

**MCCONNELL
DOWELL**

CREATIVE CONSTRUCTION™

Modern Slavery Statement

Reporting Period: Financial Year 2021-2022



Introduction

Modern Slavery is a serious violation of a person's basic human rights estimated to affect over 40 million people globally.

It involves using coercion, threats or deception to exploit a worker for commercial gain - undermining their freedom. Modern Slavery includes the following types of serious exploitation: trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting and child labour.

McConnell Dowell recognises that we are exposed to potential Modern Slavery risks within our operations and supply chain. We also recognise that the construction sector faces an elevated risk of Modern Slavery within its operation and supply chain as a result of intersecting structural and contextual risk factors.

We remain committed to identifying, preventing, mitigating and remediating those risks, consistent with:

- Our purpose of providing a better life
- The guiding principles of the United Nations Global Compact
- The United Nations Sustainable Development Goals

This statement is made pursuant to the Commonwealth Modern Slavery Act (2018) (the Act) for the year ended 30 June 2022 (Reporting Period) and was approved by the board of directors of Aveng Australia Holdings Pty Ltd for and on behalf of the Reporting Entities and the board of directors of McConnell Dowell Corporation Ltd on 13 December 2022.

This statement relates to the following entities in the McConnell Dowell Group:

- McConnell Dowell Corporation Ltd
- McConnell Dowell Holdings Pty Ltd
- McConnell Dowell Constructors (Aust) Pty Ltd
- Built Environs Pty Ltd

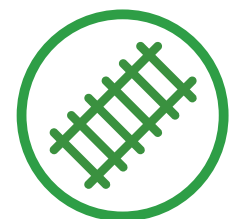
and the ultimate Australian parent company of McConnell Dowell (Aveng Australia Holdings Pty Ltd), which each carried on business in Australia with a consolidated revenue in excess of \$100 million in the financial year, and their owned or controlled entities.



Our structure, operations & supply chains

McConnell Dowell operates a construction and engineering business which is organisationally structured to deliver projects through four (4) business units; Australia, New Zealand & Pacific Islands, South East Asia and our building business Built Environs (which operates in Australia and New Zealand).

The nature of projects McConnell Dowell undertakes (both independently and with joint venture partners) can be broken into the following specialist areas:



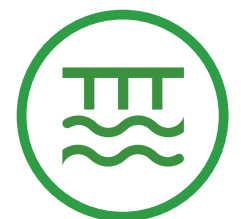
Transport

Whether it's boring a new metro tunnel, refurbishing an historic bridge, or constructing new train and tramways, McConnell Dowell is a safe pair of hands for any transport challenge.



Energy

We help create safe, sustainable and efficient power infrastructure that supports today's energy hungry and environmentally conscious communities. We deliver civil, electrical, mechanical, pipelines and tunnelling works across all power generation types.



Marine & Coastal

The McConnell Dowell name is synonymous with marine design and construction with over 330 marine projects successfully completed.



Resources

When it comes to mining, McConnell Dowell are a tried and trusted partner to industry heavyweights such as BHP, Rio Tinto, Vale and Fortescue Metals Group. They know us, respect us, and partner with us for their major projects, time and time again.



Water & Wastewater Solutions

We deliver across the complete water and waste water system; from capture, storage and treatment to distribution and outfall.



Building

From state of the art hospitals and high-tech sports facilities to landmark retail developments, our building brand, Built Environs, is experienced in all types of commercial building.

Our structure, operations & supply chains cont.

We rely on a large and highly diverse workforce in order to conduct these operations successfully, ranging from executives and engineers to professional and administrative support staff to trades and labourers.

As at the end of the reporting period, we had 2497 employees, spread across Australia, New Zealand, the Philippines, Singapore, Indonesia, Malaysia, Thailand American Samoa and Tonga. Table 1 outlines the number of employees by location. While the majority of employees are located in Australia and New Zealand, there are also employees located throughout South East Asia.

Our operations also include a proportion of indirect workers who deliver services under contracts that McConnell Dowell has with specialist providers. These indirect workers include contractors and outsourced labour hire resources that support our business activities.

During the reporting period, we spent approximately \$64 million AUD on third party labour hire with over 90% of our total spend in Australia and New Zealand. Table 2 outlines labour hire spend by country of operation.

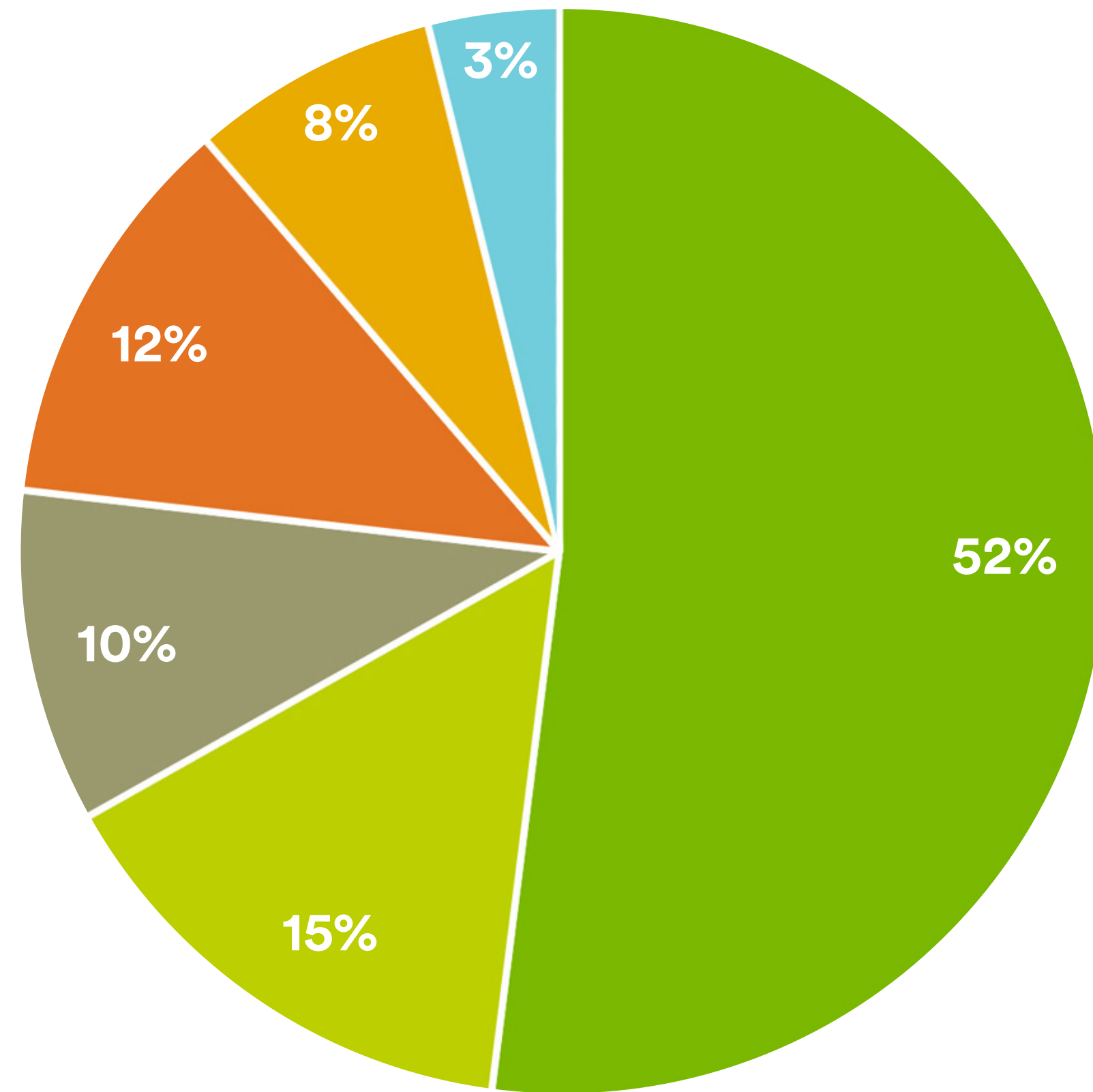
As at the end of the reporting period, we spent approximately \$1.454 billion AUD with 7300 suppliers of goods and services. Table 3 outlines the vendor spend

by categories. Table 4 outlines the vendor spend by country of incorporation. Of the total spend on goods and services, approximately 80% was spent on procuring goods and services from suppliers and providers located in Australia and New Zealand.



Table 1

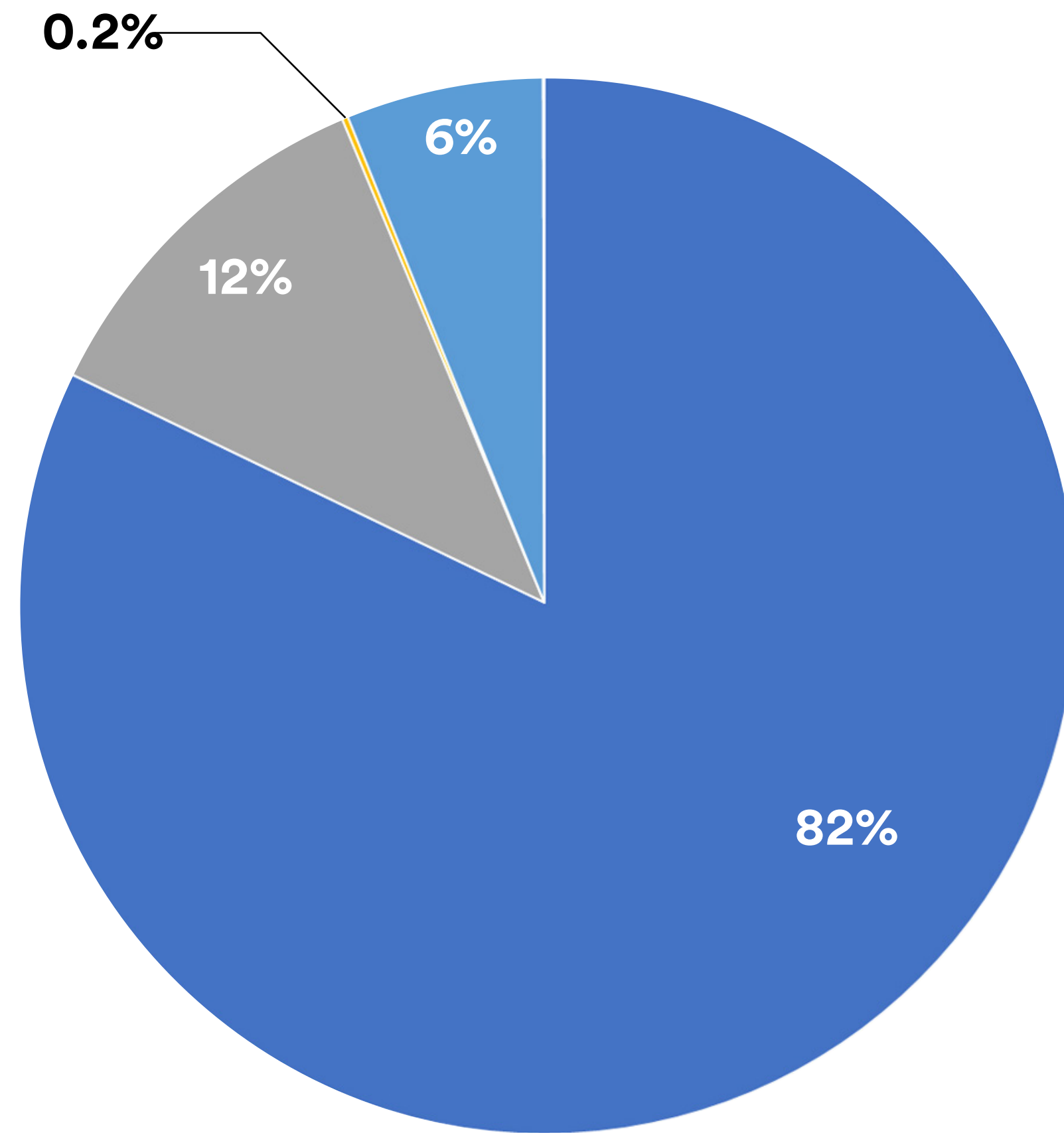
Employees by Location



1298	Australia
371	New Zealand
297	Singapore
249	Philippines
185	Indonesia
97	Other countries of operation

Table 2

Labour Hire by Location



\$53,617,789	Australia
\$6,616,539	New Zealand
\$3,489,034	Singapore
\$127,276	Other countries of operation

All figures in AUD

Table 3

Vendor Spend by Category

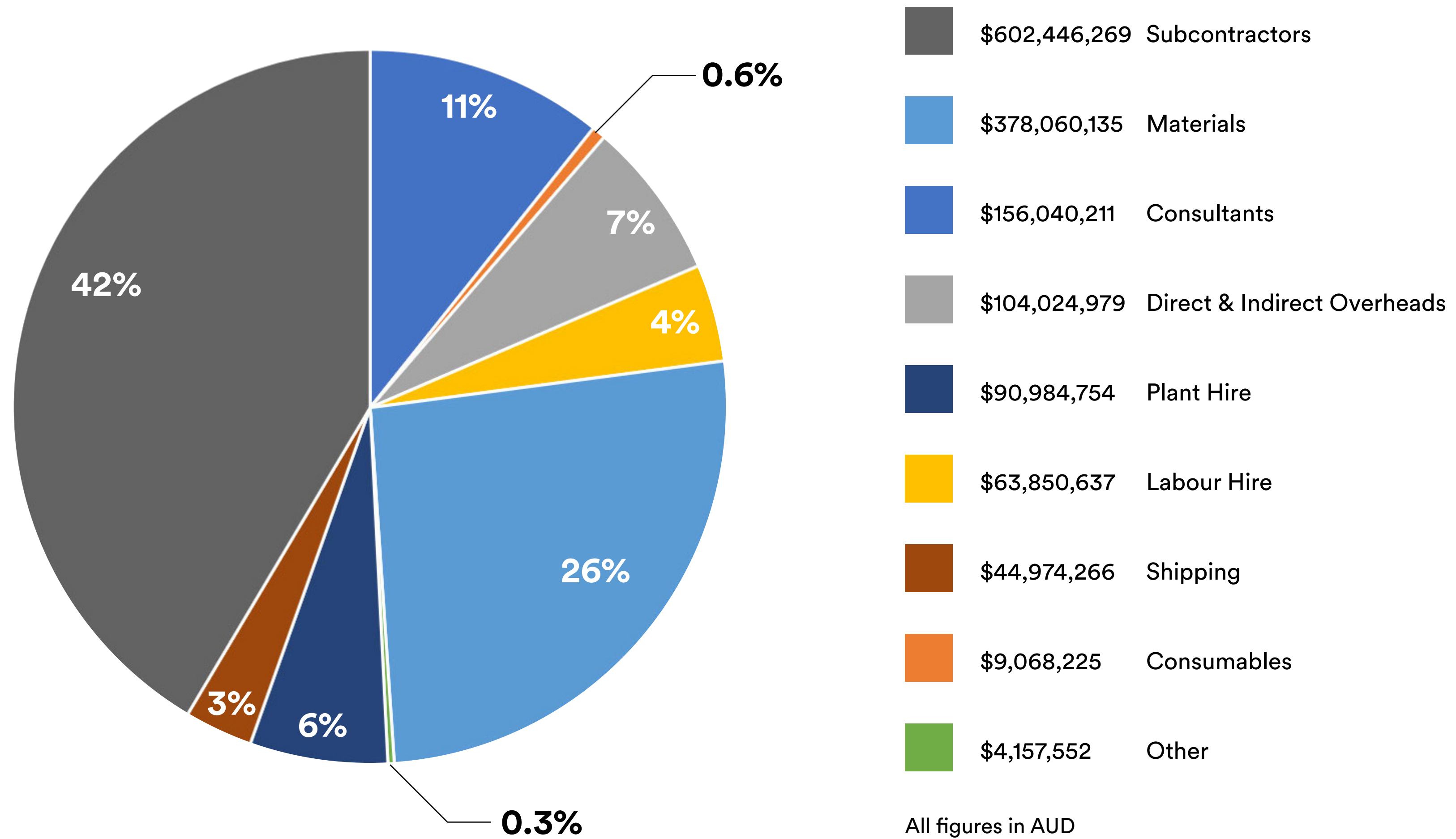
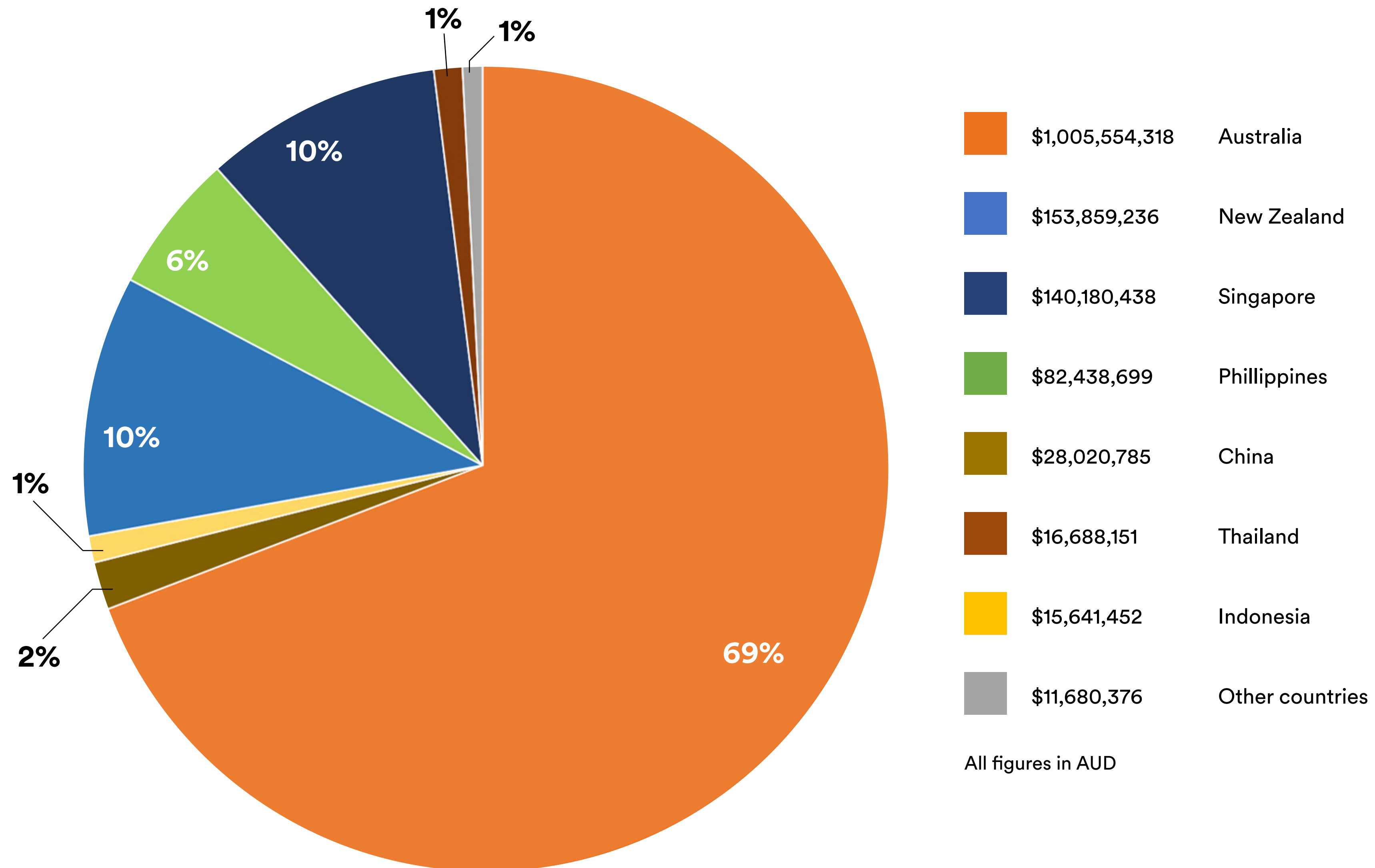


Table 4

Vendor Spend by Country of Incorporation



Case Study

In the reporting period, we did not identify any instances of Modern Slavery in our operations or supply chain. We did, however, identify a labour practice that gave us cause for concern and which we have taken action to remediate.

During the reporting period, 160 workers on our Joint Venture project in Palembang Indonesia were engaged via 7 “Mandors”. Traditionally, Mandors play a role in the Indonesian construction industry by bringing workers from rural villages to city construction sites. Mandors do not typically operate formal entities and their workers do not have a direct or formal relationship with the construction company. Payments are made to Mandors in respect of each worker supplied to the construction project with the Mandor distributing wages to workers.

As part of managing the risk that these vulnerable workers were being exploited, prior to releasing payment to the Mandors we required them to declare that:

1. Payment values noted on timesheets were passed on to workers.
2. Workers are free to leave the employ of the Mandor.
3. There are no ongoing debts to the Mandor preventing a worker from exercising their free will.
4. Workers are not required to repay the Mandor anything in exchange for employment.

We also held interviews with a sample of the workers to verify that the worker:

1. Was paid for all hours worked.
2. Was not required to work excessive overtime.
3. Had possession of their relevant identity documents.
4. Was able to leave the employ of the Mandor.

These interviews satisfied us that the workers were not being exploited.

The identification of the Mandor arrangement as a risk, and our efforts to manage that risk, demonstrates an increased awareness of potential Modern Slavery risk within our operations and is an example of our evolving Modern Slavery maturity.



Risks of modern slavery in our operations and supply chains

McConnell Dowell understands that our business activities, could cause, contribute or be directly linked to Modern Slavery. We have considered how this continuum may be applied across our operations and supply chains:

Cause: Businesses may be involved in Modern Slavery where their actions or omissions directly result in Modern Slavery occurring. For example, McConnell Dowell could cause Modern Slavery if it subjected employees to serious exploitation, such as debt bondage or forced labour.

Contribute: Businesses may contribute to Modern Slavery where their actions or omissions significantly facilitate or incentivise Modern Slavery to the extent that the exploitation would have been unlikely to otherwise occur. For example, McConnell Dowell may contribute to Modern Slavery by requiring contractors providing services to it to reduce costs to a level that could only be sustained by using exploited workers.

Directly Linked: Businesses may be directly linked to Modern Slavery where their products, services or operations are directly linked to harm carried about by a third party, such as a supplier. For example, McConnell Dowell may be directly linked to Modern Slavery through the procurement of personal protective equipment manufactured by a supplier using materials produced using forced labour.

McConnell Dowell considers that our direct workforce involves a negligible risk of Modern Slavery, which is effectively mitigated by our existing processes and controls.

Our Group Code of Business Conduct sets out our commitment to respecting human rights wherever we operate, in accordance with applicable laws and consistent with the labour UN Guiding Principles on Business and Human Rights. These principles relevantly extend to the right to freedom of association, the prevention of workplace discrimination and harassment and the prohibition of Modern Slavery.

We promote fair recruitment and employment practices and ensure that our employees are paid in accordance with legal requirements, have contracts of employment and can leave their employment at any time, subject to notice periods. We also provide our employees with access to both internal and external mechanisms to report improper, unethical or illegal conduct, including concerns relating to Modern Slavery.

Our Tip Offs Anonymous Hotline is one of these mechanisms, which can be accessed via our website.



Risks of modern slavery in our operations and supply chains cont.

While we have assessed the risk of Modern Slavery involving our direct employees as negligible, we recognise that contracted or contingent workers, including those provided by third party labour hire and in certain geographic locations may be more vulnerable to Modern Slavery, including where these workers are lower-skilled and/or temporary or migrant workers.

We also recognise that the risk of Modern Slavery occurring is greater across our supply chain, where we do not have direct control over the terms and conditions of employment of a third party workforce.

Having regard to the countries and sectors from which we procure goods and services, we assess that our supply chain risk of Modern Slavery is through:

- The procurement of subcontractors that provide labour on projects or for international projects in higher risk locations;
- Construction materials, particularly when they are selected by our subcontractors;
- Onsite accommodation and catering provided by McConnell Dowell or its supply chain for projects in remote or international locations;
- Telecommunications and IT hardware;

- Cleaning;
- Security; and.
- Personal protective equipment (PPE).

In the reporting period we worked with over 7300 suppliers who provided goods and services across a range of categories to support our operations. Our spend across these suppliers was highly concentrated, with 47% of our total spend during the period occurring with our top 100 suppliers and 78% of our spend with our top 500 suppliers. This concentration of spend with a smaller number of suppliers supports us to build strong, long-term relationships, which assists us to better understand a range of risks associated with our supply chain. These relationships also increase certainty and efficiency for our direct suppliers and, in turn, increases stability for their workers. Notwithstanding this, we remain mindful that our direct suppliers often have many suppliers of their own, who then also rely on their suppliers, meaning our overall supply chain footprint is large and complex.



Actions taken to address the risk of modern slavery in our business

Our cross-functional Modern Slavery working group remains responsible for setting KPIs shaped by an assessment and prioritisation of our Modern Slavery risks. During the reporting period these activities were targeted at enhancing employee awareness and understanding of Modern Slavery, augmenting our regulatory framework to support our Modern Slavery response and increasing our understanding about our supply chain risk.

Employee Awareness and Understanding

McConnell Dowell is committed to improving the capacity of our employees to understand, identify and manage the risks of Modern Slavery in our operations and across our supply chain. In the reporting period, we conducted the following activities to continue to build the capability of our staff:

- We delivered bespoke Modern Slavery training to 186 operational employees. This training module was developed in the previous reporting period and is designed to raise awareness about Modern Slavery and provide guidance on how to recognise and respond to it. In total, we have now facilitated Modern Slavery training for more than 330 employees who may have exposure to Modern Slavery due to their function, location or nature of their work.
- Key members of our Modern Slavery Working Group continued to attend seminars and networking groups (including the United Nations Global Compact and the ISC Modern Slavery Coalition) to share knowledge, learnings and best practice in relation to Modern Slavery.
- We deployed screen savers across our IT network to coincide with the International Day for the Abolition of Slavery (December 2) which marks the date of the adoption of the first Convention to fight human trafficking by the General Assembly of the United Nations. See copies on page 14.

Increasing our Understanding About our Supply Chain Risk

During the reporting period we investigated, and have now committed to the implementation of, a third party solution (Equifax) to enhance our understanding of the Modern Slavery risk within our supply chain.

Equifax is a web-based system that matches suppliers to a comprehensive global database of adverse media and watch lists collected from 240 countries. The Equifax database has been curated from over 120,000 global sources and is updated daily adding 15,000 profiles on persons and organisations that may present a legal or reputation risk.

Equifax will allow us to screen our suppliers in the letting stage for Modern Slavery risks using the most comprehensive global adverse media database available, including incidents connected to human rights, forced labour and human trafficking being reported over the past 5 years.

Enhancing our Regulatory Framework

McConnell Dowell has established a comprehensive set of internal policies and frameworks to support our Modern Slavery response. During the reporting period we targeted improvements in our existing policies and processes, as well as developing new practices as outlined in Table 5.

Table 5

Policy	Relevance to Modern Slavery
Code of Business Conduct	<p>Our Code of Business Conduct governs the conduct of our employees and ensures that the way employees behave and the decisions they make are true to our values and consistent with our legal and ethical obligations. Relevant to Modern Slavery, this includes requirements for employees to respect and support human rights.</p> <p>During the reporting period we drafted a Guide to the McConnell Dowell Code of Business Code to operationalise and ensure relevancy of the Code of Business Conduct, including in relation to Modern Slavery.</p> <p>We aim to publish the Guide in the next reporting period together with enhanced training on the Code of Business Conduct.</p>
ESG Framework	<p>During the reporting period we implemented a new ESG framework that provides a systematic approach for identifying, assessing and integrating the economic, environmental and social impacts of our business activities on society as well as the environment.</p> <p>Our ESG Framework incorporates the United Nations Sustainability Development Goals including as they relate to Human Rights and includes measurable KPI's with respect to Modern Slavery for the 2023 financial reporting period.</p>
Whistleblowing Operating Standard and Procedure	<p>The Whistleblowing Operating Standard and Procedure includes information about how to make a disclosure, which could potentially include Modern Slavery related complaints.</p> <p>During the reporting period we conducted a periodic review of the Whistleblowing Operating Standard following business feedback and aim to update it in the next reporting period.</p>
Resourcing and Engagement Operating Standard	<p>During the reporting period, we updated our Resourcing and Engagement Operating Standard to emphasise our commitment to the respect of human rights in recruitment and selection practices and to prohibit conduct that may be indicative of Modern Slavery, such as the forced surrender and/or forced retention of original identification documents.</p>
Modern Slavery Commitment - SEA	<p>During the reporting period we developed a Modern Slavery Commitment Statement for labour hire providers in South East Asia. The document ensures that our labour hire providers clearly understand and share our commitments in connection with Human Rights and Modern Slavery</p>

Copies of the screensavers deployed across the business on December 2 2021







MODERN SLAVERY

Know the signs

<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">  <p>APPEARANCE</p> <ul style="list-style-type: none"> • Signs of physical or psychological abuse • Look malnourished or unkempt • Appear withdrawn </div> <div style="width: 45%;">  <p>POSSESSIONS</p> <ul style="list-style-type: none"> • No travel documents / passports • Few or no personal possessions • Always wears the same clothes • Clothes not suitable for their work </div> </div>	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">  <p>ISOLATION</p> <ul style="list-style-type: none"> • Restricted freedom of movement • Rarely allowed to travel alone • Seem under control / influence of others • Rarely interact </div> <div style="width: 45%;">  <p>TIME</p> <ul style="list-style-type: none"> • Unused travel times • Dropped off / collected for work on a regular basis, either very early or late at night • Work excessive hours </div> </div>
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">  <p>LIVING CONDITIONS</p> <ul style="list-style-type: none"> • Living in dirty, cramped or overcrowded accommodation • Living and working at the same address </div> <div style="width: 45%;">  <p>MANNER</p> <ul style="list-style-type: none"> • Reluctance to seek help • Avoid eye contact • Appear frightened or hesitant to talk </div> </div>	

MODERN SLAVERY

Most of us think of slavery as an issue confined to history, or one that only exists in certain countries. But the truth is that slavery is still happening today... all over the world.

The UN Guiding Principles on Business and Human Rights require organisations to respect human rights in their operations and supply chains. This responsibility includes taking action to prevent, mitigate and, where appropriate, remedy modern slavery in their operations and supply chains.

If you suspect modern slavery is taking place, there a number of options depending on your situation.

In all situations, you should be careful that any actions you take do not harm a suspected victim or victims. This includes never disclosing personal information without the informed consent of the person you are trying to assist.

If you have any concerns about the welfare of a colleague or sub-contractor, please raise these discreetly with your manager or Human Resources. If you see signs of potential Modern Slavery outside of the workplace, please refer to the appropriate local authorities in your area.

Assessing the effectiveness of the actions taken

McConnell Dowell recognises that it is not possible to assess the effectiveness of each of the above actions on an “action by action” basis. Instead, we see the core components of an effective response to Modern Slavery as including:

- Robust standards that set clear expectations for workers in our operations and supply chains and are meaningfully communicated to workers, suppliers and other stakeholders;
- Meaningful risk assessments and broader due diligence processes that enable the accurate and timely identification and prevention or mitigation of potential Modern Slavery risks; and
- Trusted and accessible grievance mechanisms to facilitate the reporting and remediation of Modern Slavery related complaints.

During the reporting period, we worked to monitor and assess the effectiveness of our actions by:

- Regularly reviewing our progress against agreed KPI's within the Modern Slavery Working Group reporting to the CEO.
- Regularly reviewing and assessing the effectiveness of our policies, codes, operating standards and procedures as they relate to Modern Slavery.
- Ongoing monitoring and reporting of frequency and trends of whistleblowing and grievance channels.
- Rates of completion of Modern Slavery training.



Process of consultation within the Group

We have a working group that meets to discuss and manage our approach to Modern Slavery, both in Australia and in our international operations, and share information and resources relevant to the management of Modern Slavery risk. This group includes McConnell Dowell's CEO and executive management representing Legal, Compliance, Procurement, People and Sustainability business functions, all of whom are accountable for their functional areas across all business units.

This working group ensures that consultation regarding Modern Slavery risks occurs between business units and other parts of our business.

In the process of preparing this statement, we provided and presented draft versions of this statement to our executive team to encourage discussion and invite feedback.



Scott Cummins

Director & Chief Executive Officer



