



RESPECTING HUMAN RIGHTS

JOINT MODERN SLAVERY STATEMENT

Reporting period: 1 January 2021 – 31 December 2021

CIMIC Group supports the recognition of human rights as stated in the UN Guiding Principles on Business and Human Rights. We are committed to abiding by the ten principles of the UN Global Compact and contributing to the UN Sustainable Development Goals.

This is our second Modern Slavery Statement under the Australian Government's *Modern Slavery Act 2018* (Cth).



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We respect and acknowledge all local communities, including Traditional owners and First Nation peoples, where we conduct our business.

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STATEMENT DEVELOPMENT AND APPROVAL

CIMIC Group's Modern Slavery Statement for the period 1 January 2021 to 31 December 2021 has been prepared as a joint statement in consultation and collaboration with our Operating Companies CPB Contractors Pty Ltd, Leighton Asia Limited, Broad Construction Pty Ltd, UGL Pty Ltd, Sedgman Pty Ltd, Pacific Partnerships Pty Ltd, Devine Pty Ltd, Leighton Properties Pty Ltd and EIC Activities Pty Ltd, and is made pursuant to sections 14 and 16 of the *Modern Slavery Act 2018* (Cth).

Preparation of this Modern Slavery Statement has been managed by a CIMIC working group integrating team members from the People, Procurement, Risk, Legal, Compliance, Sustainability and Communications functions. The Operating Company members of the Modern Slavery Committee have implemented and verified the year's modern slavery activities and contributed data for this statement.

For the purpose of this statement CIMIC Group refers collectively to all the reporting entities and their controlled entities.

This statement has been reviewed and approved by the Board of CIMIC Group Limited, the Executive Chairman and Chief Executive Officer of CIMIC Group Limited, and the Managing Directors of each of our businesses listed above.



VALUING PEOPLE

CIMIC Group's second Modern Slavery Statement outlines our commitment and actions to assess and address the risk of modern slavery in our operations and supply chain.

Nothing of value is built at the cost of vulnerable adults and children.

We work across developed and developing economies, delivering critical infrastructure, services, and resources projects.

We use our data-driven engineering solutions to add value, contribute to a climate-resilient future, and create an enduring social and economic legacy.

Our commitment to human rights, fair treatment of all people, the environment and anti-corruption is critical to sustainable development, and fundamental to how we operate.

An elevated risk of modern slavery is present in some of our geographies, markets and procurement channels. In response, we use our robust Governance framework and a cycle of planning, action and assessment to continually improve our initiatives to identify, mitigate, and prevent the risk of modern slavery.

In 2021, we cooperated with our major shareholder HOCHTIEF to assess the level to which human rights are protected, promoted, and respected in each country where we operate. We also completed a risk mapping exercise, conducted further Human Rights Impact Assessments and continued to screen and engage our suppliers.

Collaboratively developing our Modern Slavery Policy has supported engagement across our businesses, CPB Contractors, Leighton Asia, Broad, Sedgman, UGL, Pacific Partnerships and EIC Activities.

Throughout the year, our due diligence included auditing aspects of our employment and procurement practices and providing ongoing training, which equips our people to identify and report on potentially unethical practices.

These risk mitigation initiatives complement our ongoing local community inclusion programs, which include creating further opportunities for Indigenous and First Nation peoples. As well as sharing project benefits, these programs contribute to community capacity building which, over time, narrows the inequities that give rise to exploitation.

In 2022, we are continuing to improve our systems and capabilities to disrupt and respond to any actual or potential modern slavery risks.

Our Code of Conduct guides us to make ethical decisions in everything we do.

We can achieve far reaching benefits for future generations through our expertise and services, and as a champion for all people to work safely, building better lives and stronger communities.



A handwritten signature in black ink, appearing to read 'Juan Santamaria'.

Juan Santamaria
Executive Chairman¹

¹ CIMIC Group's Executive Chairman, Juan Santamaria, served as CIMIC Group's Executive Chairman and Chief Executive Officer from 2020 until May 2022.



1 ASSET, INFRASTRUCTURE AND RESOURCES LEADER

CIMIC Group is an engineering-led construction, mining, services and public private partnerships leader working across the lifecycle of assets, infrastructure and resources projects.

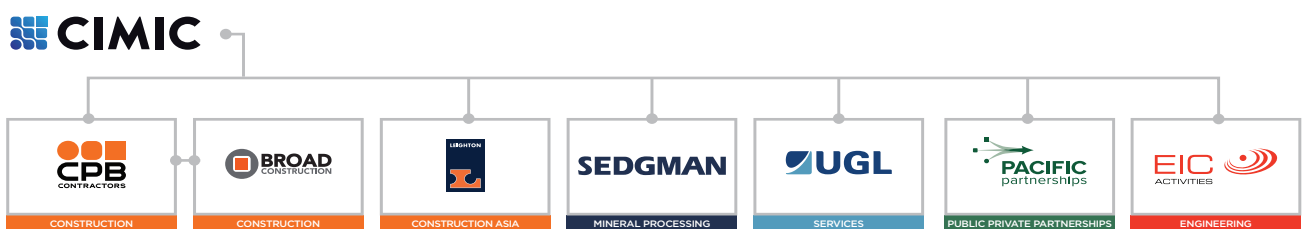
In 2021, for the purpose of the joint modern slavery statement CIMIC Group is reporting on CPB Contractors, Leighton Asia, Broad, Sedgman, UGL, Pacific Partnerships, Devine, Leighton Properties and EIC Activities².

Our main Operating Companies are incorporated in Australia, apart from Leighton Asia which is incorporated in Hong Kong.

Our mission is to generate sustainable shareholder returns by delivering innovative and competitive solutions for clients and safe, fulfilling careers for our people.

With a history dating back to 1899, we are working across developed and developing economies and we strive to be known for our principles of Integrity, Accountability, Innovation and Delivery, underpinned by Safety.

CIMIC is a member of the S&P/ASX 200 index, the Dow Jones Sustainability Australia Index and the FTSE4Good Index.



CIMIC Group structure

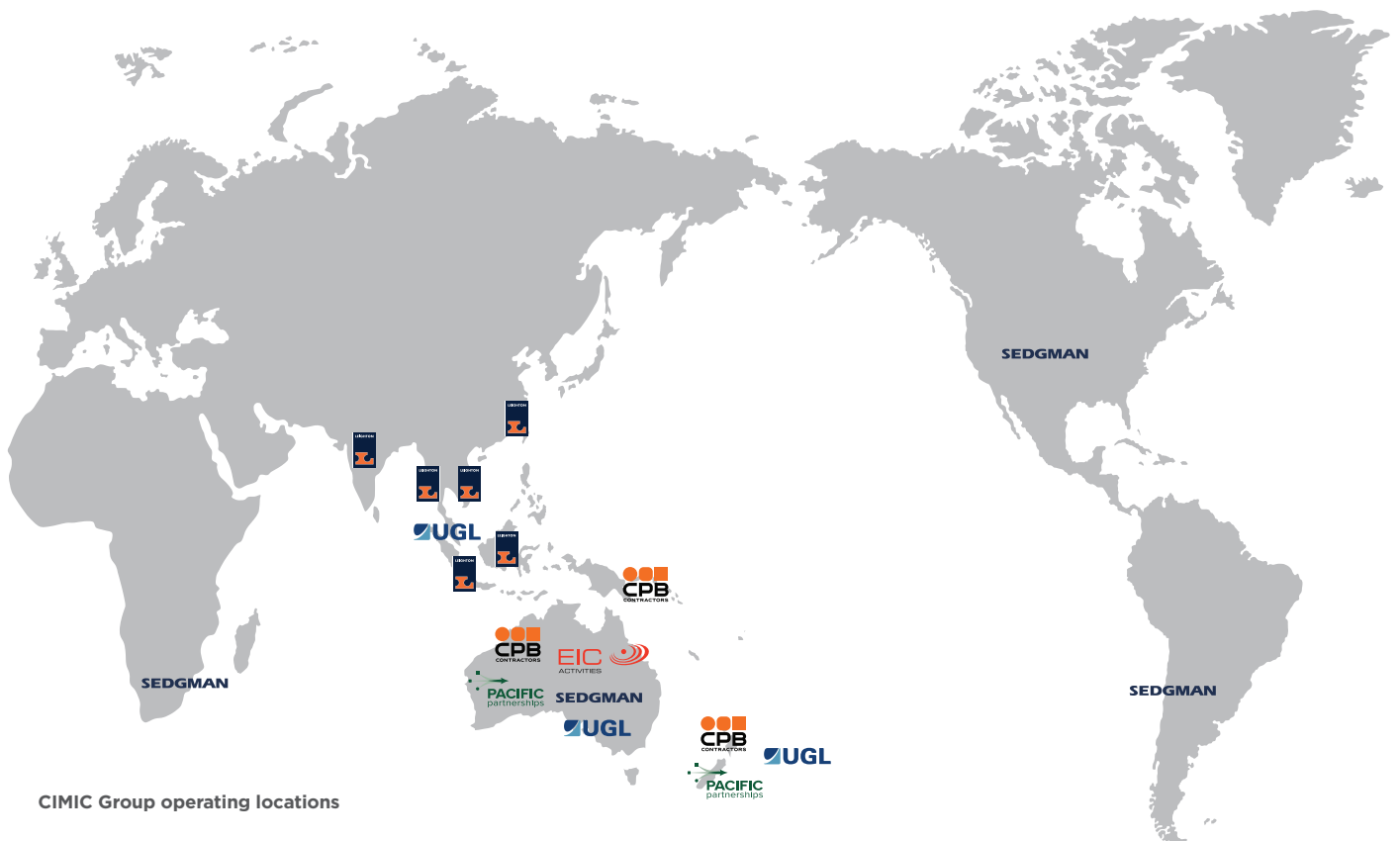
² As of January 2021, funds advised by Elliot Advisors (UK) Ltd have obtained a 50% equity interest in Thiess and CIMIC has a 50% equity interest in Thiess. Accordingly, Thiess will submit a separate modern slavery statement. CIMIC also has an investment in Ventia, one of the largest infrastructure services providers in Australasia who will provide its own separate statement. The Group also has investments and interests in a number of other associated companies, joint ventures and other operations as set out in further detail in the 2021 Annual Report. This Statement covers CIMIC's controlled entities, including Devine Group and Leighton Properties, however many of the controlled entities listed in the 2021 Annual Report do not have operations and supply chains, and therefore are not relevant for the purposes of this Statement.



2 OUR OPERATIONS AND SUPPLY CHAIN

Bringing our Operating Companies' diverse capabilities together to offer integrated solutions differentiates our Group. We provide clients with a whole-of-life offering from feasibility, design, planning and investment;

to manufacturing and construction; to operations, maintenance, upgrades and asset management; to rehabilitation and decommissioning.



CIMIC Group operating locations

OPERATIONS



CPB Contractors

CPB Contractors is a leading international construction contractor that delivers projects spanning all key sectors of the construction industry – including roads, rail, tunnelling, defence, building and resources infrastructure – across a range of delivery models.



Broad

CPB Contractors includes the fully-owned subsidiary Broad, a national construction management company delivering new build, fit-out and refurbishment construction projects.



Leighton Asia

Leighton Asia established in 1975, is a leading international construction company. Headquartered in Hong Kong, Leighton Asia delivers a portfolio of high-profile infrastructure projects throughout Asia.



Sedgman

Sedgman is a leading provider of integrated minerals processing solutions, providing an integrated lifecycle of services, from engineering design to project delivery to ongoing operations.



UGL

UGL is a market leader in end-to-end asset solutions, delivering operational value and enhanced customer experiences through its whole-of-life offerings for critical assets in power, water, resources, transport, defence and security, and social infrastructure.



Pacific Partnerships

Pacific Partnerships develops, invests in and manages infrastructure concession assets for CIMIC Group, offering clients seamless value-for-money solutions for key infrastructure under public private partnership and build own operate transfer structures.



EIC Activities

EIC Activities is CIMIC Group's engineering and technical services business, providing a competitive advantage for profitable projects that generate value for clients, leveraging the Group's collective experience, technical capabilities and leading technologies.

SUPPLY CHAIN

CIMIC Group has more than 31,000 direct domestic and international suppliers with key areas of spend including:

- materials such as concrete, steel, piping and asphalt
- industrial/engineering consumables such as fuel, lubricants, abrasives, adhesives and sealants
- rail componentry and rolling stock
- major plant and equipment such as tunnel boring machines, and mineral processing equipment
- personal protective equipment (PPE)
- subcontractors such as electricians, plumbers, glaziers, steel fixers and other tradespeople
- labour hire
- insurance
- professional services
- technology and telecommunications.

We typically source products and services from suppliers or subcontractors. The products and services we procure are those used in development, design, financing, construction, operations and maintenance, and management of projects and the related corporate functions.

We generally do not manufacture our own products except where CPB Contractors produces precast concrete components for construction projects or where UGL manufactures, upgrades and maintains rolling stock and some rail specific componentry in Australia. Parts may be sourced locally or imported.

Our procurement of services includes activities that relate to corporate support such as facilities and maintenance, accounting, legal and IT services, and professional consulting services such as design and engineering, all of which complement our own internal resources for either short or long-term engagements as required.

SUPPLY CHAIN 2021



3 UNDERSTANDING OUR MODERN SLAVERY RISKS

We recognise that in delivering assets, infrastructure and resources projects, both in Australia and internationally, we operate in some markets with supply chains that may have an elevated exposure to the risk of modern slavery, and this demands a high degree of vigilance in meeting our obligations.

Our understanding of the drivers, vulnerable groups and the hidden but pervasive presence of modern slavery, and our approach to addressing it, has been informed by the UN Guiding Principles on Business and Human Rights, the UN Global Compact, the UN Sustainable Development Goals and the International Labour Organisation's standards. Our insight has also been facilitated by the Global Slavery Index (GSI) published by Walk Free, as well as our ongoing program of Human Rights Impact Assessments (HRIA), which commenced in 2017, and on-going supply chain risk assessments.

Modern slavery risks can be present in the construction, mining, minerals processing, heavy manufacturing and maintenance sectors in which we operate. These risks may present as exploitative practices such as debt bondage, child labour, forced labour and human trafficking, as detailed below, and may be heightened in some of the jurisdictions in which we operate.

OPERATIONS RISK

Complementing CIMIC Group's proactive governance and due diligence (see section 4), we use HRIAs to extend our identification and understanding of human rights and modern slavery risks in our operations.

Our HRIA practice has been refined over a number of years. CIMIC Group has prioritised identifying and addressing modern slavery risks in geographies where an elevated risk has been identified by the GSI and our internal assessment of our operations and supply chains.

To-date we have undertaken HRIAs in our construction operations in India (2017), the Philippines (2019), Papua New Guinea (2020), and Hong Kong (2021); and in our minerals processing business, assessing a China based supplier (2021). More detail about our HRIA program is set out in section 4.

SUPPLY CHAIN RISK

Informed by sources including the GSI country/sector risk ratings identified by the third party screening tool we use and other industry insights, we consider that the risk of modern slavery in CIMIC Group's supply chain is consistent with the industries and jurisdictions within which we operate.

The Group procures goods and services from Australia and overseas. A highly skilled workforce and locally sourced goods present a lower risk of modern slavery. Whereas certain low skilled services and imported goods have a higher risk of modern slavery, for example in the production of garments, apparel, and personal protective equipment (PPE); the supply of raw materials, electronic products and steel fabrication; and the provision of certain services including labour hire, cleaning, freight and logistics.

We remain committed to refraining from purchasing 'at risk' goods and services and inadvertently contributing to modern slavery. We do this in part through our due diligence processes which include supplier screening and using a suite of template commercial contracts with indirect supplier controls. These are detailed in section 4.

Environmental scanning – 2021

Monitoring external and internal environments to support risk awareness and mitigation

Given the diversity and breadth of CIMIC Group's geographies and markets, we monitor for a wide range of risks that have the potential to materially impact our operations, people, and reputation; the environment and communities in which we work; and the financial prospects of the Group.

In 2021, our environmental scanning activities included cooperating with our major shareholder HOCHTIEF to undertake a human rights country analysis (see case study right) and performing a high-level risk mapping exercise.

The risk mapping exercise determined the extent to which our Operating Companies, through their projects, Joint Ventures (JV) and other entities which had operations or supply chains, follow the Group's policies or procedures. It also assessed if they follow their own, or a JV's, policies or procedures which are aligned with the Group's. Responses confirmed the Group's policies and procedures are being followed, either directly or to a similar standard as per JV policies/procedures. Only a few exceptions existed where entities were either introducing the policies/procedures or the entity was being deregistered.

HUMAN RIGHTS COUNTRY ANALYSIS

Independent criteria-based review of countries where we operate

The human rights country analysis, undertaken in collaboration with our major shareholder, HOCHTIEF, was led by an independent agency.

It assessed the level to which human rights are protected, promoted, and respected, in each country where CIMIC operates, specifically analysing:

- Protection – human rights protection offered by government and institutions
- Promotion – legal human rights due diligence requirements applicable to companies, the legislation in force and the voluntary framework on business and human rights
- Respect – the most vulnerable human rights issues.

Applying a supra-national and national approach, each country was assessed against 12 criteria, under the following frameworks, conventions, and indexes:

- United Nations Human Rights Framework
 1. Ratification of United Nations Treaties
 2. Presence in United Nations Committees
 3. Reporting to the United Nations Committees
- International Labour Organisation
 4. Ratification of ILO Fundamental Conventions
- Regional Human Rights Framework
 5. Regional Systems of Human Rights
- National Human Rights Indexes
 6. Fragile States Index
 7. Corruption Perception Index
 8. Modern Slavery Index
 9. Death Penalty Index
 10. Average Working Hours (ILO)
 11. Global Gender Gap Ranking 2020
 12. Global Rights Index 2021.

The analysis has provided deeper insight into the human rights landscape associated with each country's: political, social, and economic context; legal requirements for businesses' human rights due diligence; and main human rights risk factors. This information supports our relevant managing functions in developing appropriate controls to prevent, mitigate or respond to each risk.



CORONA VIRUS (COVID-19)

With the outbreak of the pandemic in 2020 CIMIC put plans and protocols in place across the Group and has continued to monitor the situation and update its responses both domestically in Australia and internationally.

Our focus remains on caring for our people, working safely, and continuing to deliver essential infrastructure and services to communities who continue to rely on us.

At our project sites, we applied prevention activities which included limiting the size of toolbox and pre-start meetings to achieve social distancing, increasing hygiene and cleaning practices, splitting rosters, staggering meal breaks, and start and finish times. We also established teams to manage the continuity of our operations. The rigorous implementation of these controls and our protocols has minimised impacts to the delivery of projects and our supply chain, and supplied our teams with the resources and information required to respond quickly as the situation evolves.

We recognise that COVID-19 can escalate the risk of modern slavery. We remain committed to using our integrated and proactive risk management approach for identifying, preventing, and mitigating the potential for modern slavery in our diverse operations and international supply chain, and remedying any impacts which may occur.



4 ASSESSING AND ADDRESSING THE RISKS OF MODERN SLAVERY

OUR INTEGRATED APPROACH





To assess and address modern slavery risks CIMIC Group leverages its governance, compliance, procurement and people frameworks, to ensure we apply a consistent and disciplined approach across our Operating Companies.

These mature and integrated frameworks provide a range of cohesive levers for consulting and aligning our businesses, managing risk, assessing performance and engaging our people and suppliers - including an open, confidential and responsive grievance and reporting mechanism.

Our approach, due diligence and assurance are facilitated by collaboration between specialist functions in the parent company, CIMIC, and our Operating Companies including People, Procurement, Risk, Legal, Compliance, Internal Audit, Sustainability and Communications.

To enhance our ability to identify, mitigate, and prevent the risk of modern slavery, and remedy any impacts that occur, we work through a cycle of action, evaluation and critical analysis, and remediation. From this we use evidence-based assessments of our practices and new initiatives to inform our planning and continual improvement steps.



	GROUP ALIGNMENT	RISK AND PERFORMANCE MANAGEMENT	ENGAGEMENT AND CONTINUOUS IMPROVEMENT
 GOVERNANCE	<ul style="list-style-type: none"> Principles Code of Conduct Board and Committees Policies and procedures 	<ul style="list-style-type: none"> Risk management framework Management systems Board Committee Charters Group Governance System 	<ul style="list-style-type: none"> Business Conduct Representative Reportable Conduct Group Board Audit and Risk Committee Board Ethics, Compliance and Sustainability Committee Ongoing liaison with Government, industry and regulators
 COMPLIANCE	<ul style="list-style-type: none"> Policies relevant to modern slavery issues, such as: <ul style="list-style-type: none"> Modern Slavery Policy Modern Slavery Protocol Sustainability Policy Health and Safety Policy Whistleblower Policy Anti-Bribery and Corruption Policy Gift and Hospitality Policy Compliance Working Group Modern Slavery Committees 	<ul style="list-style-type: none"> Annual compliance audit Internal audit Board Audit and Risk Committee review Board Ethics, Compliance and Sustainability Committee review 	<ul style="list-style-type: none"> Grievance and reporting mechanism <ul style="list-style-type: none"> Group Code of Conduct – Management, Monitoring and Reporting Procedure Ethics Line
 PROCUREMENT	<ul style="list-style-type: none"> Dealing with Third Parties Policy Procurement Policy 	<ul style="list-style-type: none"> Supplier registration Supplier screening tool and onboarding Third Party Anti-Bribery, Corruption and Business Integrity Declaration Template commercial contracts 	<ul style="list-style-type: none"> Supplier access to grievance and reporting mechanism Ethics Line
 PEOPLE	<ul style="list-style-type: none"> People policies including <ul style="list-style-type: none"> Recruitment Policy, procedures and management systems Workplace Behaviour Policy Anti-Bullying, Harassment and Discrimination Policy Diversity and Social Inclusion Policy Flexible Working Policy Parental Leave Policy Family and Domestic Violence Policy Redundancy Policy 	<ul style="list-style-type: none"> Human Rights Impact Assessments People policies audit 	<ul style="list-style-type: none"> Education and training <ul style="list-style-type: none"> Code of Conduct Compliance Leadership Modern slavery Equal employment opportunity, anti-bullying, harassment and discrimination

Key elements of CIMIC Group's integrated approach to assessing and addressing modern slavery risk.



Governance and leadership

Our governance framework is founded in our Principles of Integrity, Accountability, Innovation and Delivery, underpinned by Safety. These Principles guide all of the Group's activities and form the basis of our Code of Conduct which sets the standard of behaviour we expect from all our employees, sub-contractors and partners.

Where the Code of Conduct or a policy sets higher standards of behaviour than local laws, rules, customs or norms, the higher standards apply.

Our Code of Conduct rejects all forms of modern slavery including, but not limited to, the trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage and deceptive recruiting for labour and services. We do not tolerate child labour or any form of exploitation of children or young people and commit to complying with the International Labour Organisation (ILO) with respect to under-age workers.

Whilst ultimate accountability rests with the Board, our governance framework delegates the management thereof to Board Committees and senior management, under the leadership of the Chief Executive Officer.

We have a comprehensive series of policies, procedures, frameworks and guidelines relating to corporate governance, ethics, and financial and risk management in place across our operations to provide overall operating parameters for our entities.

Managing risk is a critical element of the Group's overall business strategy and has been a key contributor to our success. Our internationally certified risk management framework is tailored to our business, embedded largely within existing processes and aligned to our objectives, both short and longer term.

Our Operating Companies leverage advanced management systems to drive repeatable excellence. Where relevant, we work on shared platforms and processes, underpinned by shared policies, to create efficiency and consistency.

Compliance

Our compliance, due diligence and internal audit framework engages our businesses on their compliance obligations - including the requirements stated in our Code of Conduct and policies such as Modern Slavery Policy, Anti-Bribery and Corruption Policy, Dealing with Third Parties Policy, Group Procurement Policy, Health and Safety Policy, Workplace Behaviour Policy and Whistleblower Policy.

Our Modern Slavery Policy, introduced in 2021, facilitates the Group's ongoing consultation and consistent due diligence in assessing and addressing modern slavery risks. The Policy, and its supporting Protocol, set shared minimum requirements for planning, control systems, reporting and engagement. (See case study over.)

The activities which facilitate modern slavery due diligence across the Group include the following:

- The convening of two Modern Slavery Committees which engage People, Procurement, Legal, Compliance, Sustainability and Communications functional leads at the parent company level, and at a joint parent and Operating Company level. These committees create the opportunity for cross-Group consultation and collaboration. Meeting bi-monthly, the committees' objectives are to identify modern slavery risks and mitigations for

CIMIC GROUP'S MODERN SLAVERY POLICY AND PROTOCOL

Enhancing consultation and engagement across CIMIC Group

In 2021, CIMIC Group introduced a dedicated Modern Slavery Policy and Protocol for assessing and addressing the risk of modern slavery in our operations and supply chain.

The governance tools were developed in consultation with Operating Company representatives to meet priorities for efficacy and flexibility.

The tools integrate with, and leverage, the Group's broader governance system, enable Operating Companies to focus on risks specific to their business, and facilitate ongoing consultation across the Group for compliance, continuous learning and improvement.

Our Modern Slavery Policy commits the Group to assessing and addressing the risks of modern slavery, sets out accountabilities, and describes the internal control systems and reporting process that are to apply.

Our Modern Slavery Protocol provides guidance for all of our businesses to assess and address the risks of modern slavery. It outlines:

- the implementation and use of a third-party screening tool, to assist in screening their suppliers and third parties
- implementation of template contracts and conditions for goods or services procured - all contracts must contain a standard clause with respect to modern slavery
- additional appropriate processes and procedures to assess and address the risk of modern slavery, such as questionnaires and training
- employee recruitment and selection practices, in accordance with relevant CIMIC Policies and Procedures
- modern slavery training for relevant roles.



ACCESSIBLE

Employees, sub-contractors, third party suppliers, clients and partners can raise a concern about unethical practice with a Manager, a Manager's manager, a Business Conduct Representative or our Ethics Line.



CONFIDENTIAL



RESPONSIVE

Non-compliances are addressed in accordance with our Code of Conduct - Management, Monitoring and Reporting Procedure and reported to the Business Conduct Representative, Reportable Conduct Group, General Counsel, Chief Legal & Risk Officer, and on to the Board's Ethics, Compliance, and Sustainability Committee

We encourage reporting, and address, remediate and review for improvement.

CIMIC Group's grievance and reporting mechanism. For more information go to cimic.com.au/our-group/governance/ethics-line

our operations and supply chains, share ideas for continuous improvement and integrate appropriate controls with existing business processes

- The convening of a Compliance Working Group, which is a collaboration of our Operating Companies' in-house legal teams. The group meets quarterly, drives and tracks modern slavery compliance, and is part of our process for cross-Group consultation
- The conduct of an annual review, by the Group Compliance Manager, assessing our Operating Companies' compliance with the use of the Group's third party screening tool (discussed further below), including reviewing activities addressing modern slavery risk
- The investigation, evaluation and measurement of the effectiveness and adequacy of CIMIC Policies and the Code of Conduct, by the Internal Audit Team, who perform an independent assurance function and provide reports to the Board.

Ethical matters are reviewed by the Reportable Conduct Group³ and the CIMIC Group Ethics, Compliance and Sustainability Committee of the Board, which oversees matters related to ethical standards and practices, and compliance with applicable legal and regulatory requirements and internal policies.

Grievance and reporting mechanism

Open communication is key to maintaining our Code of Conduct. We encourage our employees, subcontractors and partners to voice their concerns should they come across any potentially unethical practices – including any human rights grievances.

Our Group Code of Conduct – Management, Monitoring and Reporting Procedure; Anti-Bullying, Harassment and Discrimination Policy and Whistleblower Policy; confidential, independent Ethics Line; and approach to investigating, addressing and remediating breaches, all work together to encourage and reliably manage reporting of any potential unethical practice.

Whistleblowers can remain anonymous and all disclosures, including modern slavery concerns, may be referred to the authorised Business Conduct Representative⁴ who ensures that any disclosure is investigated appropriately, promptly and confidentially. The Workplace Protection Officer is also responsible for safeguarding the interests of any Whistleblower within the organisation.

Procurement

Our procurement framework provides policy, systems and processes to support supply chain due diligence. Activities include assessing risks in our applicable business sectors and conducting comprehensive auditing and vetting of subcontractors, suppliers and third parties engaged by our businesses.

As part of the framework, the Group's Dealing with Third Parties Policy and Procurement Policy incorporate:

- the management of modern slavery risks into our supplier registration (a business integrity check)
- the screening and onboarding process
- a suite of mandatory template commercial contracts
- a set of requirements for suppliers' management of their suppliers.

This approach is key to CIMIC Group building and maintaining a reliable and trusted supply chain, and proactively identifying and managing modern slavery risks throughout the term of each contract.

Supplier screening and onboarding

CIMIC has implemented an internationally recognised due diligence solution to screen third parties for a range of risk factors – including the risk of modern slavery. This solution is used to evaluate and monitor vendors, suppliers, and business partners.

Since its implementation and as at December 2021, the Group has risk assessed more than 31,000 suppliers⁵. In 2021 we onboarded over 4,000 new suppliers and continue to use the solution to monitor for:

- sanctions, watch-lists, adverse litigation and Politically-Exposed-People (PEP) lists
- adverse print and social media, screening for all jurisdictions in which CIMIC operates
- financial information including company ownership, structure, credit rating and financial strength
- modern slavery risks, bribery and corruption due diligence requirements.

The solution leverages information from the Global Slavery Index prepared by the Walk Free Foundation, and records of adverse media concerning modern slavery allegations and breaches which are collected from various sources including LexisNexis.

³ The Reportable Conduct Group comprises the Chief Executive Officer or Chief Operating Office or Managing Director, Chief Financial Officer, General Counsel, and Head of People.

⁴ The Business Conduct Representative is a senior person within the People or Legal function who supports the operation of the Code of Conduct.

⁵ In addition to the 31,000 suppliers who have been accepted by CIMIC, over 3,100 applications are pending and CIMIC has rejected in excess of 3,000 applications to be a supplier on grounds including modern slavery.

Based on the above multi-factor assessment, each supplier is allocated a risk-rating which may trigger preparation of corrective action plans, or in some cases, exclusion from working with CIMIC Group entities.

Our Dealing with Third Parties Policy and supplier onboarding process include specific modern slavery due diligence requirements for those we work with.

Suppliers are required to comply with applicable law and the CIMIC Code of Conduct, and to complete a declaration confirming that no slavery, forced or child labour has been used anywhere by the third party or, to the best of the third party's knowledge, by any direct suppliers to the third party.

The declaration specifically requires suppliers to disclose whether they have:

- been subject to or received any prosecutions, regulatory notices, tendering restrictions, sanction notices, litigation or arbitration concerning allegations of modern slavery or breaches of human rights by their employees or subcontractors and suppliers
- been found guilty of a criminal offence which would include modern slavery crimes under ss 270 and 271 of the Criminal Code (Cth)
- a compliance management program in place to meet business integrity laws and regulations, including those relating to modern slavery.

Suppliers are also required to notify CIMIC if they become aware of any behaviours that are in contravention of applicable laws and confirm they will not use any payments received from CIMIC in violation of modern slavery laws and regulations.

Template commercial contracts

Our Group Procurement Policy requires all Operating Companies to engage suppliers using CIMIC Group's suite of template commercial contracts. The suite includes a number of different forms of contract which can be utilised depending on the scope, location, value and complexity of the works or services to be provided, and the risk profile of the relevant project.

Our template commercial contracts require suppliers to comply with the Group's Code of Conduct, ensuring alignment with the Group's expected behaviours.

The contracts also require suppliers to warrant that they have not been convicted of an offence relating to modern slavery, that they will not breach any modern slavery legislation and that they will comply with any requests of the Operating Companies to comply with all modern slavery legislation, including providing information and documents, and allowing interviews to be undertaken.

Indirect supplier controls

The number of Tier 2 (or 'indirect') suppliers involved in our businesses is substantial. As a supply chain extends, influencing the behaviours and conduct of Tier 2 suppliers is a greater challenge. By raising awareness, engaging ethical Tier 1 suppliers, obliging our supply chain to reject the use of modern slavery, and performing due diligence, we can gradually exert more influence.

Our contracts require our Tier 1 suppliers to warrant that their own suppliers enable them to comply with the Tier 1 supplier's obligations under their engagements. Tier 1 suppliers must:

- ensure their own suppliers read, understand and comply with the CIMIC Code of Conduct which contains information relating to modern slavery
- allow the Operating Company to conduct an independent audit of Tier 2 suppliers to ensure, amongst other things, that they are conducting their business in a proper manner and in accordance with applicable codes of conduct and generally accepted business ethics.

People and employment

CIMIC Group focuses on creating a workplace culture which puts safety first and fosters our Principles of Integrity, Accountability, Innovation and Delivery. We invest in our people to build safe, rewarding careers, and prioritise cultivating an inclusive workplace, advancing gender equality, increasing indigenous employment and the use of indigenous suppliers, and investing in local employees where we operate.

Human Rights Impact Assessments (HRIA)

Our ongoing HRIA program prioritises assessments in higher risk sectors and geographies where we have a significant workforce.

To-date we have undertaken HRIsAs in our construction operations in India (2017), the Philippines (2019), Papua New Guinea (2020), and Hong Kong (2021).

In 2020, CPB Contractors (Papua New Guinea) used the Group's self-assessment tool to conduct HRIsAs as desk-top research, due to COVID-19 constraints.

In 2021, CIMIC conducted a HRIA of Leighton Asia's Hong Kong operations (see case study right). Our minerals processing business, Sedgman, also conducted a HRIA of a China based supplier (see case study over).

CIMIC GROUP HRIA PROGRAM APPROACH

CIMIC Group's HRIAs are based on the Human Rights Assessment Quick Check prepared by the Danish Institute for Human Rights.

The Group's HRIA and Operating Company self-assessment tools assess categories including governance and leadership; people management; health and safety; community engagement; security arrangements; country risks; and procurement.

Within the people management area, the HRIA and self-assessment tools audit compliance with our template employment contracts and review modern slavery indicators such as: wages and benefits, working hours, employment criteria (such as age), freedom of association, health and safety, unlawful discrimination and worker accommodation.

Assessment steps include engaging leadership, undertaking risk assessment and due diligence, conducting site visits, reporting findings and developing action plans.

Completed HRIAs have also highlighted where CIMIC Group is providing employment conditions which are more favourable than common industry practice and/or required by local legislation. Some of these areas include the provision of higher standards for safety, training of unskilled workers and worker medical services.

HUMAN RIGHTS IMPACT ASSESSMENT - HONG KONG 2021

Developing capability for managing the risk of modern slavery in our operations

The Global Slavery Index (2018) estimates Hong Kong has a prevalence of 1.4 modern slavery victims per 1,000 population* and takes relatively limited action on the issue despite its resources.

Delayed by COVID-19 travel restrictions in 2020, CIMIC's HRIA of Leighton Asia's Hong Kong construction operations was conducted in 2021.

The assessment followed the Group's HRIA Program approach (see above) and centred on a major transport infrastructure project with a peak workforce of approximately 107 people and more than 229 suppliers.

CIMIC led the HRIA and managed ongoing COVID-19 related constraints by conducting the assessment remotely. Desktop research was enhanced with video conferencing enabled interviews and observations of site locations and amenities including rest areas, toilets and hand washing facilities.

The assessment reviewed the project's operations for risks including forced labour, child labour and young workers, non-discrimination, freedom of association, workplace health and safety, conditions of employment, security and supply chain management, and its supply chain for risks such as the procurement of labour hire.

The process and technology application gave CIMIC assessors direct access to Leighton Asia's leadership, local senior management, and project personnel in human resources, legal, operations and safety roles.

Leighton Asia participants' qualitative feedback reported the experience was positive and improved their ability to identify and assess indicators of modern slavery risks.

The CIMIC team reported participants' positive engagement in the assessment process, constructive response to the HRIA and contribution to risk management improvements.

* Substantial gaps in data exist for the Central and East Asia subregions where, with the exception of Mongolia, surveys cannot be conducted for reasons such as (i) survey is only delivered face-to-face, (ii) survey is delivered only in the main language which many migrant workers do not speak, or (iii) national authorities would not, or were unlikely to, consent to the module on modern slavery. Source: Walk Free Foundation, The Global Slavery Index 2018 (The Minderoo Foundation Pty Ltd.) 88.

HUMAN RIGHTS IMPACT ASSESSMENT OF A SEDGMAN SUPPLIER - CHINA 2021

Developing capability for managing the risk of modern slavery in our supply chain

The Global Slavery Index estimates that, on any given day in 2016, there were over 3.8 million people living in conditions of modern slavery in China. The country's manufacturing industries, in particular electronics and the construction sector have been identified as having an elevated risk of modern slavery*.

Sedgman, CIMIC Group's minerals processing business, procures structural steelwork, piping and platework for Sedgman-designed resource processing plants and their associated materials handling facilities. Sedgman currently uses the services of a fabricator located in the Taicang Port Development Zone in the Jiangsu Province of China. The supplier specialises in the fabrication of international standard structural steel used in power plants, industrial plants, high-rise buildings and mining equipment. Given the geographical location of the supplier and the inherent industry and product risks, Sedgman conducted a HRIA of the supplier's operations in consultation with the supplier.

The assessment followed the Group's HRIA Program approach. The assessment reviewed the project's operations for risks including forced labour, child labour and young workers, non-discrimination, freedom of association, workplace health and safety, conditions of employment, security and supply chain management.

A consultative approach

Sedgman led the HRIA and managed ongoing COVID-19 related constraints by conducting the HRIA in two phases. The first phase included desktop-based research where each of the HRIA team leads worked in consultation with the supplier's regional area leaders (HR, Safety, Community, Security, Legal and Procurement) to identify source material and relevant background information.

The second phase involved face-to-face interviews with members of the supplier's regional management team, including their staff at the fabrication workshop. Interviews with staff were managed through the regional area leaders with members of their direct team or related project staff. Sedgman's HRIA team leads also undertook in-person observations and were invited to participate in a walk-around to view the general administration and operations of the supplier and various amenities and facilities.

The Sedgman team reported the supplier's positive engagement in the assessment process, and the value of taking a consultative approach for building supplier awareness and engagement. Sedgman team members also provided positive feedback of the exercise improving their own ability to identify and assess indicators of modern slavery risks and implement recommendations for improvement.

* Source: Walk Free Foundation, The Global Slavery Index 2018 Findings: Country Studies - China <<https://www.globalslaveryindex.org/2018/findings/country-studies/china/>>



People policies

Our overarching People framework guides operations across our businesses, markets and geographies, facilitating compliance with, and often exceeding, local laws.

Policies and processes that help to build respectful, safe work environments and to mitigate modern slavery risks include our:

- Recruitment Policy, procedures and management systems with formal approval gates including verification of candidates' identity and their right to legally work
- Health and Safety Policy
- Anti-Bullying, Harassment and Discrimination Policy
- Diversity and Social Inclusion Policy
- Flexible Working Policy
- Parental Leave Policy
- Family and Domestic Violence Policy
- Redundancy Policy.

Our Internal Audit team audits our Operating Companies' compliance with CIMIC Group policies.

Education and training

Our mission includes our intent to provide safe, rewarding and fulfilling careers for our people. On-the-job development is complemented with a range of learning experiences that build skills and technical capabilities and these are underpinned by our Principles and Code of Conduct.

Education and training are integral to our compliance framework, and to engaging and upskilling our people in meeting their legal, regulatory and compliance responsibilities. We monitor, report and manage training completion rates through our Group's centralised learning management system, One Learning, and by using on-site project records.

Code of Conduct and Compliance

Our foundational Code of Conduct training covers CIMIC Group's Principles and Code of Conduct, ethical behaviour, and key policies including: health, safety and environment; unlawful discrimination; anti-bribery and corruption; and anti-bullying and harassment. We require employees to complete Code of Conduct training via e-learning within three months of their commencement with refresher training completed every two years. We also provide more detailed face-to-face training to employees in roles with potential exposure to key risks.

Whistleblower and Equal Employment Opportunity training are also mandatory for all staff employees.

Additionally, depending on roles, some employees are also required to complete specific compliance training. Topics delivered via e-learning include unconscious bias, IT security, and anti-bullying, harassment and unlawful discrimination. Our Operating Companies also provide additional specialised face-to-face training on relevant topics such as competition law issues.

Modern slavery

The Group is implementing modern slavery training to equip our people to recognise and report modern slavery risks. This training is made available online for staff and may also be conducted in face-to-face workshops with managers and employees in procurement and people roles. Communication resources support the training, facilitating greater understanding of the issue and its importance to our business.

Leadership

Our CIMIC Group Leadership Program supports career development at all levels from self-leadership to frontline, senior and executive leadership.

The program sets a consistent, Group-wide approach, equipping our leaders and team members to live by our Principles of Integrity, Accountability, Innovation and Delivery, to put safety first, and to meet the standards of behaviour set out in our Code of Conduct.





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5 2021 ACTIONS

In 2021, a range of actions were taken to enhance our capabilities to identify, mitigate and prevent modern slavery risks across the Group's operations and supply chain, and remedy any impacts that occur, including the following.

OPERATIONS

Governance and compliance

- Revised our Code of Conduct so that it has wider application to different forms of modern slavery
- Introduced a stand-alone Modern Slavery Policy and Protocol, setting out the responsibilities and accountabilities for modern slavery risks and controls
- Co-operated with our major shareholder, HOCHTIEF, to undertake an independent human rights country analysis
- Performed a high-level risk mapping exercise to determine the extent to which our Operating Companies, through their projects, Joint Ventures (JV) and other entities which had operations or supply chains, follow the Group's policies or procedures. It also assessed if they follow their own, or a JV's, policies or procedures which are aligned with the Group's.

People and employment

Human Rights Impact Assessments (HRIA)

- Completed HRIA self-assessments – CIMIC assessed Leighton Asia's Hong Kong operations and Sedgman, our minerals processing business, assessed a China based supplier

Training

- Commissioned an external service provider to present a professional development workshop, for Group and Operating Company modern slavery committee members, focusing on Australia's *Modern Slavery Act 2018* (Cth) and best practice in the field
- Conducted modern slavery on-line training which was completed by 1059 employees
- Conducted advanced modern slavery training workshops for 101 people in high risk managerial, procurement and people roles
- Continued to provide Code of Conduct, compliance and leadership training.

SUPPLY CHAIN

Governance and compliance

- Implemented the Compliance Policy and Procedure which includes controls and tools
- Established Modern Slavery Plans as a result of the compliance review in September 2020
- Conducted annual Risk Reviews with the results analysed and addressed in updated plans into the new year
- Continued cross-Group consultation in the Modern Slavery Committee Meetings and the Compliance Working Groups.

Procurement

- Implemented the Modern Slavery Protocol with the Procurement teams of our Operating Companies
- Processed approximately 4,000 new suppliers through the screening tool in 2021. Where identified risk ratings required further investigation and assessment, remedial plans were actioned
- Continued to perform supply chain risk assessments, having regard to commodity, industry, jurisdiction, spend, dependency, length of relationship and reputation
- Audited inclusion of modern slavery requirements in downstream supplier contract terms.

ASSESSING EFFECTIVENESS

Our assessment of effectiveness is evidence based and includes monitoring and analysing compliance audit results, supplier screening and closeout of corrective action plans, training participation, communications engagement, Human Rights Impact Assessment results, the completion of improvement plans and responsiveness to grievances. Quantitative data and regular qualitative reviews facilitated by our governance framework shape our annual planning process.

Key touch points which support our assessment and planning process include our:

- Cross-Group engagement at the Compliance Working Group and Modern Slavery Committees (see section 4)
- Risk mapping (see section 3).



6 LOOKING AHEAD

2022 PRIORITIES

Over the next year, CIMIC Group will focus on continuing to:

- ✓ Enhance our understanding and knowledge of modern slavery risks
- ✓ Risk assess new suppliers, vendors and business partners using the third party screening tool and, if necessary, develop and implement appropriate remediation measures
- ✓ Monitor existing suppliers, vendors and business partners using the third party screening tool to identify any breaches, fines or sanctions in relation to modern slavery and other ESG risks
- ✓ Build our people's capability to recognise and report risks of modern slavery
- ✓ Undertake further Human Rights Impact Assessments in our operations and supply chain, with a focus on the Asia/Pacific region.

ONGOING ENGAGEMENT AND COMMUNICATION

We will continue to engage with Government, industry, regulators and other organisations to build awareness and understanding to combat modern slavery.

Engagement is a key input to our continuous focus on modern slavery risks and developing a trusted supply chain.

We value gaining and sharing insights with relevant organisations including:

- **Government and regulatory bodies** in the different regions in which we operate
- **Modern Slavery Business Engagement Unit** – Our Compliance Team monitors the unit's regular updates on the status of the legislation and developments in the area of modern slavery
- **Industry Associations** – We value and consider guidance, advice and recommendations provided by industry associations in the regions in which we operate to assist with identifying and addressing modern slavery risk in the construction, services and resources sectors. Organisations we liaise with include the Business Council of Australia, Australian Mines and Metals Association and the Chartered Institute of Procurement and Supply
- **External forums** – Members of our People and Compliance teams participate in numerous external forums to improve their awareness of modern slavery risks and to embed learnings within the business.







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