



# MODERN SLAVERY ACT STATEMENT

Financial Year  
1 January 2020 - 31 December 2020

INFRASTRUCTURE  
MINING & METALS  
NUCLEAR, SECURITY & ENVIRONMENTAL  
OIL, GAS & CHEMICALS



# Modern Slavery Act Statement

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# Contents Cross Referenced to MSA Reporting Criteria

UK Modern Slavery Act 2015, Section 54(5)'s recommended reporting criteria	Australia Modern Slavery Act 2018, Section 16(1)'s mandatory reporting criteria	Sections addressing criteria
<ul style="list-style-type: none"> <li>the organisation's structure, its businesses and its supply chains</li> </ul>	<ul style="list-style-type: none"> <li>identify the reporting entity</li> <li>describe the structure, operations and supply chains of the reporting entity</li> <li>describe the process of consultation with (i) any entities that the reporting entity owns or controls and, (ii) for joint modern slavery statements, the entity giving the statement</li> </ul>	<ul style="list-style-type: none"> <li>The Reporting Companies</li> <li>Our Business</li> <li>Process of Consultation</li> </ul>
<ul style="list-style-type: none"> <li>its policies in relation to slavery and human trafficking</li> </ul>		<ul style="list-style-type: none"> <li>Our Commitment (and subsections)</li> </ul>
<ul style="list-style-type: none"> <li>its due diligence processes in relation to slavery and human trafficking in its businesses and supply chains</li> <li>the parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk</li> </ul>	<ul style="list-style-type: none"> <li>describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls</li> <li>describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes</li> </ul>	<ul style="list-style-type: none"> <li>Due Diligence, Risk Assessment &amp; Management (and subsections)</li> <li>A Project Case Study</li> </ul>
<ul style="list-style-type: none"> <li>its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate</li> </ul>	<ul style="list-style-type: none"> <li>describe how the reporting entity assesses the effectiveness of such actions</li> </ul>	<ul style="list-style-type: none"> <li>Foreign Migrant Workers</li> <li>Assessing Effectiveness by Audit and/or Adoption of Compliance Plans (and subsections)</li> <li>A Project Case Study</li> </ul>
<ul style="list-style-type: none"> <li>the training about slavery and human trafficking available to its staff</li> </ul>		<ul style="list-style-type: none"> <li>Training &amp; Awareness</li> <li>A Project Case Study</li> </ul>
	<ul style="list-style-type: none"> <li>Include any other information that the reporting entity, or the entity giving the statement, considers relevant</li> </ul>	<ul style="list-style-type: none"> <li>Industry Engagement</li> </ul>

# The Reporting Companies

The Bechtel group of companies or Bechtel refers to Bechtel Group, Inc. and its direct and indirect subsidiaries collectively. Bechtel's principles, policies, management instructions and functional procedures apply across the Bechtel group of companies and its organizations, including the following reporting commercial organisation and reporting entities.

## UK Modern Slavery Act 2015 Reporting "Commercial Organisation"<sup>1</sup>

This statement is made on behalf of **Bechtel Limited ("BLTD")**, a member of the Bechtel group of companies, pursuant to the reporting requirements of Clause 54, Part 6 of the UK Modern Slavery Act 2015, and constitutes its Modern Slavery Act statement for the financial year 1 January 2020 – 31 December 2020. BLTD is a private company limited by shares, registered in England & Wales (company number 506133) with its registered office at 2 Lakeside Drive, Park Royal, London NW10 7FQ, England. BLTD's board of directors approved this statement on 7 June 2021.

## Australian Modern Slavery Act 2018 "Reporting Entities"<sup>2</sup>

This statement is also made on behalf of **Bechtel Australia Proprietary Limited ("BAPL")** and **Bechtel (Western Australia) Pty Ltd ("BWAPL")**, both members of the Bechtel group of companies, pursuant to the reporting requirements of Part 2 of the Australia Modern Slavery Act 2018, and constitutes their Modern Slavery Act statement for the financial year 1 January 2020 – 31 December 2020. BAPL is a proprietary company, registered in Australia (company number ACN 006 334 505) with its registered office at Level 3, 540 Wickham Street, Brisbane, QLD, 4006, Australia. BAPL's board of directors approved this statement on 28 April 2021. BWAPL is a proprietary company, registered in Australia (company number ACN 147 531 226) with its registered office at Level 25, 140 St. Georges Terrace, Perth, WA 6000, Australia. BWAPL's board of directors approved this statement on 16 June 2021.

This statement reports on the risks of modern slavery in Bechtel's operations and supply chains and the actions it has taken in the last financial year (1 January 2020 – 31 December 2020) to address those risks.

<sup>1</sup>Clause 54(1)-(3), Part 6 of the UK Modern Slavery Act 2015 defining a "commercial organisation" required to prepare a Modern Slavery Act statement.

<sup>2</sup>Section 5, Part 1 of the Australia Modern Slavery Act 2015 defining a "reporting entity" required to prepare a Modern Slavery Act statement.

## Our Business

Bechtel is a global engineering, construction, and project management company. Since 1898, we have helped customers complete more than 25,000 projects across 160 countries on all seven continents. Our customers' projects are an investment in the future. Together with them, we are helping to create jobs, grow economies, improve the resiliency of the world's infrastructure, increase responsible access to energy, resources and vital services, and make the world a safer, cleaner place.

We operate through four global business units ("GBUs"):

- Infrastructure. Its headquarters are in London, England and it has projects in North America, the United Kingdom, Europe, the Middle East and Australia.
- Nuclear, Security & Environmental. Its main offices are in Reston, Virginia, USA and Oak Ridge, Tennessee, USA and it has projects in the United States and the United Kingdom.
- Oil, Gas & Chemicals. Its main office is in Houston, Texas, USA and it has projects across the globe.
- Mining & Metals. Its main offices are in Santiago, Chile and Brisbane, Queensland, Australia and it has projects and studies in North and South America, Australia, Europe and the Middle East.

BLTD operated across the Infrastructure, Oil, Gas & Chemicals, and Mining & Metals GBUs during 2020. BAPL and BWAPL operated across the Oil, Gas & Chemicals, and Mining & Metals GBUs during 2020.

Core to Bechtel are our values – ethics, safety, quality, people, culture, relationships, innovation and sustainability, and our covenants – integrity, respect, collaboration, trust, and delivery. They are what we believe, what customers can expect, and how we deliver. Consistent with Bechtel's Vision, Values & Covenants, we are committed to respecting human rights everywhere we operate and treating people with dignity and respect, and we expect our business partners, contractors, and suppliers to do the same.

## Due Diligence, Risk Assessment & Management

Bechtel has both permanent offices and temporary project offices or sites. The permanent offices support core business functions and provide centralized support services to our project offices or sites. The temporary project offices and sites provide the on-the-ground day-to-day work needed to manage, design and build our customers' complex projects. Our project offices and sites are geographically dispersed and, in some cases, remote. Much of the risk for modern slavery and human trafficking lies not in our permanent offices but in certain of our temporary projects and the global supply chain serving them. For instance, our permanent offices are located primarily in countries—e.g., London, UK; Reston & Houston, USA; Brisbane, Australia; Santiago, Chile—with strong worker welfare and employment laws and where modern slavery risk is lower according to the Global Slavery Index. Even where a permanent office is located in a country where risk of modern slavery is moderate according to the Global Slavery Index—for example, Bechtel's office in New Delhi, India—these offices employ skilled professional employees applying Bechtel's robust set of corporate and human resources policies and processes. Thus, the overall risk of modern slavery in Bechtel's permanent offices is low.

On the other hand, our projects may have complex partnering arrangements that permit Bechtel different levels of authority, control and influence, may employ foreign migrant workers, and rely on thousands of suppliers and subcontractors across the globe to deliver the equipment, materials, and services needed to engineer and build our customers' projects. Factors affecting the risk of modern slavery in our project operations are the country of execution, whether the services provided include a direct procurement or construction scope, and whether the construction scope will involve foreign migrant labor. For example, projects located in countries with a higher prevalence or vulnerability to modern slavery are higher risk. Projects that involve a construction scope of service have a higher risk of modern slavery than project services involving front end engineering and design ("FEED"), study or project/programme management consulting ("PMC") services. PMC services, however, may involve helping our customers manage their procurement or construction projects and Bechtel has less visibility into customer procurement supply chains or the construction labour force used in those projects. Projects using foreign migrant labour for the construction scope have a higher risk of modern slavery than projects using local construction labour. Finally, projects with large procurement scopes involving obtaining the materials and services needed to construct large and/or complex projects are higher risk because of the complexity and scale of the supply chains.

With respect to the supply chain, across Bechtel's four GBUs during financial year 2020, Bechtel's procurement and contracts group worked with approximately 6,000 suppliers of equipment, materials, and services from 65 countries and issued 50,000 transactions with total commitments exceeding \$6 billion. In 2018 Bechtel conducted a modern slavery and human trafficking risk analysis of its procurement supply chain by assessing our global suppliers and subcontractors against a risk framework. The framework used external sources that provided information on modern slavery and human trafficking risk, such as the Global Slavery Index, the US Department of State, and the International Labor Organization, to identify such risks related to country, goods and services, and sector. The framework also used key terms related to nine red flag signs of activities associated with a greater risk of modern slavery and human trafficking (e.g., underage workers, restricted movement, unethical recruitment, worker documents, access to grievance mechanisms, etc.) to search available information sources (e.g., news, videos, blogs, forums, social media) in multiple languages. The assessment indicated a higher risk of modern slavery or human trafficking in suppliers from the following five countries: China, India, Mexico, South Africa, and Thailand, who provide goods or services for: civil works, electrical works, structural/steel works, and freight. Following this assessment, over 2018 and 2019, Bechtel engaged a third-party provider to conduct workplace conditions assessments of six (6) key suppliers in China and India that were identified as being the highest risk across our supply chain. Each supplier received a weighted composite score and a report of the issues identified during the assessments. The reports were then reviewed with the suppliers and corrective action plans were undertaken in 2019. Follow-on workplace conditions assessments were conducted at each supplier's facility in 2019.

### 1. Our Commitment

#### a. Policies Against Human Trafficking and Slavery

Bechtel's policies apply across its group of companies, including BLTD, BAPL and BWAPL. Bechtel's Human Trafficking and Slavery and Sustainability Policies reflect our commitment to maintaining a work environment free from human trafficking, slavery, servitude, and forced or compulsory labor; respecting human rights everywhere we operate in accordance with the spirit and intent of the United Nations Guiding Principles on Business and Human Rights; and maintaining systems and processes to avoid complicity in any practice that constitutes human trafficking or slavery.



## b. Ethics & Compliance

**Bechtel's Code of Conduct**, which is published in six languages, makes clear that we are committed to ensuring that there is no form of modern slavery or human trafficking in our supply chain or in any part of our business and that Bechtel does not tolerate the use of either in the performance of Bechtel contracts by our employees, our contractors, business partners, or suppliers. It instructs employees to immediately report any concerns about any issue or suspicion of modern slavery or human trafficking to their supervisor, Ethics & Compliance Officer, the Legal Department, or the Ethics HelpLine. Our employees are responsible for complying with our policies and Code of Conduct, and violation of them is subject to discipline, up to and including termination.



We encourage our employees, suppliers, subcontractors, and other third-party business partners to ask questions about our Code of Conduct and to report any issues, concerns, or suspicions of modern slavery or human trafficking. We have an Ethics HelpLine available as a confidential resource on the internet at [HelpLine.Bechtel.com](http://HelpLine.Bechtel.com), by email at [ethics@bechtel.com](mailto:ethics@bechtel.com), or by phone at 1-800-BECHTEL (1-800-232-4835) from the USA, 0800-206-1009 from the UK, and 1-800-316-704 from Australia. Where allowed by law, the Ethics HelpLine allows anonymity. We do not tolerate threats or acts of retaliation against anyone for raising legitimate concerns, and we are committed to addressing each concern in a prompt and responsible manner. During financial year 2020, there were no reports concerning modern slavery, human trafficking, or child labour to Bechtel's Ethics HelpLine. Similarly, there were no such reports to the Ethics & Compliance Officers of our four GBUs.

## c. Training & Awareness

Our online and instructor-led course entitled "Human Trafficking and Modern Day Slavery" is available to all Bechtel employees. It focuses on how to identify the warning signs of modern slavery and how to manage it, and incorporates mini-tests requiring the application of training knowledge to potential real-world scenarios. The course is mandatory for specific populations of employees who due to the nature of their work, function, or location may be more likely to encounter the signs of modern slavery. In 2020, we took the initial steps needed to translate the course into Spanish and completed translation in early 2021 so that it is now available to a broader population of employees. A workshop format, designed with the flexibility to address particular local issues and risks and share best practices on how to manage them, is also available to project management teams where human trafficking and forced labor might be a higher risk on their project sites.

In 2020, our Infrastructure GBU assigned all contracts and procurement staff the "Human Trafficking and Modern Day Slavery" course for completion over financial years 2020-2021. Approximately 56% of those personnel completed the course in financial year 2020 and the rest are scheduled for completion in financial year 2021. In addition, Infrastructure conducted commercial awareness trainings for several projects, which contained reminders of the GBU's commitments and legal requirements surrounding human trafficking and modern slavery, red flag situations to watch out for, and reporting duties and mechanisms. More specifically, a commercial awareness training was conducted for one of BLTD's projects located in the United Kingdom, which included content on the customer's Modern Slavery Act policies and how Bechtel's own Code of Conduct and policies against human trafficking and slavery would continue to apply to the project teams throughout their secondment to the customer. Another of BLTD's projects located in the United Kingdom conducted five training sessions to ensure that the team understood the risks and potential indicators of human trafficking and slavery. In addition, to raise general awareness of the issue in Infrastructure, communications released an internal news article entitled "July 30 is the UN World Day Against Trafficking" and linked to the United Nations' website, Bechtel policies, our online "Human Trafficking and Modern Day Slavery" course, as well as a video produced by the Stronger Together Tackling Modern Slavery in Supply Chains initiative.

## d. Upfront Risk Assessment & Mitigation Planning

Bechtel policy requires an upfront risk assessment before commitment to a customer's project. This includes identifying sustainability risks, which include not only environmental risks but risks to the safety and well-being of people who can be affected by our projects, or reputational risks arising from association with or performance of services for a customer or partner whose reputation for business practices and ethics does not match our own.

Similarly, Bechtel policy requires substantial due diligence before entering project specific or multi-project joint associations to ensure that the proposed third-party associate has ethical standards compatible with our own. Specifically, joint association approval requests must address any character, reputation, ethics or compliance issues and the proposed associate's commitment to Bechtel's standards regarding ethics, compliance with laws, health, safety, the environment and sustainable development. This upfront risk assessment encourages early and proactive risk mitigation planning and actions.

## 2. Foreign Migrant Workers

The technical challenges of large engineering and construction projects combined with the lack of sufficiently skilled craft persons in many countries means that some of our customers' projects require the recruitment of foreign migrant workers. The recruitment and employment process of craft persons varies from project to project. Bechtel, a joint venture partner, or subcontractors may have varying levels of responsibility or shared responsibility over the process. But regardless of with whom the responsibility lies, Bechtel seeks customers, partners and subcontractors who share our values and promotes global standards of ethical business conduct through these relationships. Bechtel's Guiding Principles on the Recruitment and Employment of Foreign Migrant Workers helps ensure a consistent approach to ethical recruiting and managing of foreign migrant workers, engaging our joint venture partners who may be responsible for recruiting and managing migrant workers, and communicating our standards to customers and other external stakeholders. The Guiding Principles provide that:

- Relevant policies and procedures should treat migrant workers fairly and without any form of discrimination.
- Contract terms and conditions should be written and communicated in a manner that is understood by migrant workers, and employment should be with a recognized and authorized employer in the country of work.
- No recruitment or placement fees should be collected.
- National passports, identity and residency document should be accessed freely by migrant workers.
- Wages should be paid regularly and directly to migrant workers per contract terms.
- Freedom to join worker associations and bargain collectively should be available to migrant workers.
- Migrant workers should be provided with humane, safe, and secure working conditions, accommodations, and transportation between the work site and living quarters.
- Migrant workers should not be subjected to any form of intimidation or inhuman treatment, including in disciplinary matters.
- Access to legitimate grievance mechanisms and resolution processes should be provided to migrant workers without fear of retaliation or dismissal.
- Upon completion of work, or under special circumstances per contract terms, migrant workers should be able to return to their home country or seek other employment in the country of work without restrictions.

On projects in which Bechtel controls the recruitment and employment process, our contracts for recruitment services clearly state that Bechtel does not tolerate activities that support trafficking in persons, including the use of slavery, forced labor, child labor, or human trafficking, and require the contractor to represent it

will adhere to these standards and not use any form of forced, bonded, compulsory labor, slavery or human trafficking. They also require an identical representation in any third-party contracts used in providing the recruitment services. Regarding the worker's employment contract, recruitment services contractors are required to provide workers sufficient time and opportunity to read the entire agreement. When needed, the recruiter is also required to read the agreement to the worker in the worker's language and answer all the worker's questions relating to the agreement in the worker's language to ensure full understanding before signing. In addition, Bechtel's contracts specifically prohibit recruitment services contractors from accepting or requesting any payment of any kind from any potential worker. To assess the effectiveness of such prohibition, Bechtel is starting to incorporate a question about whether the candidate worker has paid any such fees and a statement that no such fees are allowed or required into its candidate interviews.

On projects in which Bechtel does not control the recruitment and employment process, Bechtel uses its influence and available leverage to help steer the controlling party toward the best practices reflected in its Guiding Principles on the Recruitment and Employment of Foreign Migrant Workers.

### 3. Supply Chain

We manage modern slavery and human trafficking risks in our supply chain by establishing clear expectations with our supply chain, conducting due diligence reviews of suppliers, incorporating terms and conditions relating to modern slavery and human trafficking in awarded contracts, and conducting in-shop or desktop reviews of suppliers during performance to identify potential issues.

#### a. Setting Clear Expectations

We set clear human rights and anti-slavery expectations for our supply chain through our [Suppliers & Contractors Portal](#), our [Supplier Guide: Executing Work with Bechtel 2020](#), and [Bechtel's Expectations for Suppliers' and Subcontractors' Conduct](#). In addition to stating that Bechtel does not tolerate the use of slavery, servitude, forced or compulsory labor, or human trafficking, these publications provide that Bechtel expects suppliers and subcontractors to:

- Employ workers above the applicable minimum age requirement;
- Maintain a workplace free from threats of violence, physical abuse, or other conduct that fails to respect the safety and dignity of the worker;
- Comply with applicable wage laws and, upon end of employment, pay for return transportation costs for workers recruited from outside the country;
- Not charge workers' recruitment fees or utilize firms charging workers such fees, and to not utilize fraudulent or misleading recruitment practices;
- Not withhold a worker's passport or immigration documents;
- Provide workers a process for escalating and reporting concerns without retaliation;
- Develop policies prohibiting slavery and human trafficking and train their staff on how to identify such practices; and Contractually require their suppliers to conform to the same standards.

In addition, although Bechtel is not a manufacturer and is a privately held company, we expect our suppliers to adhere to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which aims to prohibit the use of conflict minerals (gold, tungsten, tantalum, and tin) from the Democratic Republic of the Congo or adjoining countries. Suppliers are expected to conduct due diligence to preclude the sales or installation of any materials or equipment that contain conflict minerals.

#### b. Identifying, Selecting and Contracting with Suppliers

Suppliers managed by our procurement function go through a restricted parties list review that vets the suppliers across 40 different databases, identifying companies with a human trafficking history, and we review all suppliers against our internal warnings and advisories, which identifies concerns raised in the performance of prior work with Bechtel. Next, we apply a risk-based due diligence vetting process of suppliers focusing on locations, scopes of work, and the nature and value of the products or services that have a higher risk of modern slavery or human trafficking and conduct additional reputation and media report screenings.

Depending on various commercial factors, Bechtel may engage joint venture partners or exclusive subcontractors before bid submittal. Before contracting with them, these companies undergo an enhanced due diligence review that involves screening for any ethics and compliance red flags, including modern slavery and human trafficking.

Once vetted and selected, Bechtel's standard contract terms and conditions require that no human trafficking or slavery is used anywhere in the supplier's or subcontractor's business or by any of the suppliers or subcontractors in its own supply chain. These terms and conditions were updated during financial year 2020. Bechtel seeks to implement its standard terms and conditions or equivalent terms on human trafficking or slavery. Our suppliers and subcontractors agree to comply with all applicable local and national laws and regulations, and we have the right to terminate contracts with suppliers and subcontractors that breach our terms and conditions.

Our standard terms and conditions also provide that, at the project site, all suppliers and subcontractors must comply with Bechtel's rigorous safety and health plan. This plan includes Bechtel's core processes for safety and health to ensure all workers – both Bechtel's and its supply chain's – adhere to our zero-accident values.

In financial year 2020, projects in our Mining & Metals GBU worked on cascading human trafficking and slavery terms and conditions into their purchase orders and contracts. In some cases, these are Bechtel's standard terms and conditions and in other cases they are our customers' standard terms and conditions relating to human trafficking and slavery. For instance, a BWAPL project in South Australia is using its customer's terms and conditions on this subject.

#### c. Assessing Effectiveness by Managing & Monitoring Supplier Relationships & Performance

In addition to upfront vetting and contract requirements, Bechtel manages and monitors its supplier relationships and supplier performance. Bechtel Supplier Quality & Expediting's ("BSQE") primary function is communication with and visits to suppliers' facilities reinforcing our proactive approach to resolving potential issues, which helps suppliers deliver consistent value to the customer in a timely manner. To verify compliance with purchase order requirements and specifications, supplier quality surveillance is performed in accordance with approved quality surveillance plans. Our quality surveillance checklist and report for our suppliers' facilities includes a Sustainability Section requiring the assessor to identify and report any signs of underage workers, involuntary labor, or worker abuse and to identify any indications of worker restrictions that might prevent reporting of grievances or concerns. If any issues are flagged by the assessor, it goes directly to the project representative and BSQE supervisor and management for review and follow-up, and all records are kept in our supplier quality database. In consultation with BSQE, projects may choose to engage a third party provider to conduct a workplace conditions assessment or initiate an investigation if a positive flag is identified during a BSQE surveillance assignment. In 2020, COVID impacted BSQE's usual work practices due to travel restrictions and quarantine requirements. BSQE adapted by adjusting its mode of travel, relying on third party providers located in country in lieu of travel when needed, and developing protocols and testing technology allowing for remote surveillance and surveys where access was restricted.

Along with supplier quality surveillance, we annually identify our key suppliers based on spend and provision of critical equipment or services and conduct a desktop review of a select group of those suppliers' policies and approaches to many areas of sustainability, including modern slavery and human trafficking. The suppliers and subcontractors targeted for review are sent a survey and their responses are scored. For responses deemed

deficient, they are provided a cure period. Failure to cure deficiencies results in a supplier advisory being issued to Bechtel's procurement and contracts personnel, which remains in place until the deficiencies are rectified. Where we have higher risk suppliers, e.g., countries without strong labor laws or identified modern slavery issues, we have a process for engaging a third-party entity to conduct a review of the supplier's facility. Where we find corrective actions are needed, we will brief the supplier, and conduct a follow-on review of corrective actions taken. In financial year 2020, procurement conducted seven key supplier desktop reviews. In addition, Bechtel Global Logistics ("BGL"), a discipline focusing on the safe, timely and cost-effective delivery of materials and equipment, conducted desktop reviews of twelve of its key trucking companies in 2020, including whether they had policies, procedures or programs addressing modern day slavery in their operations and supply chains. The outcome of the reviews suggested there was additional educational opportunities for raising awareness of the risk of modern slavery and human trafficking in this sector.

BGL worked to raise awareness of human trafficking within the transportation industry and across multiple modes of transportation (e.g., ports, roads, etc.) by sponsoring a panel discussion on the subject with the US Exporters Competitive Maritime Council (ECMC), attending the US Department of Transportation's "Combating Human Trafficking in Transportation" virtual event in December 2020, and encouraging BGL's logistics service providers to share information, lessons learned and methods they are employing to reduce the risk of human trafficking in the transportation and logistics industry. BGL is also engaging with a university to facilitate research on the effectiveness of current human trafficking campaigns and how they might be improved.

In 2020, the United States Department of State and United States Council for International Business alerted companies of potential forced labour and other human rights abuses in the Xinjiang Uyghur Autonomous Region of the Peoples Republic of China. In response, Bechtel procurement and sustainability assessed the supply chain and potential exposure to this risk and determined that there was none.

#### 4. Assessing Effectiveness by Audit and/ or Adoption of Compliance Plans

Audit and compliance plans are important tools in ensuring that corporate policies and procedures relating to human trafficking and slavery are being implemented and cascaded throughout the Bechtel group of companies and that contract provisions relating to the same are being complied with.

##### a. Corporate Internal Audit

Bechtel's Internal Audit function provides an independent evaluation of internal controls over: (i) compliance with policies and procedures; (ii) the reliability and integrity of information provided to management; and (iii) processes which safeguard the group of companies' assets. With respect to modern slavery, Bechtel's Internal Audit function verifies that human trafficking terms and conditions are incorporated in project pro formas and in sampled purchase orders and subcontracts. In addition, for project payroll audits, Internal Audit monitors whether hours worked by project personnel are potentially at risk of violating local labor laws. Internal Audit identifies projects for inclusion in its annual work plan through an assessment of risk attributes of active projects. The risk attributes that overlap with modern slavery risk are country of execution, and procurement and construction scopes of work. BLTD's, BAPL's and BWAPL's projects did not fall within Internal Audit's work plan for 2020.

##### b. Project Self-Assessments and Audits of Suppliers

In 2020, one of BLTD's projects located in the United Kingdom conducted a self-assessment against its contractual obligations relating to UK Modern Slavery Act 2015 and audited its subconsultant for compliance with the same provisions. In preparation for its subconsultant audit, it developed an extensive audit checklist including but not limited to such subjects as organisational approach, policies, recruitment, applicability of Section 54 of the UK Modern Slavery Act 2015, training, and worker rights and welfare.



##### c. Project Compliance or Management Plans

Compliance plans are a tool for ensuring effectiveness of policies and contract provisions relating to human trafficking and slavery. For instance, our Nuclear, Security & Environmental GBU performs work under United States Government contracts that may incorporate the Federal Acquisition Regulation (FAR) Clause FAR 52.222-50 regarding "Combating Trafficking in Persons." Its policy to combat trafficking in person identifies compliance plans, addressing such subjects as awareness, reporting, monitoring, recruiting and housing, as a potential method for ensuring

compliance. In 2020, a new Nuclear, Security & Environmental project adopted a Combatting Trafficking in Persons Compliance Plan that was flowed down from the prime contractor.

Similarly, BLTD's UK project that conducted a self-assessment and audit of its subconsultant in 2020 did so in furtherance of its Modern Slavery Act Compliance Strategy, which detailed the actions to be taken to assess compliance. Additional information regarding BWAPL's Modern Slavery Management Plan is provided below in "A Project Case Study."

## A Project Case Study

### Early Project Development Planning, Western Australia

BWAPL is working with its Customer to ensure modern slavery risk is assessed and mitigated in a project located in Western Australia. In 2019 the BWAPL project team assessed the risk of modern slavery in the project supply chain, which identified potential higher risk suppliers and is used to support the project's supplier quality audit process. In 2020 the BWAPL project team prepared and issued a Modern Slavery Management Plan outlining the systems and processes to be followed to mitigate against modern slavery during the construction of the project. The Plan covers topics including but not limited to policies, compliance, due diligence processes, risk management, supply chain verification and training.



In furtherance of its Modern Slavery Management Plan, BWAPL's project team has implemented modern slavery compliance flow down requirements to its supply chain. It has presented Toolbox Talks to its project team members in New Delhi, Houston, and Western Australia to raise awareness of modern slavery issues and compliance. And it has incorporated into the Project orientation training a modern slavery awareness module focusing on the prevention of human trafficking and slavery in the Project supply chain and business. This training is mandatory prior to provision of site access. In addition, it has refreshed its Project grievance management system by developing an online project portal for employees and subcontractors to report any real or perceived concerns of human trafficking or slavery. If the Project moves forward in 2021 as planned, BWAPL's project team anticipates thousands of their workforce completing the orientation training which includes the modern slavery awareness module.

This work can serve as a model for modern slavery risk assessment and due diligence on major construction projects and provide a template for the development of such plans on future projects in Australia and elsewhere.

## Industry Engagement

We understand the importance of engaging and collaborating with the broader engineering and construction industry and across industries to promote best practices and elevate standards to prevent forced labor and human trafficking. That's why Bechtel was one of the founding members of [Building Responsibly](#), a group of engineering and construction companies working together to raise the bar in promoting the welfare of workers across the industry. We serve on its steering committee and helped to develop its ten [Worker Welfare Principles](#) and implementation [Guidance Notes](#), which were published in 2019 for all companies and stakeholders to use. In March 2020, Building Responsibly held a COVID-19 webinar to flag the potential human rights issues that could arise during the pandemic as well as health and safety issues. The webinar provided participants with the opportunity to share their challenges, actions to meet such challenges and helpful resources.

Bechtel also serves as vice chair of the [Corporate Responsibility Committee of the U.S. Council for International Business](#), an association of 300 U.S. multinational companies. The Committee promotes policies and practices to international standard-setting bodies to strengthen governments' responsibilities to develop and enforce legislation and regulation to prevent modern slavery and engage companies to share their experiences and best practices.

We will continue to engage with diverse organizations to help advance a safer, healthier environment for all workers in the engineering and construction sector and other industries.

## Process of Consultation

Because employees, Officers and GBU Managers and several functional groups (e.g., contracts & procurement, human resources and Global Workforce Services, ethics & compliance, sustainability) are responsible for applying Bechtel's policies against human trafficking and modern slavery, a cross-GBU and cross-functional group was created to share updates, ideas and good practices relating to human trafficking and modern slavery across the Bechtel group of companies and to support the development of goals and the implementation of relevant policies, principles, processes, and legislation. In addition, the group supports Bechtel's 2030 enterprise goal to engage 100 percent of our key suppliers to promote sustainability in the delivery of materials and services, and prevent modern slavery, including within their own supply chains. This group includes representatives of the four GBUs and representatives located in, or with responsibility over, the key regions in which Bechtel operates, including the United Kingdom and Australia. This Statement was prepared in consultation with this cross-GBU and cross-functional group, the Corporate Manager of Sustainability, the Corporate Legal Department, the heads of legal for each of the GBUs, and with select members of the Boards of BLTD, BAPL, and BWAPL prior to review and approval by the Boards of BLTD, BAPL, and BWAPL.

For and on behalf of Bechtel Limited

John M. Williams, Director

For and on behalf of Bechtel Australia Proprietary Limited

R. Leigh Clifford, Director

For and on behalf of Bechtel (Western Australia) Pty Ltd

Ailie MacAdam, Director





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