

Our Statement FY20/21

Modern Slavery Act

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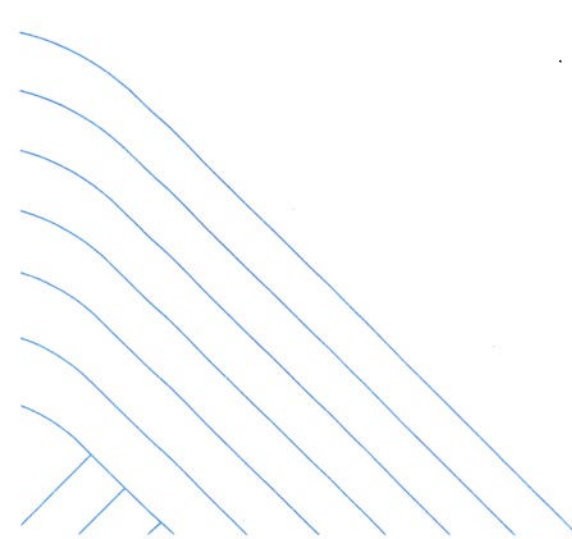


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1. Introduction

Decmil is subject to the Modern Slavery Act (2018) (Cth) ('Act') that commenced in operation on 1 January 2019. This is our second annual modern slavery statement as required by the Act. Decmil is committed to protecting human rights within the areas over which it has control and to adhering with the Modern Slavery Act 2018.

The Act defines modern slavery as including eight types of serious exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour, and deceptive recruiting for labour or services. Traceability and transparency are key focuses for Decmil to ensure sustainable and ethical sourcing within our Supply Chain.

Decmil are committed to ensuring that all Project personnel understand the nature of their obligations under the Act and are sufficiently committed and well informed to be able to play their part in the protection of human and environmental rights.

About Decmil

Decmil Group Limited deliver integrated construction and engineering solutions across the infrastructure, transport, energy, renewables and resources sectors. And we have been doing it for over 40 years.

Decmil is a public company listed on the Australian Stock Exchange (ASX code DCG). Since our establishment in 1978, Decmil has remained an Australian owned business that is focused on providing full cycle construction and engineering project delivery. Today, we have offices in Perth, Western Australia; Brisbane, Queensland and Melbourne, Victoria.

Operating across Australia, Decmil offers a combination of national expertise and local knowledge, supported by a team of valued suppliers and subcontractors. Regardless of the size, scope or location, we are renowned for working collaboratively with our clients, delivering successful projects on time and on budget.

For more than 40 years, and often in remote and challenging locations, we have collaborated with our clients to deliver solutions for: Transport, Mining Infrastructure, Non-Process Infrastructure; Building; Defence & Detention; Oil & Gas; Fuel Infrastructure; Health & Education; Wind, Solar & Battery; Accommodation; Structural, Mechanical & Piping; Electrical, Instrumentation & Controls; and Maintenance.

Our clients vary from government sectors in transport, defence, immigration and health to blue chip clients in the resources, commercial and industrial sectors. We work closely with our clients to achieve innovative and cost effective solutions.

We are committed to the sustainable development of our business through effective management of the economic, environmental and social issues and risks encountered by Decmil. Integral to our sustainability is:

- Our commitment to being the preferred contractor to our core markets;
- Continuing to develop our growth strategy and business plans; and
- Maintaining and enhancing the trust and loyalty of our employees, customers, suppliers, communities and shareholders.

Our commitment to a sustainable future is underpinned by principles which shape our approach to people & safety, business performance & governance and environment & communities in which we operate.

By following these principles, Decmil will ensure sustainable development and continue to deliver strong returns to shareholders.

Organisational Structure

This statement is for Decmil Group Limited (the ultimate parent company in the Decmil Group). Entities within Decmil Group include Decmil Australia Pty Ltd, Decmil Southern Pty Ltd, Decmil Engineering Pty Ltd and Homeground Villages Pty Ltd (together referred to as we, us, our, Decmil within this statement.)

For further information about Decmil, please refer to www.decmil.com.

2. Our Governance Framework

At Decmil, we are committed to excellence in corporate governance and accountability. This is integral to achieving long term sustainability of our business and to protect and enhance the interests of all of our stakeholders.

Decmil's management of modern slavery risks falls within its overall approach to protecting human rights. The foundation documents for human rights protection are the Company's values, our Code of Conduct and our Human Rights Policy.

Our Values

Our values have been developed to ensure the personality of Decmil has been captured in a meaningful way that can be easily absorbed and applied to day-to-day activities within Decmil.

Solutions

We know there is a way to achieve a positive outcome and don't stop until we find it. Our capabilities are enhanced by empowering our teams in supporting new ways of thinking and valuing the diversity of thought.

Collaboration

We support each other to reach our goals and value effective partnerships both with colleagues and with clients. In every scenario, we seek out opportunities to collaborate. It is the belief that we are better as one, moving together towards common goals and sharing our experiences to improve outcomes.

Sustainability

Providing value to our employees and shareholders through sustainable business choices is paramount to our success. In tandem, we care about the world around us and consider the impact of our actions.

Integrity

We do what we say and ensure that our actions instill trust and show respect for others. For us, it acts as the foundation for positive relationships and sets us apart in the way we do business.

Performance

We strive for excellence and deliver results while accepting accountability and aiming to exceed expectations. It is a commitment that we will deliver our best, and approach challenges with grit and a will to succeed.

Code of Conduct

Our Code of Conduct ('Code') sets a standard of behaviour throughout Decmil which guides how we act when performing our work, how we make decisions and against which we can measure our performance and hold ourselves accountable. All Decmil employees are expected, at all times, to act consistently with the Code.

The Code comprises principles that apply in various aspects of our working environment, including how we interact with colleagues and how we engage third parties to perform work for us or to represent us. Beneath each principle, the Code provides an explanation and then practical implications for what we must do and what we must not do and provides examples to illustrate how the principles can apply in specific situations.

Our Code outlines where to go for further help, and how to raise concerns through various channels. . . Our Board, CEO and Executive Leadership Team are deeply committed to our Code.

All Decmil employees are responsible for knowing and following the ethical, legal and policy requirements that apply to their jobs and for reporting any suspected breaches of law or of our Code.

Supplier & Subcontractor Code of Conduct

Our Supplier & Subcontractor Code of Conduct ("SCOC"), sets out the minimum standards of behaviour that Decmil expects our suppliers and subcontractors to meet in the areas of business integrity, health and safety, environmental, labour and human rights and compliance.

Decmil expects suppliers and subcontractors to read, understand and ensure that their business and supply chain meet the standards outlined in the SCOC. Supplier's and Subcontractor's ability to meet the standards in the SCOC will be taken into account when making procurement decisions.

Human Rights Policy

Decmil recognises the importance of protecting human rights and is committed to protecting the rights of all people including its employees and the communities in which we operate in.

One of the potential major human rights challenges facing Decmil is the risk of modern slavery in the Company's supply chain. This reflects the fact that Decmil has a supply chain that procures a range of goods and services from many countries around the world.

Modern slavery has the potential to exist in the supply chain through a variety of circumstances including:

- Forced labour
- Child labour
- Debt bondage
- Human trafficking
- Abuse of requirements for a minimum living wage
- Discriminatory employment practices

Our Human Rights Policy sets out our strategy which includes respecting the rights and dignity of all people, complying with all legal requirements.

3. Our Supply Chain

In FY2020:21, Decmil engaged with approximately 1,331 suppliers and subcontractors and all but five (5) of these companies were based in Australia, meaning 99.6% per cent of our total spend was from Australia and 0.4% per cent were with international suppliers or subcontractors. The 0.4% international spend was attributed to suppliers for our Corporate offices and not project related.

The statistics show that on projects Decmil engaged with suppliers that are local and Australian based. Our works within Western Australia, Queensland and Victoria are largely supported by Suppliers sourced within the relevant states. All project procurement spending this year was within Australia including a considerable proportion within remote regions including Toowoomba and Gladstone in Queensland, regional Victoria and Albany in Western Australia.

When looking at supplier spend at an entity level, the largest spend occurs within Decmil Australia Pty Ltd. Decmil Australia has engaged with over 673 suppliers during FY20. We are proud to confirm that all these businesses are Australian businesses.

We strive to buy local products and engage local services. In areas where the skills, goods and standards we need are unavailable, we look at opportunities for developing that capacity, and in doing so, support local economic development. As part of our commitment to local procurement, where needed, we provide prospective suppliers with technical support to help them meet our supplier standards.

Decmil use a range of Subcontractors and Suppliers across the entire life cycle of our projects - from design phase through to construction delivery and commissioning and handover. Our suppliers include transportation, catering and equipment for running our operations. In addition to labour hire spend, our largest spend categories are design consultancy, quarry products, precast elements, steel supply and fabrication along with a combination of consumables (which include construction and operating supplies).

At Decmil we also have a focus on using Aboriginal and Torres Strait Island businesses to support our Projects. This year we have increased our Aboriginal and Torres Strait Island supply chain and now have over 150 Aboriginal and Torres Strait Island businesses to support our projects and corporate offices.

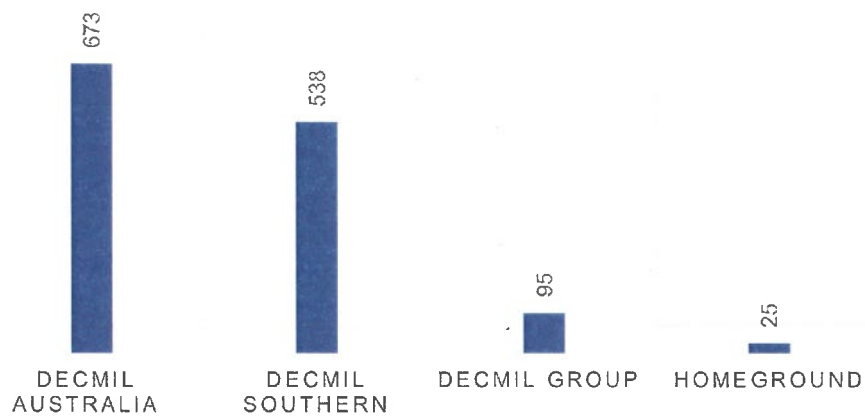
Exceptional outcomes were achieved for the Mordialloc Project, with many economic and social benefits provided for the broader community. Many initiatives were explored and implemented, from creating jobs for people in disadvantaged segments of the community to supporting local and Aboriginal and Torres Strait Island businesses.

All state requirements for the Mordialloc Freeway were exceeded as outlined within the chart below.

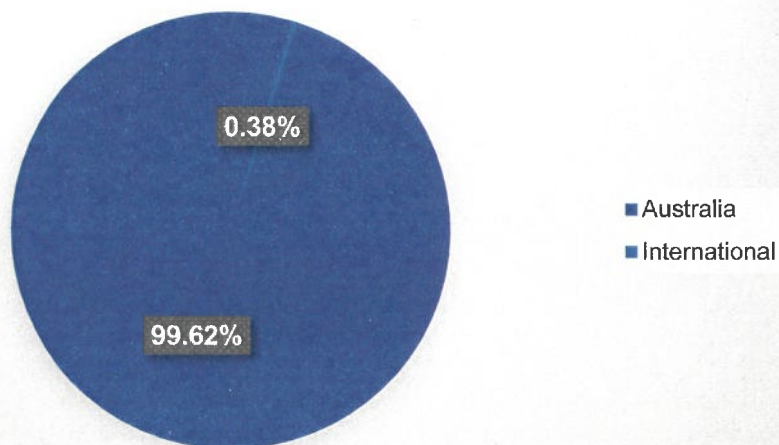
| 3.6% Aboriginal Participation | 4 Disadvantaged workers employed direct | 13 Trainees, Apprentices and Cadets |
|--|---|---|
| 17 Aboriginal Direct Employees | 13 Disadvantaged workers employed through sub-contractor arrangements | \$13.5m Social Procurement |

If our suppliers are required to perform works on our Projects, as part of our mobilisation process we require them to provide us with proof of ID and proof of right to work within Australia. With this check in place, we can safeguard that workers' rights are respected.

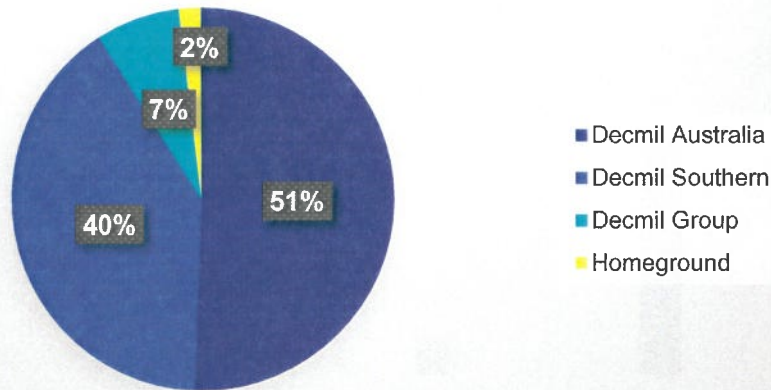
QTY OF SUPPLIERS USED ACROSS DECMIL ENTITIES



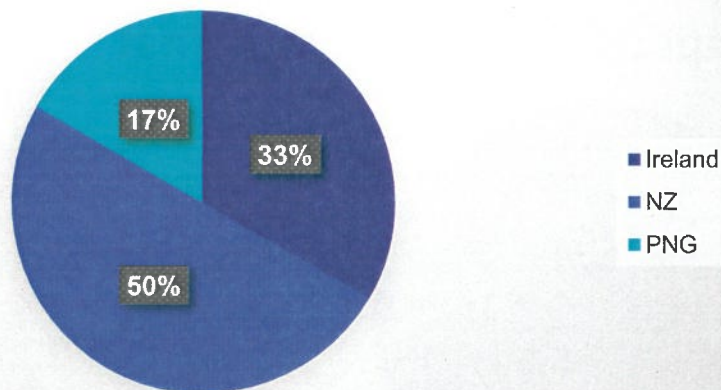
Local spend versus International



FY 20/21 Supplier spend across Decmil entities



FY20/21 International Supplier Spend



Supplier Governance Framework

Decmil rely on the services and expertise of our Supply Chain to assist in the successful delivery of Projects throughout our sectors. To assist us in effective decision making, we assess suppliers against the following categories:

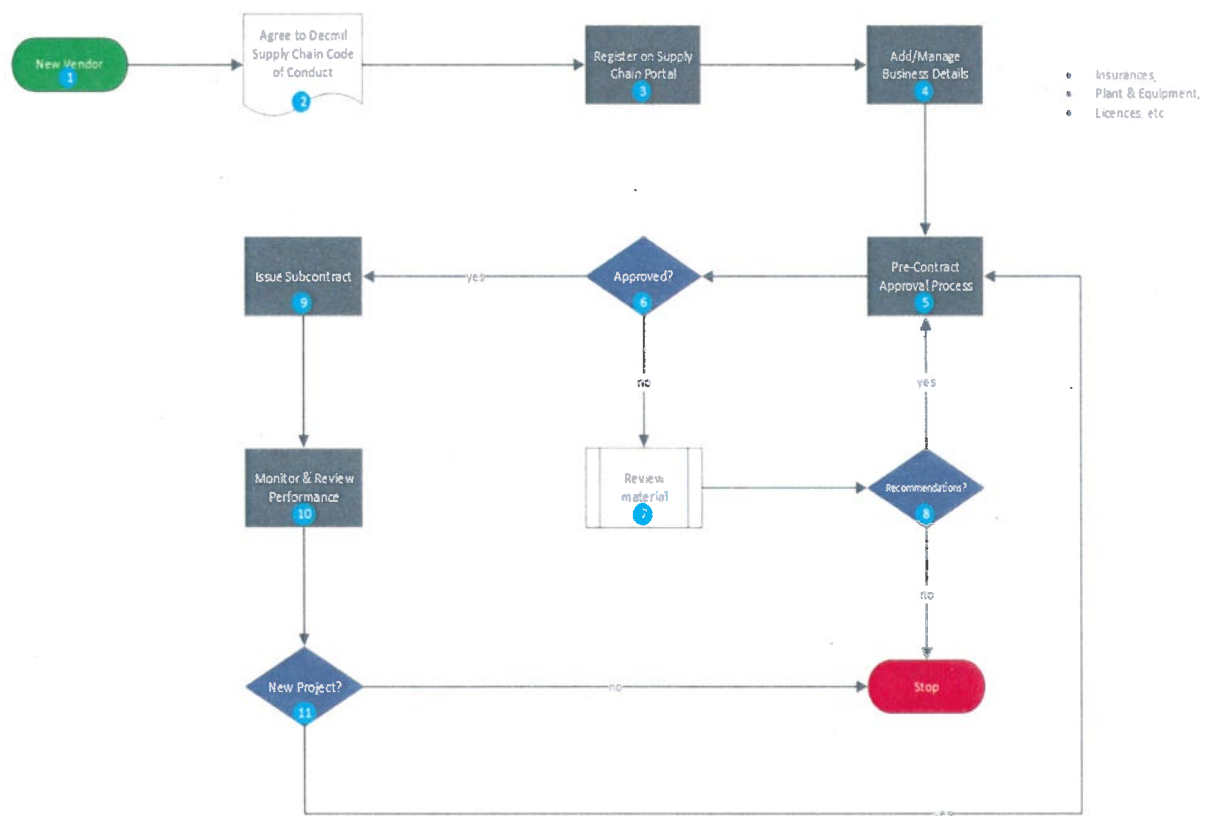
- Code of Conduct
- Anti-bribery & Corruption
- Code of Ethics
- Corporate Governance
- Finance
- Modern Slavery
- Human Rights & Industrial Relations
- Health & Safety

- Quality
- Environment & Sustainability.

We work with our suppliers to assess whether they are meeting our standards. Where we identify concerns about supplier performance, we engage with the supplier, seeking constructive dialogue and remediation of noncompliance with our standards.

4. Supplier Due Diligence

Decmil has implemented new software [SAI360] to facilitate a new supply chain management process. Our new supply chain management process is set out in the below workflow and Decmil are continuing to upgrade the functionality to commence utilisation of the software by our Supply Chain directly. This will improve efficiency of live information.



As per the Decmil Procurement Procedure an Invitation to Tender (ITT) is required to be issued as a part of any tender process for a potential supplier to work with Decmil. As part of the ITT questionnaire, suppliers are required to respond to the question “Are you prepared to provide details in accordance with Decmil’s Modern Slavery Questionnaire should you be invited to tender?”

If suppliers are successful in the ITT, they are then required to complete the Modern Slavery Questionnaire which consists of 12 questions based on the requirements of the Act.

Remediation

For suppliers who are unable to satisfy the requirements for demonstrating that they have an appropriate risk management processes in place, or are unwilling to share this information, Decmil

may take further action, such as engaging with senior management of the supplier or subcontractor, implementing a remediation plan or, not utilising their services and deactivating them from our supply chain.

Assessing Effectiveness of our Governance Framework

Potential suppliers who have completed the supply chain questionnaire and have met all requirements, enter into a contract with Decmil if their services are required. Our new supply chain management process continuously monitors the supplier over the term of their contract to identify any new risks or issues that may arise in the period. At a minimum, in July every year, current suppliers are required to update their information within our supplier portal. Suppliers are required to review the information provided under the Modern Slavery Act section. If suppliers update their information with anything that would be deemed as high risk or breach to the Act, we will review their service requirements with Decmil.

Over the last year, we did not identify any instances of modern slavery in our audit program. However, findings in audits of suppliers suggest some practices (e.g. excessive working hours and rates of pay) were not consistent with legislative requirements. Whilst not constituting modern slavery, these are not consistent with our expectations as set out in our Code. These issues have been resolved.

5. Future Commitments

Training

- Providing ongoing modern slavery training to all relevant Decmil employees involved in the procurement of suppliers to increase capability and awareness.
- Delivering Decmil procurement process training to relevant employees to ensure compliance and risk management.

Systems

- Continuing with the Implementation of our new supply chain management process and software across our Website and SAI360.

Audits

- Continuing to assess the potential modern slavery risks in our operations and supply chain with an emphasis on high risk geographical locations.
- Ensuring all supply chain engaged or approved to submit tenders have read and understood their individual requirements to adhere to Modern Slavery Act.

Policy Review

- Reviewing current policies to ensure that it meets best practice.
- Further assessing our practices against the requirements of the Act.
- Reviewing supplier contracts to ensure they contain terms that are consistent with the Act.

This statement is prepared in pursuant to section 16 of the Modern Slavery Act and constitutes the modern slavery statement of Decmil Group Limited for the year ended 30 June 2021. This statement has been approved by the Decmil Board on 21 December 2021.

Signed by: 

Name: Mr Andries Dique

Position: Chief Executive Officer