rights and Australia's workplace laws.

High risk industries and production: e.g. services procurement such as cleaning, Goods not for resale and raw materials.

- For example, the cleaning sector is notorious for underpayment of wages, excessive working hours, and debt bondage. This is largely due to the nature of the workforce being primarily migrant workers on temporary visas and the often-opaque nature of operations.
- It is common that within the construction industry, particularly on a project, a company will engage a cleaning services company to ensure the site is in an acceptable condition before handover to the client. Further, site offices also need to be maintained in a sanitary way. It is often the case that individuals who oversee the tender process award cleaning contracts based on the lowest prices rather than by considering labour standards.
- Secondly, sourcing materials and imported goods from overseas often involve complex supply chains and multiple tiers including contractors and sub-contractors, resulting in limited visibility for property and construction companies over modern slavery risks.
- Raw materials are predominantly sourced from geographies with a high risk of modern slavery, exacerbated by conflict, poverty, displacement, corruption, low-regulated environments and state failure to protect human rights.

- For example, evidence of forced labour and child labour have been found in brick kilns in countries such as India, Pakistan, Bangladesh and Cambodia. Additionally in Cambodia, the impacts of climate change on crop yields have forced farmers and their families into bonded labour in brickmaking to pay off debts from loan sharks. As a last resort, the families turn to brick factory owners who buy their debts, but few families and their children will ever pay off the loans.

Supply Chain pressures

- The construction industry relies heavily on complex global supply chains for machinery parts.
- Overseas factories producing machinery parts may exploit migrant workers through wage theft, excessive working conditions and/or passport confiscation.
- It is often the case that construction companies source machinery parts through multiple layers of subcontractors, making it difficult to trace the origin of materials and labour process used.
- A single supply chain for a major contractor, such as ACCIONA, can consist of hundreds of sub-contractors, labour agencies and material suppliers. This means it can be difficult to have oversight and control over the recruitment and employment practices of suppliers and subcontractors.
- Construction companies (who engage in the various outsourcing methods outlined above), may choose to exploit these worker's fear of deportation by underpaying them or forcing them to work long hours.

ACCIONA'S ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISK

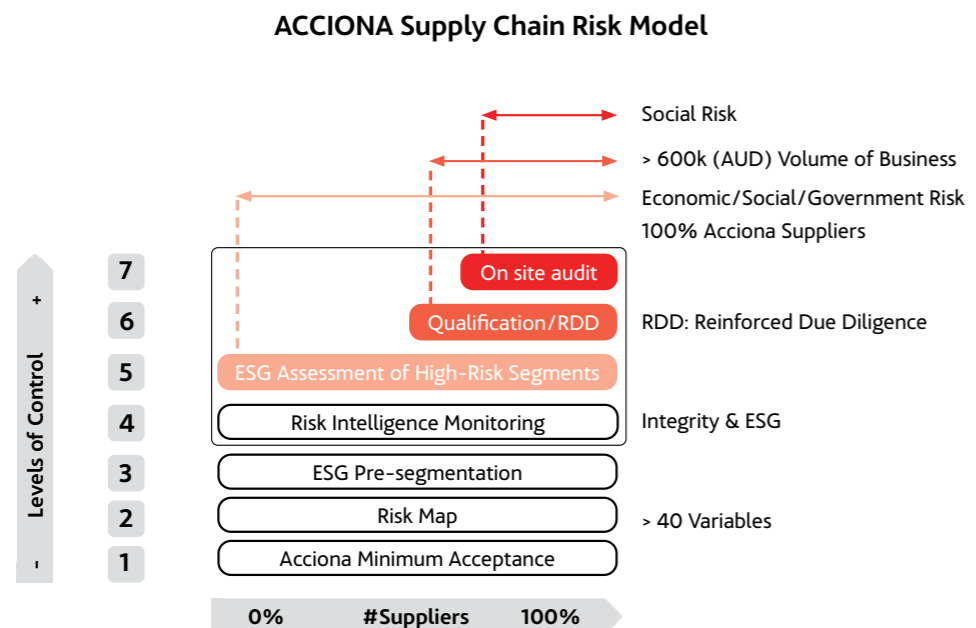
In addition to the measures previously implemented via ACCIONA systems, policies and procedures which have been mentioned in previous modern slavery statements, ACCIONA focused on the following actions to assess and address modern slavery risk.

GOVERNANCE IN OPERATIONS

The demand of suppliers by ACCIONA businesses surged in 2023, driven by new major infrastructure and energy renewable projects. Particularly, the commencement of mega-projects in 2023, such as Western Harbour Tunnel, Western Sydney Airport, M80 (Northeast Link) and Hume Link contributed significantly to the increase and complexity of ACCIONA's supply chain.

In response to our expanding and complex supply chain, ACCIONA implemented a new supply chain risk management model to effectively manage risk and ensure operational continuity. Central to this commitment is a technology based approach to proactively identify, assess, and mitigate modern slavery risks.

In September 2023, ACCIONA implemented its new Supply Chain Risk Management (SCRM) model globally. This updated model incorporates Environmental, Social, and Governance (ESG) risk into our existing risk management approach, ensuring a comprehensive evaluation of potential risks across our supply chain. The revised model prioritises the assessment of ESG at both country and industry level, recognizing their significance in today's business environment. See below diagram setting out the phases of our model.



The implementation of the new Supplier Chain Risk Management (SCRM) model has ensured enhanced supplier screening practices throughout our tender processes.

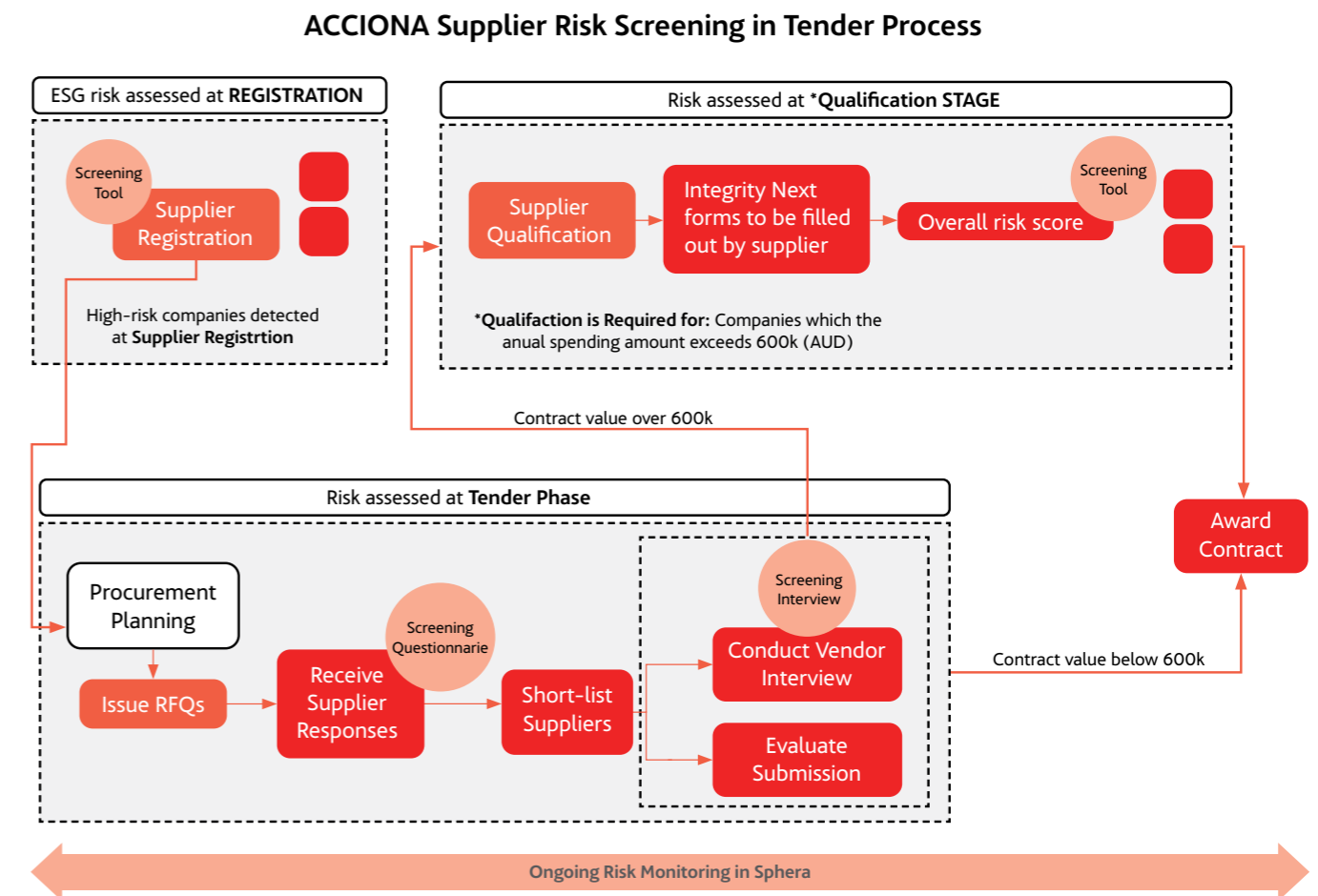
- **During Supplier Registration:** Emphasis is placed on screening Environmental, Social, and Governance (ESG) risks. Suppliers are required to complete ESG questionnaire if high risks are identified based on country and industry risks.
- **During Tender:** Suppliers receive a tender questionnaire with ESG related questions asking their management procedure, plans and practices.
- **Following Shortlisting:** Interviews are conducted with shortlisted suppliers.
- **Prior to Contract Awarding:** Suppliers undergo further qualification assessments in Integrity Next (for major contracts over \$600K)

Risk Monitoring Alerts

A greater emphasis has been placed on alerts attached to supplier profiles in our supply chain management systems, providing an additional check and balance prior to engagement.

For example, a supplier is currently facing charges under the Occupational Health and Safety Act for failing to provide and maintain a safe workplace. Although the case is not directly relevant to any of our projects, the alert against the supplier's profile in our supply chain management systems remains and can be scrutinised with the supplier prior to future engagement.

Figure 2 below delineates the stages in which supplier risks are assessed during the tender process:



INFRASTRUCTURE SUSTAINABILITY COUNCIL – MODERN

ACCIONA has been a participating member of the Infrastructure Sustainability Council (ISC) Modern Slavery Coalition since 2020. The Coalition consists of like-minded industry organisations who aspire to drive good modern slavery practices within the sector through collaboration and leadership.

Building off the work completed in 2022, the Coalition delivered a number of collaborative actions to address modern slavery, drive awareness, increase industry capabilities and create resources for wider use. Some of the key actions are set out as follows.

Following release for the Infrastructure Sustainability (IS) Impact Note on modern slavery which outlines how infrastructure projects can drive action towards eliminating modern slavery risks, a Modern Slavery Impact Note video was released to support broader communication and awareness of the guidance note across the industry. This was released in June 2023 on the ISC website ([Modern Slavery Impact Note – video clip - ISCouncil](#)) and subsequently shared on various multimedia platforms.

To support the Coalitions education and advocacy work, a focus for 2023 was to remain current with feedback and reviews conducted on the Modern Slavery Act implementation. During the year several expert presenters engaged with the Modern Slavery Coalition to provide insight and receive feedback on implementation to date. This included engagement sessions with the NSW Anti-Slavery Commissioner Dr James Cockayne and Professor John McMillan AO who conducted the Australian Governments review of the Modern Slavery Act throughout 2023.

A report on the statutory review is available on Attorney-General’s Department website for reference [Report of the statutory review of the Modern Slavery Act 2018 \(Cth\) | Attorney-General’s Department \(ag.gov.au\)](#). Insights from the Modern Slavery Coalition led the ISC preparing and submitting a submission for the Modern Slavery Act Review providing insight and recommendations for future development of the Act.

Works continued on the development of a template Supplier Modern Slavery Risk Assessment to support self-assessment of the supply-chain following an initial round of consultation and feedback. This work will continue into 2024 with the aspiration to release a final version within the year. Finally, the Coalition explored supply chain traceability in the Australian bitumen supply chain with the aim to create a framework which can be replicated across industry and other materials.

ASSESSING EFFECTIVENESS AND LOOKING FORWARD – 2023 AND BEYOND

ASSESSING EFFECTIVENESS IN 2023

ACCIONA establishes annual supply chain management quarterly targets as follows:

Qualification Target (AU) 2023	Q1 2023	Q2 2023	Q3 2023	Q4 2023
90% critical suppliers must be qualified	97%	97.2%	98.1%	97.2%

Based on the data captured, ACCIONA is satisfied with its performance and effectiveness of its actions, whilst recognising that our efforts to mitigate the risk of modern slavery practices occurring in our business is not a short-term focus. Our efforts remain integral to our people-centric values and achievement of our sustainability goals as documented in ACCIONA’s Sustainability Master Plan 2025.

WHAT NEXT ?

In 2024, ACCIONA aims to strengthen its procurement practices with a focus on conducting Tier-2 Supplier audits. This initiative is part of a broader strategy to enhance supply chain transparency and compliance.

The main objectives of such initiative are:

- **Enhanced Transparency:** gain deeper insights into the practices and operations of its suppliers, thereby enhancing transparency throughout the supply chain.
- **Risk Mitigation:** help identify and mitigate risks associated with Tier-2 suppliers, such as compliance issues, environmental concerns, or labour practices, ultimately reducing operational risks for ACCIONA.
- **Compliance Assurance:** ensure that its suppliers comply with relevant regulations and standards, including Modern Slavery requirements
- **Supplier Accountability:** by holding Tier-2 suppliers accountable for their practices, ACCIONA aims to foster a culture of responsibility and sustainability within its supply chain.
- **Strengthened Partnerships:** building stronger partnerships based on trust, transparency, and shared values with lower tier suppliers, ultimately creating a more resilient and sustainable supply chain ecosystem

CONSULTATION ACROSS OUR GROUP ENTITIES

ACCIONA recognises that each entity within its Group, including each of the reporting entities, plays an integral role in mitigating our risk of involvement in modern slavery.

This Statement was prepared in consultation with each reporting entity referenced in Annexure B. That consultation was enabled by:

- direct engagement with key stakeholders across the ACCIONA Infrastructure Group, including the reporting entities, specifically executive team, and senior managers from Procurement, Health, Safety, Environment, Quality & Sustainability (HSEQS), Governance, Compliance & Legal, Project Controls, Operations, Commercial, Human Resources and Marketing & Communications.
- ACCIONA's management structure, specifically:
 - » vertical integration of its functional departments operating across reporting entities, which facilitates an ease in information sharing and centralised access to data; and
 - » regular and comprehensive whole of Group management and executive reviews and meetings that promotes a culture of collaboration and continuous improvement, not only for Statement preparation, but in day-to-day activities.

The reporting entities have a common Chief Executive Officer and overlapping directors, who reviewed this Statement prior to its endorsement by the Board.

I confirm this Statement was approved by the Board of ACCIONA Infrastructure Asia Pacific Pty Ltd on 28 June 2024.



Bede Noonan
CEO & Managing Director of the reporting entities
ACCIONA Australia and New Zealand

APPENDIX A

HOW OUR STATEMENT ADDRESSES THE REQUIREMENTS OF THE MODERN SLAVERY ACT

Modern Slavery Act requirement	Reference in this Statement
Identify the reporting entity	'Annexure B'
Describe the reporting entity's structure, operations and supply chains	Our Structure, Operations and Supply Chain
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Identifying our risk of Modern Slavery Practices
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	ACCIONA's actions to assess and address modern slavery risk
Describe how the reporting entity assess the effectiveness of such actions	Assessing Effectiveness and Looking Forward – 2024 and Beyond
Describe the process of consultation with (a) any entities the reporting entity owns or controls; and (b) for a reporting entity covered by a joint statement, the entity giving the statement	Consultation across our Group Entities
Include any other information that the reporting entity, or the entity giving the statement, considers relevant.	Throughout the Statement

APPENDIX B

REPORTING ENTITIES

- ACCIONA Infrastructure Asia Pacific Pty Ltd ABN 19 609 210 139 (ACCIONA) - is the Australian holding company through which we conduct our operations in Australia and New Zealand. It is the Reporting Entity for the purposes of this Modern Slavery Statement.
- ACCIONA Construction Australia Pty Ltd (ABN 66 618 030 872)
- ACCIONA Rail Pty Ltd (ABN 81 101 299 512)
- Geotech Pty Ltd (ABN 94 114 336 515)
- ACCIONA M&E Pty Ltd (ABN 84 006 337 113)
- ACCIONA Infrastructure Projects Australia Pty Ltd (ABN 40 000 201 516)
- ACCIONA Infrastructure Australia Pty Ltd (ABN 52 140 915 251)
- ACCIONA Geotech Holding Pty Ltd (ABN 99 616 868 314)
- Geotech Holdco Pty Ltd (ACN 616 740 820)
- ACCIONA Construction Holdings Pty Ltd (ABN 59 114 553 454)
- ACCIONA CEI Australia Holdings Pty Ltd (ABN 50 147 880 966)
- Abigroup Ltd (ABN 63 000 358 467)
- ACCIONA CEI Australia Pty Ltd (ABN 52 106 594 816)
- ACCIONA CEI Australia Finance Pty Ltd (ABN 18 122 363 295)
- Abigroup Properties Pty Limited (ABN 84 002 153 068)
- Australian Precast Solutions Pty Limited (ABN 37 113 220 894)



BUSINESS AS UNUSUAL