



# JKC MODERN SLAVERY STATEMENT

for  
FINANCIAL YEAR ENDING 30 JUNE 2021

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## Overview

At JKC, respect for human rights is a core motivation inherent in our business operations and is embedded in our core beliefs and values, and manifests in our collective and individual behaviours and organizational culture. We aim to treat everyone with the utmost respect and equity and create a safe and ethical sound working environment. Aligning with our core values and beliefs, any action taken to date or planned in the future will enhance our ability to address the risk of modern slavery in our operations and supply chain.

Preventing modern slavery practices is a complex issue which has a global impact and eliminating the potential for modern slavery practices in our operations and supply chain is key to our commitment. Our second statement reports on the steps JKC has taken in the financial year ending June 2021 to progress our journey and to assess and adequately mitigate the risk of modern slavery. It has also reinforced clear expectations for our people, clients and suppliers. We take responsibility to further develop and refine processes and systems with our suppliers, clients, workforce and external stakeholders to increase compliance and our understanding of modern slavery risks, and the role we can play to address them.

To govern our approach JKC's Legal Department (Legal Department) assists the Board with objective oversight of the approach taken to address modern slavery risks within JKC in accordance with JKC risk management principles. In the following statement, we have considered the areas in which JKC could potentially cause, contribute to, or be directly linked to modern slavery through our operations and supply chain. While we have not identified any instance of modern slavery practices, the three areas of the business that are most susceptible to modern slavery risk are our people, our stakeholders and our supply chain.

We have commenced our journey with rigor, based on data collation, analysis, and due diligence. As we progress, we will continue to refine and further improve our approach and assessment to identify and respond to the risk of modern slavery practices within our organization.

## Our Commitment

JKC stands firmly committed to:

- Ensuring that the risk of modern slavery practices within JKC's business operations are understood and addressed in accordance with the internationally recognized principles governing our parent organizations and with the *Modern Slavery Act 2018* (Cth)
- Eliminating the potential for modern slavery practices in our operations and supply chain
- Utilizing due diligence procedures to create an action plan and set out next steps for JKC to achieve its goals to address the risk of modern slavery in our operations and supply chain
- Ensuring transparency with our employees, clients, suppliers and stakeholders regarding the progress to date, along with our commitment and intent going into the future
- Developing a plan to measure the effectiveness of the approach taken to address the risks associated with modern slavery. JKC is satisfied with the progress that has been made to date, in identifying and addressing potential shortcomings in our approach and responding to the risk of modern slavery in our operations and supply chain before the release of our FYE 2021 Modern Slavery Statement
- Continuing to improve our approach and response to the various risks associated with modern slavery. JKC's reference to modern slavery throughout this Statement follows the principles set out in the Global Survey Index 2018. Modern slavery is an umbrella term used to refer to

situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, deception and or abuse of power.

## Our Structure and Operations

This statement has been prepared in accordance with the Australian *Modern Slavery Act 2018* which came into effect on 1 January 2019. A Modern Slavery Statement must be submitted within six months after the end of the reporting entity's financial year. The reporting period is the entity's first full financial year that commences after 1 January 2019. Due to COVID-19, the submission date for reporting entities with a 30 June 2020 year end was extended to 31 March 2021.

As part of our modern slavery assessment, we have collated data and performed analysis across our organization and our various vendors, undertaking a consistent and streamlined approach in assessing and addressing modern slavery risk.

### About Us

JKC was formed for the sole purpose of constructing the Ichthys Onshore LNG Facilities located on Bladin Point in the Northern Territory of Australia ('Project'). JKC has three shareholders: JGC Oceania Pty Ltd, who owns 40% (JGC); Kellogg Brown & Root Pty Ltd, who owns 30% (KBRPL); and Chiyoda Corporation ('Chiyoda'). JKC's headquarters is in Perth, Western Australia.

JGC is a subsidiary of JGC Holdings Corporation, a group of five major operating companies with two business segments: EPC business and functional materials manufacturing. JGC is listed on the first section of the Tokyo Stock Exchange and headquartered in Yokohama, Japan.

KBRPL is a subsidiary of the KBR Group, a global group of companies providing consulting, technology, engineering and construction solutions for a while range of markets, from aerospace and defence to energy and chemicals to intelligence. The KBR Group's head office is in Houston, Texas, and the parent entity is the NYSE listed KBR, Inc.

Chiyoda is a global engineering company specialized in oil and gas midstream for gas processing and LNG, downstream refinery and petrochemicals facilities design and construction. Chiyoda is listed on the Tokyo Stock Exchange and headquartered in Yokohama, Japan.

### Operations

JKC operates out of its head office in Perth. It has no direct employees; personnel are seconded from its shareholders or their affiliates. JKC's seconded personnel are primarily made up of Australian, US, UK, and Asian nationals.

The construction of the Project at Bladin Point is finished; JKC's current operations are limited to resolving commercial matters with Inpex, the owner of the Project, and its subcontractors and vendors. As a consequence, JKC's operations and supply chains are limited to these commercial activities.

As part of these commercial activities, JKC has engaged a variety of law firms, accounting firms, and other professionals located primarily located in Australia, the US, and the UK.

JKC pre-approves all locations where work is performed by and individuals performing work for its law firms, legal professionals, and experts as part of its enhanced ethics compliance obligations for such persons. Other vendors are scrutinized before entering into any commercial arrangements and then periodically thereafter for compliance purposes.

Given the limited nature and narrow focus of its commercial activities, JKC considers the risks of modern slavery to be small.

JKC nonetheless provides reporting hotlines and all employees seconded to JKC are required to attend ethics training that includes information and directions for actions to be taken should human trafficking be detected or suspected.

## Modern Slavery Risk Areas

The modern slavery risk factors that have been included in our assessment and elevate the risk of potential modern slavery across the three areas (people, clients and supply chain) are:

- High risk sectors or industries
- High risk countries and geographic locations
- High risk business models (as an example, labour hire or outsourcing arrangements)
- Vulnerable groups (as an example, migrant workers).

The Global Slavery Index 2018 and United Nations Guiding Principles on Business and Human Rights are external research sources used to inform our approach.

Our risk-based approach to modern slavery involved assessing each area to understand where modern slavery risk factors exist or where there is a reasonably foreseeable risk of modern slavery practices. This assessment was used to formulate a risk rating across the three areas as either low, moderate or high risk, and inform the allocation of resources and effort for the purposes of our due diligence.

## Primary Due Diligence Findings

INHERENT RISK AREA	LOW RISK	MODERATE RISK	HIGH RISK
PEOPLE	•		
VENDORS		•	

### People

As a professional services firm, we are of the view that the risk of modern slavery in relation to our people is low, due to the level of skills and expertise of our resources and the fact that we operate solely within Australia.

### Vendors and Suppliers

We consider JKC's procurement of goods and services to carry the highest foreseeable risk of modern slavery. The following complexities explain why vendors are inherently a higher risk and the primary focus of our due diligence:

- The geographical locations within which these vendors operate
- The composition of their workforce

- The business models that are used in their operations.

## Impact of the Pandemic

The coronavirus (COVID-19) global pandemic has and is still presenting significant challenges to the global economy. COVID-19 impacted our business, people, and supply chain in FYE 2021 and continues to have an impact:

- As a result of the pandemic the demand for certain categories of spend within JKC which include stationery, cleaning and travel-related expenses has decreased
- The timing of certain planned actions to assess and address modern slavery was delayed due to the pandemic
- As part of our compliance monitoring and Internal Inspection Programme procedures, we have increased the level of scrutiny applied to client on-boarding, to gain further assurance that clients which JKC would ordinarily not do business with are not accepted without appropriate risk assessment
- Challenges as a result of the pandemic may impact the ability of a business to provide security to its workforce. Assessing the likelihood of vulnerable workforces within our supply chain was a key area of focus and continues to be so.

## Our Actions

### Vendors

#### Supplier due diligence

As part of our due diligence in the preparation of this statement, each of our vendors and subcontractors were contacted and asked to supply either their own anti-slavery statement, or in the case of entities too small to be required to have a statement under the Act or to which the act doesn't apply – such as the International Criminal Court, submit to us a guarantee that they do not engage in any practices defined as slavery by the Act.

Beyond this, our due diligence approach to assess the risk of modern slavery practices within our supply chain comprises three steps:

<b>Step 1 – Analysis of vendor risk profile</b>	<b>Step 2 – Request for supplementary information for suppliers who were considered to be higher risk and analysis of their responses</b>	<b>Step 3 – Risk ratings applied to higher risk suppliers and supplemented by further information from those suppliers where and if necessary</b>
<ul style="list-style-type: none"> <li>• Collated and categorized supplier data for JKC to inform a supplier risk matrix</li> <li>• The supplier risk matrix was filtered to include:               <ul style="list-style-type: none"> <li>- Suppliers where the amounts spent were considered</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Reviewed the Modern Slavery Statements of high risk suppliers</li> <li>• Prepared to forward and forwarded a Modern Slavery Supplier Questionnaire to high risk suppliers where further information was required</li> </ul>	<ul style="list-style-type: none"> <li>• Based on the information contained within the high risk supplier's Modern Slavery Statement or responses to our Modern Slavery Supplier Questionnaire, we further assessed the risk of modern slavery, for the purposes of rating</li> </ul>

<p>material and in excess of a pre-defined threshold value were prioritised (high risk suppliers).</p>	<p>for the purposes of the assessment.</p>	<p>suppliers using the approach outlined in the 'Risk Methodology'</p> <ul style="list-style-type: none"> <li>• If, based on the information made available, the adequacy of the supplier's response required further clarification, JKC then engaged in further discussions with the supplier.</li> </ul>
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The vendor due diligence highlighted that the largest percentage of spend across property leases, operations and IT & technology is attributed to nineteen vendors:

- The largest percentage of property lease spend is with a single supplier who is subject to the Act and has published a Modern Slavery Statement
- The largest operational spend is with two suppliers; both suppliers are subject to the Act and have published a Modern Slavery Statement
- Large volumes of IT & technology spend relate to three suppliers which are subject to the Act and have published a Modern Slavery Statement.

### Vendor Due Diligence Summary

JKC seeks to only do business with suppliers that apply similar values and ethical practices as our firm, including those related to human rights and modern slavery. We have gained further insight and assurance into our suppliers by using the modern slavery risk approach and methodology set out above. We will continue to enhance our approach and methodologies by further developing and refining these tools and approaches in the FYE 2021 reporting period.

### Outsourced Vendor Provider Due Diligence

Our due diligence approach to assess outsourced service providers was similar to the approach outlined above for suppliers. The analysis of data and filtering of the outsourced service provider risk matrix was performed with special consideration of potential modern slavery risks where those providers operate in regions where there is a higher risk of workers being utilized in slavery-like conditions. The risk assessment process acknowledged that the nature of the services provided by outsourced service providers to JKC is largely comprised of administration support, legal and commercial services. These services feature a low risk category.

### Findings

After following through this process, the following findings were presented to and approved by management:

Group	Vendor	Act Compliance	Initial Risk Attribution	Final Risk Attribution
<b>Legal S/C</b>				
1.	DLA Piper	Yes	Low	Low
2.	Clyde & Co	Yes	Low	Low
3.	Solomon Brothers	Yes	Low	Low
4.	Rhodes	Yes	Low	Low
5.	Holman Fenwick Willan (HFW)	Yes	Low	Low
6.	Driven, Inc.	Yes	Low	Low
7.	ICC International Court of Arbitration	N/A	N/A	Low
8.	Vinson & Elkins LLP	Yes	Low	Low
<b>Other S/C</b>				
9.	FCM Travel Solutions	Yes	Low	Low
10.	Vocus Pty Ltd	Yes	Low	Low
11.	Quest East Perth	Yes	Medium	Low
12.	Ankura Consulting Pty	Yes	Low	Low



LPOs	KPMG Australia	Yes	Medium	Low
13.	Vocus Pty Ltd	Yes	Medium	Low
14.	Troppus It & Management	Yes	Low	Low
15.	Iron Mountain Australia	Yes	Low	Low
16.	Adobe Systems Software	Yes	Low	Low
17.	NTT Australia Pty	Yes	Low	Low
18.	Fujifilm CSG	Yes	Low	Low
19.	DHL Express	Yes	Low	Low

### Next Steps for Vendors

The due diligence process has provided us with insight into the next steps that can be taken to further improve our approach and assessment of modern slavery practices in relation to suppliers, and ensure that clear expectations are set out for our people when engaging suppliers and assessing their conduct:

- Any new suppliers where minimum spend exceeds the pre-defined monetary threshold, regardless of category, will be subject to a risk assessment, which includes completion of our Modern Slavery Supplier Checklist.
- New suppliers that meet the pre-defined threshold requirements will be required to confirm their acceptance of the JKC Supplier Code of Conduct. The Supplier Code of Conduct will include modern slavery related expectations which incorporate the UN Global Compact's ten principles, which include an undertaking by the supplier to:
  - Adopt a fair, safe and ethical approach to business
  - Take reasonable steps to identify, assess and address risks of modern slavery practices in the operations and supply chains used in the provision of goods and/or services

- Abide by legislation and best practice in relation to modern slavery
- Inform JKC and take action to address or remove any modern slavery issues that arise in the performance of the supplier contract.
- The outcome of the modern slavery risk assessment for each supplier will be incorporated into the overall evaluation of the supplier.
- We will further supplement the above by considering due diligence for suppliers below the current monetary threshold if the supplier is linked to a high risk industry or category, is located in a high risk country or geography, or where the workforce may potentially be vulnerable.
- Ongoing communication to ensure there is full awareness by those responsible for engaging with suppliers, to ensure that revised procedures are fully understood and applied in order to appropriately assess the risk of modern slavery prior to on-boarding a supplier.

## Ongoing Assessment of Modern Slavery Risk

The foundational work leading into our first reporting period provides a base whereby we can leverage the data collation, analysis and due diligence performed to date, and actions taken, to pave the way for enhanced monitoring and reporting in FYE 2021. The bulk of our efforts and resources have focused on assessment of our vendors, with further actions planned to enhance our approach to assessing suppliers in FYE 2022.

Our approach to measuring the effectiveness of how we assess and manage modern slavery related issues continues to evolve. Currently we monitor compliance with our policies and procedures through our monitoring programs. To the extent not already addressed we will supplement information to further address modern slavery in the required ethics training for employees assigned to JKC.

We are committed to communicating transparently regarding the risk of modern slavery in our operations and supply chain. Clients, vendors and other stakeholders who approach us directly for information in relation to our Modern Slavery Statements outside of what is disclosed in this Modern Slavery Statement will be directed to the Company Secretary.

## Approval of statement

This is the modern slavery statement of JKC Australia LNG Pty Ltd for year ending 30 June 2021, having been approved by the Board of Directors by circular resolution on 2 December 2021 and is submitted in accordance with Section 13 of the Modern Slavery Act 2018 (Cth).

Robert Kirchhoff, secretary of JKC, has been authorised to execute this statement on behalf of JKC Australia LNG Pty Ltd.

### **JKC Australia Pty Ltd**

By: Robert Kirchhoff, Company Secretary

Authorised Person

Signed: \_\_\_\_\_