



# Modern Slavery Statement

01 January 2021 – 31 December 2021



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Prepared by:  
**Kellogg Brown & Root Pty Ltd**  
ABN 91 007 660 317

30 June 2022

# 1 Reporting Entity

This is a modern slavery statement of Kellogg Brown and Root Pty Ltd (KBRPL) (ABN 91 007 660 317), a reporting entity pursuant to the Modern Slavery Act 2018 (Cth). This statement is for the year ending 31 December 2021.



## 2 Our Business, Operations & Supply Chain

KBRPL is a wholly owned subsidiary of KBR Inc (NYSE: KBR). (“KBR”) which globally delivers science, technology and engineering solutions to governments and companies around the world. KBR employs approximately 28,000 people performing diverse, complex and mission critical roles in 34 countries.

KBR is proud to work with its customers across the globe to provide technology, value-added services, and long-term operations and maintenance services to ensure consistent delivery with predictable results. At KBR, We Deliver.

The company’s capabilities and offerings include the following:

- Scientific research such as quantum science and computing; health and human performance; materials science; life science research; and earth sciences;
- Defence systems engineering such as rapid prototyping; test and evaluation; aerospace acquisition support; systems and platform integration; and sustainment engineering;
- Operational support such as space domain awareness; command, control and communications; human spaceflight and satellite operations; integrated supply chain and logistics; and military aviation support; and
- Information operations such as data analytics; mission planning systems; and artificial intelligence and machine learning; and
- Technology such as licensing of proprietary industrial process technology; advisory services focused on energy transition; and digitally-enabled asset optimisation solutions.

KBR provides these and other services to a diverse customer base, including domestic and foreign governments, international and national integrated energy companies and industrial companies.



The diagram at Figure 1 is a depiction of where KBR conducted business operations globally as of 31 December 2021.



Figure 1 Our Global Footprint

KBRPL has approximately 1,821 employees across Australia with office presences in Brisbane, Sydney, Canberra, Melbourne, Adelaide and Perth.

The diagram at Figure 2 provides an overview of the KBRPL corporate structure.



Figure 2: KBR PL Corporate structure

KBRPL operations in Australia are focused on delivery of differentiated professional solutions and services covering domains such as engineering, project and program management, business / commercial support, engineering design, training design and delivery and Integrated Logistical Support (ILS).

KBRPL delivers our core offerings predominately to the Commonwealth of Australia (Department of Defence), State Governments (and State Government entities such as water utility providers), local government and infrastructure constructors/managing contractors.

KBR has over 5,000 vendors/suppliers globally. Through KBR's subsidiaries and joint ventures, KBR provides direct and indirect engagement to its customers of labour, goods, and services. KBR's indirect engagement consists of KBR subcontractors providing the labour, goods, and services to KBR and/or their customers. KBR has a wide variety of global supply chains that are dependent on the type of project, KBR's role in the project, and the project's geographic location.

KBRPL's supply chain comprises approximately 1,000 Australian active suppliers providing various services to KBRPL. The companies within our Supply Chain range in size from large multi-national/international companies to small-medium and micro businesses. The KBRPL supply chain includes several indigenous suppliers. The types of services procured by KBRPL can be broadly categorised into three categories:

- **Project / Program Subcontractors and Subconsultants:** these are organisations providing services to KBRPL in direct support of a project or program of work being executed by KBRPL to a client or end-client. Typically, services are delivered under back-to-back (or broadly back-to-back) contracting arrangements. In respect of our services delivered to Defence these include provisions for compliance with national security and confidentiality obligations.
- **Internal Services:** these are organisations providing services to KBRPL as part of our corporate activities. Typically, services include training, corporate development activities (bids and proposals) and internal compliance advice
- **General Corporate Procurement:** these are organisations providing general corporate procurements to KBRPL. Typically, services include office consumables, cleaning, real estate, travel and corporate memberships.

Across the three categories above, a significant majority of the services are delivered by Australian companies in Australia with expenditure for Project / Program Subcontractors and Subconsultants representing 90% of supply chain expenditure. The nature of the professional services results in the 'supplies' being direct with no or little indirect content (a report produced by a design engineer would be direct, the paper used to print the report would be indirect per the guidance notes). There are services related to elements such as travel which may contain an overseas component and would comprise foreign content.

### 3 Our Modern Slavery Risks in the operations and supply chains (of that reporting entity and/or any other entities owned or controlled)

KBRPL's risk of engaging in modern slavery practices or inadvertently procuring services from a supplier who has engaged in modern slavery is considered to be low. KBRPL's operations do not appear to trigger any of the high-risk areas or indicators for modern slavery. This assessment is based on the below risk analysis:

- **Entity and Corporate Governance:** a primary mechanism minimising the risk of modern slavery in KBRPL is our corporate Code of Business Conduct (COBC), Global Human Rights policy, strong anti-corruption and business ethics governance framework. All employees are required to certify on an annual basis their compliance with the COBC. The COBC is enforced by the CEO and KBR Inc Board of Directors and is governed by a Chief Compliance Officer with global responsibility for corporate compliance and business ethics.
- **Corporate and Business Operations:** KBRPL provides services and does not deliver products. Our services are predominately delivered by degree qualified professionals. In addition, given our client or end-clients comprise both Commonwealth and State government departments or authorities the additional audit and oversight obligations (including national security obligations) further prevent modern slavery practices or behaviours.
- **Employee Relations:** KBRPL's workforce is predominately professionals (engineers, project managers, commercial/procurement professionals, etc). KBRPL's employment agreements are routinely assessed against National Employment Standards and industry best practice. KBRPL does not substantially operate under the awards system relying on common law contracts given the majority of KBR employees are degree qualified and members of relevant professional organisations. Our standard employment agreements meet the current Australian standards and are consistent with industry and market practice here in Australia. The type and complexity of the services we offer to our clients prevent the use of unskilled labour or foreign labour. All employees are required to complete annual Ethics training, which also includes training regarding human trafficking
- **Industry and Geography:** The industry sectors that we operate within Australia are not generally considered to be susceptible to the use of vulnerable labour categories or persons. In the Defence sector the standards set to meet qualification levels, experience and national security requirements prevents the use of at risk labour. As most of our services are delivered in Australia by persons authorised to work in Australia for government clients, the geographic risks associated with modern slavery are considered to be extremely remote for KBRPL.



## 4 Our actions addressing risks, due diligence and remediation processes

KBRPL requires all employees (and direct contractors) to certify their compliance with the KBR Code of Business Conduct (COBC). This is a condition of employment. This annual certification encompasses employee's adherence to, among other things, avoidance or behaviours or practices that breach the COBC.

In addition to our employees, KBRPL routinely assesses our supply chain against our Code of Business Conduct which includes corporate obligations on our suppliers around ethics, human rights, black market economy, bribery and corruption and human trafficking. As a global business we are very sensitive to the external factors which impact our commercial and corporate operations. As such, at registration, all suppliers are required to complete a declaration confirming their conformance with our Supplier Code of Conduct.

In addition to suppliers declaring conformance with our Supplier Code of Conduct, KBR ensures its suppliers are aware of KBR's zero tolerance position with regards to child labour, people trafficking and modern slavery. Within KBR's standard subcontract terms and conditions, suppliers warrant and agree that they abide by the same obligations imposed on KBR by the *Modern Slavery Act 2018* (Cth) and the *Modern Slavery Act 2018* (NSW).





## 5 Our achievement and effectiveness of taking actions

As stated, KBRPL is a wholly owned subsidiary of KBR Inc. KBR globally takes a risk-based approach to assessing human rights vulnerabilities in its supply chain. Certain subcontractors and lower tier subcontractors in high-risk countries are the focus of enhanced due diligence efforts to mitigate risks regarding human rights abuses.

The treatment of foreign, low-skilled employees working for KBR subcontractors in host countries is an area of concern for KBR and is addressed through its Combatting Trafficking in Persons (CTIPS) and Modern Slavery Act (MSA) program.

- KBR acknowledges its corporate responsibility to respect human rights as delineated in the United Nations Guiding Principles on Business and Human Rights and in its Global Human Rights policy. KBR has adopted Human Rights as a Corporate Pillar in its sustainability platform. KBR further recognises that modern slavery is a heinous crime that affects communities and individuals across the globe.
- KBR has existing policies and procedures in relation to Human Rights that include acknowledgement of the principles contained in the United Nations Universal Declaration of Human Rights.
- KBR's Code of Business Conduct ("COBC") and Global Human Rights policy recognises promoting human rights as its corporate responsibility and requires all of its employees to adhere to the COBC. All employees are required to complete annual Ethics training, which also includes training regarding human trafficking. Additionally, a large portion of the workforce is also required to complete separate CTIPS training as mandated by the US. Government for defence contractors.
- KBR monitors its established Ethics Hotline, where employees and others can report COBC violations or human rights violations. KBR engages a third-party vendor to manage the Ethics Hotline, which provides additional assurances that reporters can maintain their anonymity when reporting suspected COBC violations.
- KBR's Legal Department thoroughly investigates any report that may include indications of human rights abuses and contacts the appropriate authorities when appropriate.
- KBR's Supplier Code of Conduct affirms that KBR has zero tolerance for child or forced labour and trafficking in persons and requires suppliers to adhere to these principles.
- KBR conducts CTIPS/MSA audits/inspections of subcontractors that include interviews and surveys of subcontractor employees, housing inspections, and prevailing wage reviews.
- KBR conducts restricted party screening on subcontractors and vendors to ensure KBR is not doing business with entities that are flagged for designated human rights abuses or other watch-lists/sanctions.
- KBR conducts due diligence on certain business partners that include reviewing any derogatory information concerning human rights abuses when required.
- KBR devised and established a new online training programme that was launched to 53 'Tier 1' suppliers to raise awareness in identifying and combatting modern slavery in the supply chain. The training achieved a success rate of 71% of the initial targeted suppliers completing the training.
- KBR identified 34 suppliers and subcontractors who specifically work with KBR in Tier 1, Tier 2, Tier 2 Watchlist, Tier 3 and Special Case countries (according to the US Department of State) and conducted a pilot desktop audit.



## 6 Our process of consultation

KBRPL continually consults with its wholly owned subsidiaries and entities through each of KBRPL's major business units, Government Solutions, Infrastructure Solutions and Technology Solutions. KBRPL does not own or control other entities and therefore this criteria is not applicable.



## 7 Our commitment (2021-2022) and other relevant information

KBR is undertaking further steps to improve our oversight of our supply chains and subcontractors in order to avoid workers being abused or exploited; and to monitor (and where necessary) reassess risks. KBR:

- is implementing a strategic plan for conducting subcontractor CTIPS/MSA inspections that include checks of housing, passports, and treatment of their employees through random interviews without subcontract management present. As part of these interviews, employees are asked a series of questions specific to the recruiting process in order to determine if any potential CTIPS/MSA violations have occurred.
- Is continually reviewing and, where necessary, update our processes and policies governing modern slavery and people trafficking;
- is continually reviewing and, where necessary, updating our processes for appointing potential supply chain providers;
- is conducting further internal reviews to ensure that our systems contain appropriate processes to protect lesser skilled workers engaged in overseas locations;
- is providing ongoing training materials to be given to all employees and certain key suppliers about modern slavery and trafficking in people, and referring them to our ethics hotline to report any concerns;
- plans to conduct in-person audits of key suppliers, as COVID-19 restrictions continue to be removed (but please see below);
- is identifying further suppliers and subcontractors that should be audited; and
- will continue to implement its key performance indicators to measure our progress in tackling modern slavery internally and throughout our supply chain.
- will continue to implement the rollout of its online modern slavery programme.

As the coronavirus (COVID-19) pandemic enters its third year, KBR's primary focus continues to be the health, safety and wellbeing of our people. As set out in last year's statement, the pandemic continued to hinder some of the proposed actions set out above, for example, conducting in-person audits of global suppliers. Over the past 2 years, KBR has successfully transformed into a fully functioning hybrid-working operation.

As the world begins to emerge from COVID-19 restrictions and return to pre-pandemic activities, KBR hopes to be able to resume physical inspections and interactions, although these will be subject to country-specific visa and other restrictions. Such restrictions permitting, our hope and expectation is that we will continue to deliver on our Modern Slavery KPIs.

Other external influences, like the war in Ukraine, resulting in mass-movement of vulnerable people, poses an enhanced risk of people trafficking and modern slavery on our doorstep. KBR is fully aware of this and will continue to remain vigilant to such risks.



## 8 Approval of statement

This is the modern slavery statement of Kellogg Brown and Root Pty Ltd for year ending 31 December 2021, having been agreed by the Board of Directors on 28 June 2022 and is submitted in accordance with Section 13 of the *Modern Slavery Act 2018* (Cth).

Signed:



**Wayne Nolan, Company Director**

Signed:



**Joshua Magennis, Company Secretary**



