


# Modern Slavery Statement FY2022





This publication is the Modern Slavery Statement ('Statement') of Duratec Limited ('Duratec') and its subsidiaries for the financial year ended 30 June 2022. This Statement is made pursuant to the Australian Modern Slavery Act 2018 (Cth) ('Act') and has been approved by the Duratec Board of Directors (its Principal Governing body) and the Managing Director on the 25th of May 2023.

# Structure and operations

## Reporting Entity

Duratec Limited (ABN 94 141 614 075) is the 'reporting entity' (as defined in the Act) covered by this Statement and the terms the 'Group', 'we', 'us' and 'our' refer to the entire Group (as defined below), except where the context otherwise requires.

## Structure and Operations

The Duratec 'Group' consists of Duratec Limited and the following three Australian subsidiaries in which Duratec held more than a fifty percent (50%) ownership interest during the reporting year:

- Duratec Australia (ES) Pty Ltd (ABN: 99 169 515 897)
- MEnD Consulting Pty Ltd (ABN: 36 600 759 555)

Duratec is publicly listed, trades on the Australian Securities Exchange (ASX: DUR) and has the following current Board of Directors structure with extensive experience across the construction, resource and remediation industries. Our Board is dedicated to continuous improvement, responsible fiscal management and fostering a safe work culture.

## Board Structure

- Non-executive Chairman - Martin Brydon
- Executive Director, Managing Director - Robert (Phil) Harcourt
- Executive Director, General Manager - Christopher Oates
- Non-executive Director - Gavin Miller
- Company Secretary - Dennis Wilkins

# Board statement

## Our commitment

Duratec is committed to a high standard of corporate governance. We recognise the way we conduct our business is key in achieving sustainable growth and creating stakeholder and shareholder value. We have a robust corporate governance framework that sets out the standards which guide and inform our best practice management systems, including our Modern Slavery Risk Mitigation Program. We are committed to fostering a culture that embraces accountability, transparency, integrity, respect, and ethical behaviour. Our culture is underpinned by our commitment to meeting our clients' needs without

compromising human or natural resources. We are committed to providing and maintaining a safe work site for employees, subcontractors and others affected by our work.

Alongside our steadfast company values of Integrity, Accountability, Courage, Pride, and Recognition, The Group strongly supports fundamental human rights. The prevention of modern slavery and human trafficking, and compliance with the spirit and intent – as well as the letter – of the Modern Slavery Act fully aligns with Duratec's standards and values.



**Phil Harcourt**  
Executive Director, Managing Director



**Chris Oates**  
Executive Director, General Manager



**Gavin Miller**  
Non-Executive Director



**Martin Brydon**  
Non-Executive Chairman

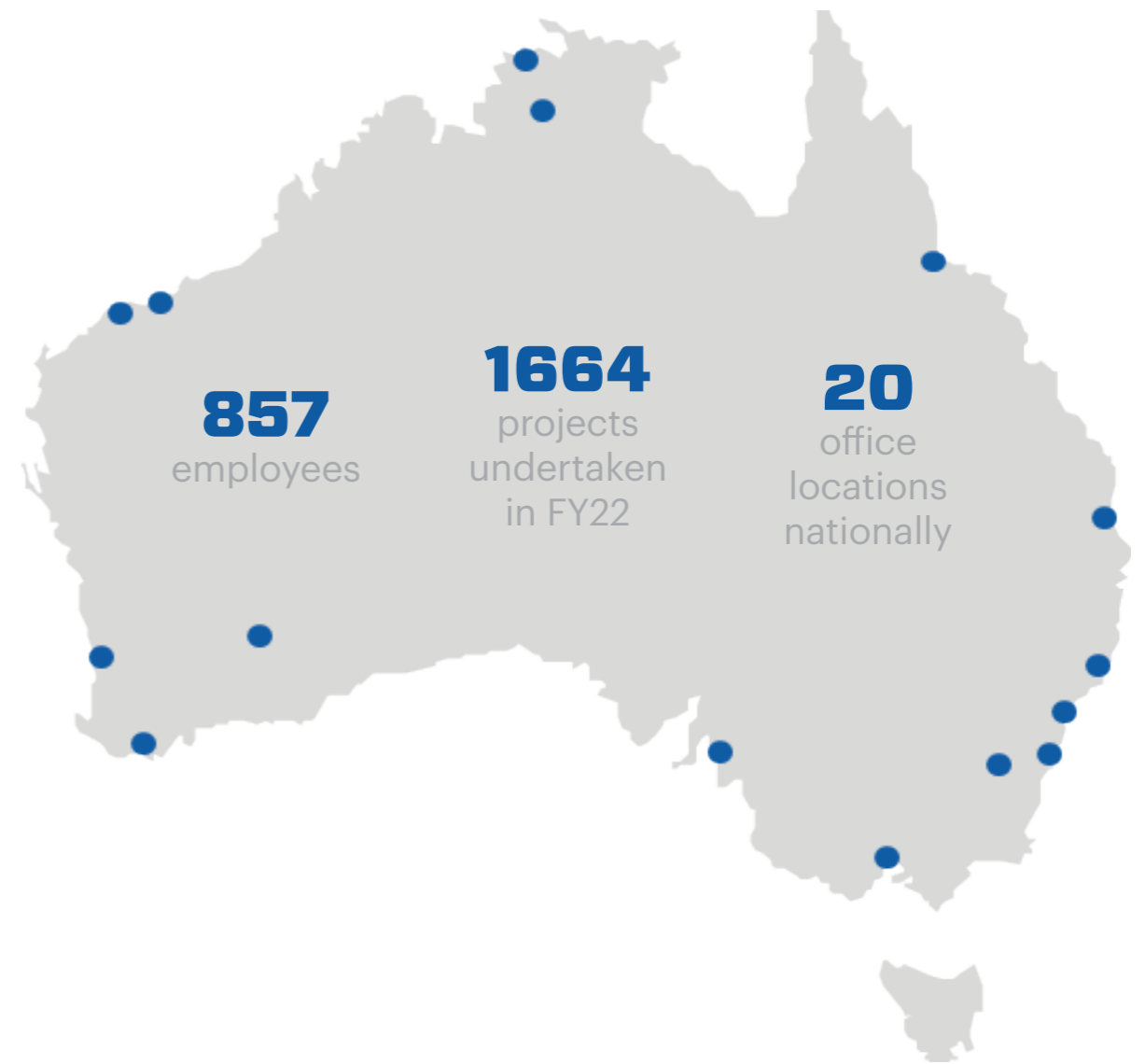


**Dennis Wilkins**  
Company Secretary

# Operations

## National footprint

Initially servicing the Western Australian market with branches in Perth, Kalgoorlie, and Karratha, we have now grown to include 20 offices across Australia, providing services and solutions in every state and territory.



# Supply chain

## General process

Duratec continues to grow organically as a business, and as a result, Duratec's supply chain continues to expand.

Duratec has three core service offerings (Engineering, Remediation, and Construction) across a variety of industries. Duratec's dedicated supply chain team liaises and onboards suppliers to ensure Duratec's business and due diligence requirements are met. Duratec's supplier onboarding process analyses each company for compliance with the Company's procedures and compliance to Australian Modern Slavery legislation.

Duratec's operations are predominately based on the delivery of remediation and project services for clients through either

Duratec's directly employed workforce or via the engagement of subcontractors to provide services. Duratec relies on a robust and specialised supply chain to deliver dedicated projects. Remediation products and other project focused materials are purchased and distributed through Duratec warehouses or delivered directly to project sites through third parties. Products are purchased domestically and imported through third party logistics providers. Our supply chain also includes the suppliers of products and services that would typically be required by offices and small warehouse locations.

Duratec Limited has a zero-tolerance policy for the exploitation of individuals through the various forms of modern slavery.

Due to the industries Duratec engages with, supply chain providers are varied and bespoke based on the relevant industry sector.

Duratec Limited has a variety of policies and procedures that support our supply chain practices and reinforce the ability to operate safely, ethically, and efficiently. Documentation includes but is not limited to:

- Duratec Limited Code of Conduct (POL-GOV-09)
- Human Rights Policy (P-6-03)
- Subcontractor & Supplier Management Procedure (PRO-PM-04)
- Supplier Registration (FRM-PM-04-01)

- Subcontractor & Supplier Pre-Qualification (FRM-PM-04-02)
- Subcontractor and Supplier Performance Rating (FRM-PM-04-03)
- Subcontractor Mobilisation Checklist (FRM-PM-04-04)
- Subcontractor HSEQ Evaluation (FRM-PM-04-05)
- Subcontractor Pre-Award Checklist (FRM-PM-04-07)
- Subcontractor System Audit (FRM-HSEQ-10-07)
- Subcontractor & Supplier Code of Conduct
- Whistleblower Policy (POL-GOV-16)

The Duratec Limited Code of Conduct and Whistleblower Policy are accessible via our website, [www.duratec.com.au](http://www.duratec.com.au).



# Assessment of modern slavery risks in our operations and supply chains

Our employees and operations are in the Commonwealth of Australia. We are cognisant of and compliant with Australian labour laws and other applicable employment related legislation. Within Duratec's operations, we assess the risk of modern slavery under various lenses, including but not limited to:

- Industry and sector risks
- Product and services risks
- Geographic risks
- Supply chain model risks

With the assistance of an external third-party consulting services provider, we implemented and embedded an ongoing program to continuously improve our visibility of the labour practices in our supply chain and our ability to identify risks of modern slavery practices in our operations and supply chain (the "Modern Slavery Risk Mitigation Program").



# Risk assessments

Duratec has grown to 20 office locations and operates in a variety of industries. These include but are not limited to Defence, Building and Façade, Marine, Transport, Mining and Industrial, Water Infrastructure, etc. Most of our suppliers are located principally in Australia. Duratec have ten international suppliers located in the United Kingdom, the United States of America, New Zealand, China, and Singapore.

Based on our tiering assessment and Due Diligence process, the higher risks of modern slavery in our supply chain reside principally in:

- (a) Two first tier suppliers specifically identified as 'High Risk' in our due diligence process;
- (b) Direct foreign suppliers located in high-risk countries; and
- (c) Low visibility of indirect foreign suppliers in the second tier of our supply chain and beyond (collectively, the "Higher Risk Supplier Group").

Due diligence completed in the reporting period was limited to new suppliers that were engaged and added to Duratec's supplier list. During the reporting period (FY22) 1093 suppliers were onboarded, including three international suppliers. None of them were identified to have operations in a country that is considered high risk.

Recurring themes within the High-Risk Supplier Group include:

- Little or no visibility into the labour practices in their supply chains and no substantive assessment, verification or mitigation of modern slavery risk has been made in their operations or supply chain and no procedures are in place to facilitate such an assessment, verification, or any mitigation.
- No contract warranties and covenants are in place that specifically and robustly address modern slavery issues in their procurement agreements.
- No formal company policies are in place re: modern slavery avoidance or Whistleblower encouragement and protection.
- No obligations are imposed by our suppliers on their suppliers to implement robust contract warranties and covenants relating to modern slavery issues on their suppliers.
- Some are unsure of the extent of use of low-skilled (including foreign migrant) workers in their operations or supply chains and/or whether or to what extent high risk factors relating to the use of such workers exist.

During the risk assessment, no evidence suggested that any of our suppliers had (or were aware of) any instances of modern slavery in their operations or supply chains.

# Actions to address modern slavery risks

Last year, Duratec began to implement and embed an ongoing program to continuously improve the Company's visibility into general practices in our supply chain, and our ability to identify risks in our operations and supply chain.

This program is called the Modern Slavery Risk Mitigation Program. This financial year, we continued and completed rolling out this initiative.

The program will be continuously reviewed and improved. The program currently includes:

- Human Rights Policy. This document is linked to the Whistleblower Protection Policy.
- Supplier Code of Conduct. This document is linked to the Whistleblower Protection Policy and specifically outlines our commitment to address potential modern slavery issues.
- The Whistleblower Protection Policy strongly encourages employees and other stakeholders to report all violations of policies and ensures there will be no negative repercussions for doing so. This is available online and is accessible to anyone for anonymous submissions.
- Our Supplier Code of Conduct contains robust modern slavery contract warranties and covenants from suppliers. The document must be signed by every new supplier as a binding contract. Acceptance of the Supplier Code of Conduct is part of

the onboarding process for all new suppliers and new contract awards. The document includes recommendations for our suppliers to encourage the same warranties and covenants up the supply chain by including them in their procurement contracts with their respective suppliers (our second-tier suppliers).

- Mapping of key first-tier suppliers in our supply chain based on perceived country level risk, business sector and industry risk, specific product and/or services risk and spend level.
- Targeted, customised due diligence of suppliers identified as being at highest risk for potential modern slavery incidents. The due diligence surveys are designed to validate and further assess the potential modern slavery risk of each supplier. The surveys rate each supplier's modern slavery risk profile as High, Medium, or Low based on their responses to a series of questions relating to their own operations and their supply chain. Due diligence responses are evaluated to determine whether and to what extent any additional follow up is required. An action plan is then created to implement such follow up in each relevant case.

# Addressing risks (continued)

Based on the current risks identified in our supply chain and operations, other actions were identified and completed in addition to the program. This includes the following:

- Company-wide Modern Slavery training completed and rolled out for all internal staff. The training is housed in a portal accessible to current employees and is offered to all new employees as a part of the onboarding process. The training is specifically designed for employees that engage in the procurement of and collaboration with suppliers. The training endeavours to increase the awareness amongst our employees in understanding key points regarding the Act and modern slavery risks in general.
- Based on the United Nations Guiding Principles on Business and Human Rights, an analysis was undertaken regarding Modern Slavery risks by location and

industry. An internal team analysed which sector, services and locations are more at risk to modern slavery. The analysis also touched on which type of workers are most at risk based on these variables. Based on the analysis, a roadmap was created to allow for continuous analysis.

- The new Supplier Code of Conduct was distributed to all suppliers. A communication was issued to address its necessity. It is required all new suppliers sign and comply with the Duratec Supplier Code of Conduct without reservation. This ensures compliance with the most updated Due Diligence/Prequalification processes and procedures at Duratec. For historic suppliers, this will be addressed and enforced at supplier re-assessment.



# Assessment of the effectiveness of actions taken

Our Modern Slavery Risk Mitigation Program continued to be rolled out during the reporting period covered by this Statement. After completion of the program, an assessment found the program was effective and aligned with the Act. This includes, but is not limited to the following:

- Continuing to increase the level of awareness and understanding at all relevant levels within Duratec of the potential for incidences of modern slavery within our operations and supply chain.
- Full execution of the Modern Slavery Risk Mitigation Program provided a significant increase in our visibility into our supply chain and the labour practices of our first-tier suppliers. This was done by enhanced supply chain mapping, initial risk assessments, additional due diligence exercises and a process to obtain

binding supplier warranties regarding modern slavery incidents and risks in their respective operations and supply chains.

In addition to the program, an assessment found other action items provide value for staff and in ensuring company compliance with best practice. This includes but is not limited to the following:

- Increased awareness because of the Modern Slavery Training;
- An increased understanding of our supply chain from the industry, service, and location analysis; and
- A supplier code of conduct that provides a foundation for increasing and improving our Due Diligence/Prequalification process and ensuring suppliers understand our requirements as a business that is compliant with the Act.

# Future actions

In addition to executing the actions outlined by our Modern Slavery Risk Mitigation Program and further embedding it into our company processes and culture, we will continuously consider ways to enhance other programs. In the future, we plan to enhance the audit and compliance process around the Modern Slavery Risk Mitigation Program. We look forward to expanding the program to reach deeper into our supply chain beyond our first-tier suppliers.

Addressing modern slavery and human trafficking risks in our supply chain at tiers beyond our direct (first tier) suppliers will remain a significant ongoing activity for the foreseeable future. We endeavour to

implement a risk-based approach and are committed to achieving continuous improvement through the actions described in this Statement, including ongoing modern slavery training to our own employees.

Duratec continues to complete due diligence and is progressively working through its vast supplier list to ensure that all suppliers are assessed. This process is expected to be ongoing in the following reporting period. Duratec will continue working with historic suppliers to ensure the Supplier Code of Conduct is signed at the re-evaluation stage.



# Consultation process

All members of the Group are managed on a consolidated basis by the same executive management team. The suppliers and supplier data for all three Group companies are managed centrally by the Group executive management team.

# Approval of statement

The Duratec Board of Directors, its principal governing body, has unanimously approved this Statement on 25 May, 2023 and authorised Robert Philip Harcourt as the responsible executive of Duratec to sign this Statement in accordance with the Act.



**Robert Philip Harcourt**  
Executive Director, Managing Director





# About Duratec Limited

Duratec Limited (ASX: DUR) is a leading Australian contractor providing assessment, protection, remediation, and refurbishment services to a broad range of assets and infrastructure. The Company's multi-disciplined capabilities combine engineering experience with project delivery expertise and use a range of in-house assessment technologies, including 3D capture and modelling technology with predictive analysis tools.

Headquartered in Wangara, Western Australia, Duratec has fifteen branches around the country in capital cities and regional centres, delivering services across multiple sectors including Defence, Commercial Buildings & Facades, Infrastructure (Water, Transport & Marine), Mining & Industrial, Power and Energy.

Please visit [www.duratec.com.au](http://www.duratec.com.au) for further information.





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**DURATEC**