



# JOINT **MODERN SLAVERY** STATEMENT

Reporting period: 1 January 2020 - 31 December 2020

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 first Modern Slavery Statement under the Australian Government's *Modern Slavery Act 2018* (Cth).



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# STATEMENT DEVELOPMENT AND APPROVAL

CIMIC Group's Modern Slavery Statement for the period 1 January 2020 to 31 December 2020 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, Thiess Pty Ltd, UGL Pty Ltd, Sedgman Pty Ltd, Pacific Partnerships 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 People, Procurement, Risk, Legal, Compliance, Sustainability and Communications specialists. 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 subsidiaries.

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.



# PART OF SOMETHING BIGGER

For CIMIC Group, a privilege of our work is to deliver assets, infrastructure and resources that can transform the way communities live now and into the future.

As a global company committed to operating sustainably and ethically, we strive to generate value across each project's lifecycle, including improving outcomes that enable people to build their lives with dignity and opportunity.

CIMIC Group respects the human rights of all our people and those we work alongside, in our supply chain and the communities in which we operate.

We reject any violation of people's rights and freedoms, including modern slavery practices such as debt bondage, child labour, forced labour and human trafficking which exploit vulnerable, marginalised and impoverished adults and children.

We are applying and continuing to develop an integrated risk management approach to how we identify, mitigate, and prevent the risk of modern slavery in our diverse operations and international supply chain, and remedy any impacts which may occur.

These efforts strengthen our business and further enhance the benefits our projects and operations deliver. Safe and fair employment and enterprise, both direct and indirect, build social and economic capacity and create a better future for people, with far reaching benefits for their families and communities.

We deeply value the opportunity to engage on the topic of human rights with our people, suppliers and stakeholders, as well as our clients in more than 20 countries. We continue to converse with other organisations, learning more and contributing our insights, determined to progress positive change over time and across borders.

We are part of something bigger.



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

**Juan Santamaria**  
Executive Chairman and  
Chief Executive Officer





# 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.

For the reporting period CIMIC Group comprised our construction businesses CPB Contractors including Broad, and Leighton Asia, our mining and minerals processing companies Thies and Sedgman, our specialist services company UGL, and our public private partnerships arm Pacific Partnerships – all supported by our in-house engineering consultancy EIC Activities.<sup>1</sup>

Our main Operating Companies, shown below, 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 since 1899, and around 32,000 people in 20 countries, 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 2020

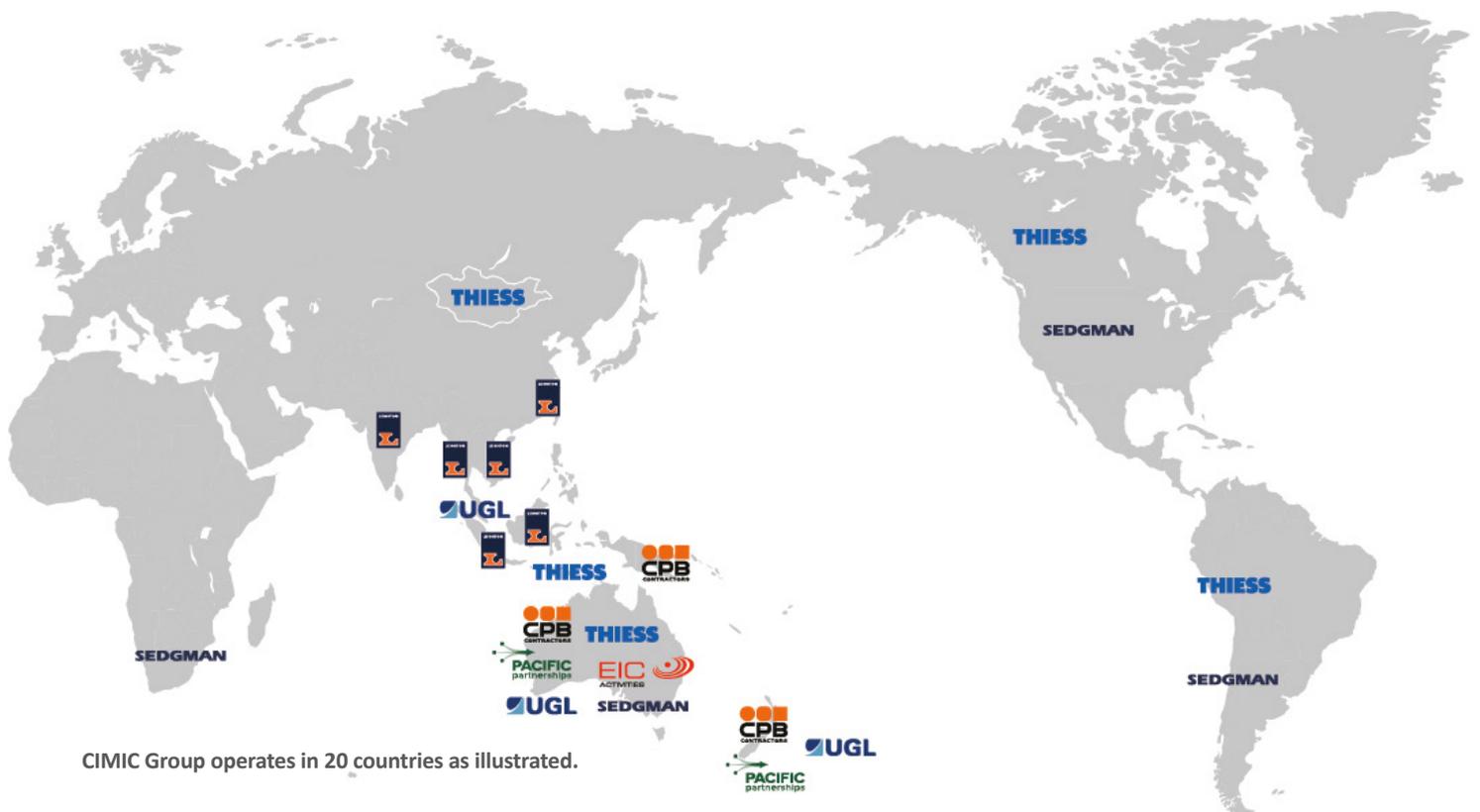
<sup>1</sup> As of January 2021, funds advised by Elliot Advisors (UK) Ltd will have a 50% equity interest in Thies and CIMIC will have a 50% equity interest in Thies. CIMIC also has investments in Ventia, one of the largest infrastructure services providers in Australasia, and Devine, a respected and trusted residential developer who will provide their own separate statements. 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 2020 Annual Report. Many of the associated companies listed in the 2020 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 differentiates our Group. We provide clients with integrated solutions from feasibility, design, planning and investment; to manufacturing and

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



CIMIC Group operates in 20 countries as illustrated.

## 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.



### Thiess

Thiess partners with its clients to deliver excellence in open cut and underground mining in Australia, Asia and the Americas. For more than 80 years, Thiess has operated in diverse commodities, geologies, environments and cultures.

### SEDGMAN 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 offer 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 34,000 direct domestic and international suppliers, with our 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, mineral processing equipment, and mining fleet and tyres
- explosives
- 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 typically used in the construction, engineering, transport, mining, asset management and corporate sectors.

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



### 3 UNDERSTANDING OUR MODERN SLAVERY RISKS

We recognise that in delivering assets, infrastructure and resources projects internationally we operate in some geographies, sectors and supply chains that may have an elevated exposure to the risk of modern slavery and this demands a high standard 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 address 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), commenced in 2017, and continuous 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), mining operations in Indonesia (2018) and construction operations in the Philippines (2019). 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 the CIMIC Group's supply chain is consistent with the industries and jurisdictions within which we operate.

The Group procures goods and services from both Australia and overseas. Highly skilled work 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, using a suite of template commercial contracts with secondary supplier controls, all of which are detailed in the following section.

#### CORONAVIRUS (COVID-19)

With the pandemic's outbreak in 2020, we implemented plans and protocols across CIMIC Group to respond to the risk of COVID-19 and we are continuously monitoring the situation in all of our locations, 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.

We recognise that COVID-19 escalates the risk of modern slavery. During this time, 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.



Alinga Street

Alinga Street

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

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 forced labour, including the direct or indirect use of force or intimidation. 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 requirements stated in overlapping modern slavery related policies such as our Code of Conduct, Anti-Bribery and Corruption Policy, Dealing with Third Parties Policy, Group Procurement Policy, Health and Safety Policy, Workplace Behaviour Policy and Whistleblower Policy.

The Compliance Working Group is a collaboration of our Operating Companies' in-house legal teams. This group meets quarterly, is driving and tracking modern slavery compliance, and is part of our process for cross-Group consultation.

Other compliance and assurance levers which facilitate modern slavery due diligence across the Group include the following:

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

Ethical matters are reviewed by the Reportable Conduct Group<sup>2</sup> and the CIMIC Group Board's Ethics, Compliance and Sustainability Committee which oversees matters related to ethical standards and

<sup>2</sup> 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.



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, sub-contractors 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 Representative<sup>3</sup> 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.



#### 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](http://cimic.com.au/our-group/governance/ethics-line)

<sup>3</sup> The Business Conduct Representative is a senior person within the People or Legal function who supports the operation of the Code of Conduct.

## 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 has been used to evaluate vendors, suppliers and business partners, and checks 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.

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.

By the end of 2019 we had uploaded our historical suppliers into the supplier screening tool. We uploaded another 4,000 new suppliers in 2020 and have been analysing and processing the results of such risk reviews throughout 2020.

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); and
- 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, site, value and complexity of the works or services to be provided, the risk profile of the relevant project, and whether there is a design or installation element.

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.

### **Secondary supplier controls**

Given the number of direct suppliers we engage, the number of indirect (or 'secondary') suppliers involved in our businesses is substantial. As a contractual chain becomes more remote, influencing the behaviours and conduct of indirect suppliers, creates a greater challenge. By raising awareness, engaging ethical direct suppliers, obliging our supply chain to reject the use of modern slavery, and performing due diligence, we can gradually gain more influence.

Our contracts require our direct suppliers to ensure their suppliers enable them to comply with the direct supplier's obligations under their engagements. Direct suppliers must:

- ensure their suppliers read, understand and comply with the CIMIC Code of Conduct which contains information relating to modern slavery; and
- allow the Operating Company to conduct an independent audit of their 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.

The Group has completed HRIAs in India (construction operations 2017), Indonesia (mining operations 2018) and the Philippines (construction operations 2019) where, as at 31 December 2020, we have around 9,500 direct employees. This represents an assessment of more than 30% of the Group's direct workforce.<sup>4</sup>

A HRIA planned for Leighton Asia's Hong Kong operations in 2020 was deferred, due to COVID-19 travel restrictions, and will be undertaken in 2021.

In 2020 we expanded the program's reach and pace by developing a HRIA self-assessment tool for use by our Operating Companies. The tool was used in 2020

### 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 two tools audit compliance with our standard 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.

by CPB Contractors at a construction project in Papua New Guinea and by Thiess at its mining operation in Mongolia where the assessment is in the process of being finalised. Due to COVID-19, both assessments were conducted as desk-top exercises.



<sup>4</sup> CIMIC Group has around 32,000 employees in 20 countries of which approximately 29,000 are direct employees.

### **People policies**

Our overarching People framework guides operations across our multiple businesses, sectors 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 and Redeployment Policy.

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

### **Education and training**

It is part of our mission 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 is also 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.



## 5 2020 ACTIONS

In 2020, a range of actions have been 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

#### People and employment

##### **Human Rights Impact Assessments (HRIA)**

- Developed a HRIA self-assessment tool for use by our Operating Companies
- Completed HRIA self-assessments – by Thiess at their mining operation in Mongolia and by CPB Contractors at a construction project in Papua New Guinea. Due to COVID-19 both were completed as desktop research.

##### **Training**

- Conducted modern slavery on-line training which was completed by 80% of those enrolled for the training
- Conducted advanced modern slavery training workshops for 234 people in high risk managerial, procurement and people roles
- Continued to provide Code of Conduct, compliance and leadership training.

### SUPPLY CHAIN

#### Governance and compliance

- Developed a Compliance Policy and Procedure which includes controls and tools
- Completed the annual compliance review in September 2020, with the results analysed and addressed with remedial plans throughout the remainder of 2020 and into the new year
- Continued cross-Group consultation in the Modern Slavery Committee Meetings and the Compliance Working Groups

#### Procurement

- Processed approximately 4,000 new suppliers through the screening tool in 2020. 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.



## 6 LOOKING AHEAD

### 2021 PRIORITIES

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

- ✓ Enhance our understanding and knowledge of selected aspects of modern slavery risk
- ✓ Screen suppliers, vendors and business partners through the third party screening tool, and if necessary, develop and implement appropriate remediation measures
- ✓ Build our people's capability to recognise and report any risk of exploitative practices such as debt bondage, child labour, forced labour, and human trafficking
- ✓ Undertake a Human Rights Impact Assessment of Leighton Asia's Hong Kong operations, and further human rights self-assessments within our operations.

### 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 Minerals Council of Australia, Queensland Resources Council 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.





