



Modern Slavery Statement FY20

Chief Executive Officer Introduction



Downer is committed to operating responsibly and establishing and adhering to high ethical and social standards.

We reject any activities which may cause or contribute to modern slavery, including forced or bonded labour, child labour, human trafficking, slavery, servitude, forced marriage or deceptive recruiting for labour or services.

Downer welcomes the opportunity to release this, our first Modern Slavery Statement, which outlines our approach to address and minimise the risk of modern slavery in our business operations and supply chains. Downer's Standards of Business Conduct, which is supported by extensive policies, procedures and processes, has been put in place to help minimise this risk. This is further underpinned by a robust governance process and Downer's Business Integrity policy.

Ensuring that modern slavery is not taking place in Downer's workforce, which includes our supply chain beyond our direct suppliers, is challenging given the diversity of our service offerings and locations.

However, Downer has designed and implemented a risk-based approach and is committed to continuously improving our processes. This includes engaging with our direct suppliers to educate, assess and encourage improvement in their own capacity to manage modern slavery risks within their broader supply chains.

We will continue to collaborate with our internal and external stakeholders to address our own modern slavery risks and continue to improve our processes.

This statement was approved by the Board of Downer EDI Limited on 10 February, 2021.

A handwritten signature in black ink, appearing to be 'G Fenn', written over a faint circular watermark or logo.

Grant Fenn

Downer Group Chief Executive Officer

Section 1: Mandatory reporting criterion

This Modern Slavery Statement covers the activities of Downer EDI Limited ABN 97 003 872 848 and its controlled entities, as informed by the Commonwealth Modern Slavery Act 2018, for the period 1 July 2019 to 30 June 2020 (FY20). A complete list of the controlled entities can be found in Downer’s latest Annual Report, which is available on our website www.downergroup.com.

To meet our seven mandatory reporting criteria, our statement is structured across eight sections.

Australian Modern Slavery Act mandatory reporting criterion	Reference in this statement
<p>1. Identify the reporting entity</p>	<p>Section 1 Mandatory reporting criterion Page 3</p>
<p>2. Describe the reporting entity’s structure, operations and supply chains</p>	<p>Section 2 About Downer, our structure, operations and supply chain Pages 4-17</p>
<p>3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls</p>	<p>Section 3 Risk assessment Pages 18-21</p>
<p>4. Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address risks, including due diligence and remediation processes</p>	<p>Section 4 Risk mitigation and approach to deal with risk Pages 22-25</p>
<p>5. Describe how the reporting entity assesses the effectiveness of such actions</p>	<p>Section 5 Assessment of effectiveness Page 26</p>
<p>6. Describe the process of consultation with any entities the reporting entity owns or controls; and, for a reporting entity covered by a joint statement, the entity giving the statement</p>	<p>Section 6 Consultation Pages 27-29 Section 7 Training and capacity building Page 30</p>
<p>7. Include any other information that the reporting entity, or the entity giving the statement, considers relevant</p>	<p>Section 8 Looking forward Page 31</p>

Section 2: About Downer, our structure, operations and supply chain

At Downer, our customers are at the heart of everything we do.

Our Purpose is to create and sustain the modern environment by building trusted relationships with our customers.

Our Promise is to work closely with our customers to help them succeed, using world-leading insights and solutions.

Downer designs, builds and sustains assets, infrastructure and facilities and we are the leading provider of integrated services in Australia and New Zealand.

With a history dating back over 150 years, Downer is listed on the Australian Securities Exchange and New Zealand Stock Exchange as Downer EDI Limited (DOW).

Downer supports our customers through the full life of their assets – from initial feasibility and design through to production and operations and eventual decommissioning.

We build strong relationships of trust with our customers, truly understanding and predicting their needs and bringing them world-leading insights and solutions.

We aim to employ the best people and bring thought leadership to each stage of the asset lifecycle as we support our customers to

plan, create and **sustain**

Downer employs more than 52,000 people

across more than 300 sites

+ 52,000

+ 300

primarily in Australia and New Zealand but also in the Asia-Pacific region, South America and Africa.

Our business is founded on four Pillars:

Safety

Zero Harm is embedded in Downer's culture and is fundamental to the company's future success



Delivery

We build trust by delivering on our promises with excellence while focusing on safety, value for money and efficiency

Relationships

We collaborate to build and sustain enduring relationships based on trust and integrity

Thought leadership

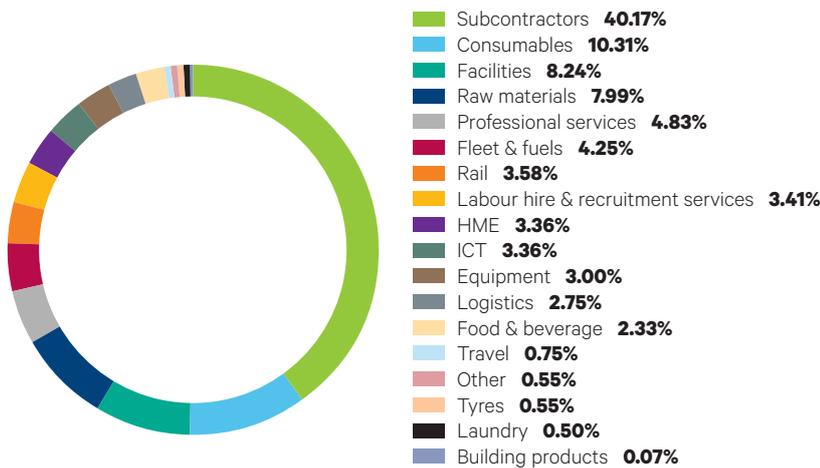
We remain at the forefront of our industry by employing the best people and having the courage to challenge the status quo

We rely on our suppliers and subcontractors to help us deliver outstanding services for our customers and maintain our reputation as an industry leader. We expect our suppliers and contractors to comply with our standards and expectations on modern slavery.

In the 12 months ending 30 June 2020, Downer spent

+\$8 billion with more than **30,000** suppliers and subcontractors across our operations.

Percentage of spend by supplier category



Downer's supply chain is extensive and varies depending on which lifecycle area we are supporting.

For example, our Road Services Business Unit purchases raw materials to manufacture and supply bituminous products, while other areas of the company, such as our Telecommunications business, obtains finished goods either from purchase or customer free issue, then installs for customers either in-house or through managed third party subcontractors.

A breakdown of Downer's FY20 supply chain spend appears on the left. An overview of Downer's operating structure is below and a full listing of Downer's solutions are on Pages 6-17.

Downer Group

Core	Transport	Utilities	Facilities	Asset Services
	 Road Services Rollingstock Services Projects	 Telecommunications Water Power & Gas	 Government Health & Education Defence Building	 Oil & Gas Power Generation Industrial

Transport

Downer delivers multi-disciplined solutions to customers in the transport sector.



Road services

Downer manages and maintains road networks across Australia and New Zealand and manufactures and supplies products and services to create safe, efficient and reliable journeys. We offer one of the largest non-government owned road services businesses in Australia and New Zealand.

We create and deliver solutions to our customers' challenges through strategic asset management and a leading portfolio of products and services.

We are a leading manufacturer and supplier of bitumen-based products and an innovator in the sustainable asphalt industry and circular economy, using recycled products and environmentally sustainable methods to produce asphalt.

Our road network solutions are underpinned by industry-leading research, development and innovation, unique asset management tools and our commitment to safety, environment and sustainability through industry awarded Zero Harm programs.

We have formed a number of strategic partnerships to meet the changing needs of our customers and markets. We have long term asset stewardship and road management contracts through DM Roads in Australia, and a number of alliances in New Zealand such as the Infrastructure Alliance in Hamilton, Whanganui Alliance, Tararua Alliance, Waikato District Alliance and the Milford Road Alliance.



We work for all of Australia's State road authorities, the New Zealand Transport Agency and a large number of local government councils and authorities in both countries.

Our customers include road owners and businesses operating in industries including waste collection and management, mining, construction, airports and motor racing tracks.

Downer's Reconomy business innovates to create best-practice solutions that maximise the value of our customers' assets and support the sustainability of their communities.

We deliver solutions in landfill avoidance that recycle and repurpose domestic, commercial, road and construction waste materials into quality construction and organic products. We also operate in landfill management. These efforts help drive the circular economy through practical applications, while reducing the reliance upon increasingly scarce virgin materials.

Reconomy offers a detritus processing solution that turns a stream of mixed waste into valuable products and materials. We process, separate and clean waste streams such as street sweepings into individual components that can be readily reused, and Downer has a use for those materials, including asphalt for road construction.

Our pavement solutions use soft plastics, expired printer toner, glass, end-of-life tyres and reclaimed asphalt pavement. We have the capability to perpetually recycle these pavements into the future, providing a truly sustainable solution.





Transport infrastructure

Downer has a long history of delivering transport infrastructure projects under a variety of contracting models. Services include the design and construction of light rail, heavy rail, signalling, track and station works, rail safety technology, bridges and roads.

Our integrated capabilities enable intelligent transport solutions, road network management and maintenance, facility maintenance, utilities services and renewable energy technologies. We also have particular expertise delivering services within the constraints imposed by a live operating environment.

Australian projects include: METRONET Thornlie to Cockburn Link, Adelaide Metro Operations and Maintenance, Warrnambool Line Upgrade, RAAF Williamtown, Parramatta Light Rail (Stage 1), Newcastle Light Rail, Adelaide City East End Tram Extension, High Capacity Metro Trains Project with the Victorian Government, Rio Tinto Rail Maintenance, and Transport for NSW's Transport Access Program. New Zealand projects include: Auckland City Rail Link Project, the rail and road rebuild for the North Canterbury Transport Infrastructure Rebuild, Christchurch Southern Motorway Stage 2 and State Highway 2 to 58, and Haywards Interchange.

Transport solutions

We deliver multi-disciplined infrastructure solutions and intelligent transport networks across both Australia and New Zealand for roads, rail and light rail customers. We also supply, install and maintain a range of technology-based systems.

We have extensive capacity in the street lighting and ticketing machine sectors. Our focus on Smart Street Lighting has made us a market leader as we upgrade cities and towns.

We are also one of the largest maintainers of intelligent transport system assets across Australia and New Zealand.

Key capabilities:

- Electronic signage
- Closed Circuit Television (CCTV)
- Traffic signals, including the use of Active Traffic Management Systems
- Street lights, including smart LED lighting and solar powered products
- Managed motorways
- Rail signalling and rail communication
- Ticketing machine installation and maintenance.

Asset management

Downer is a leader in asset management across Australia and New Zealand.

We have many long-term asset and data intensive projects being managed by our experienced teams.

Downer's Asset and Data Management Office (ADMO) promotes best practice and continuous improvement in asset management and data analytics to improve lifecycle management, reliability, return on capital and deliver better outcomes for our customers. We provide innovative solutions to fit our customers' business needs and maximise the returns from their assets.

We are committed to ensuring our group business systems are aligned to ISO 55001 – the global best practice framework for asset management.

Certifications include:

- Sunbury Water Treatment Plant
- Sydney Waratah and Waratah Series 2 rollingstock fleet, simulators and rail depot facilities
- Road network asset management system on the North East Sydney Performance Specified Maintenance Contract
- Orange Hospital and associated health services.

Transport

Downer is Australia's leading provider of passenger rollingstock asset management services. We also deliver multi-modal transport solutions, including for light rail and buses.



Passenger rail

Downer has over 100 years' rail experience providing end-to-end, innovative transport solutions.

We are a leading provider of rollingstock asset management services in Australia, with expertise in delivering whole of life asset management support.

Our capability spans all sectors, from rollingstock to infrastructure, and every project phase, from design and manufacture to through-life-support, fleet maintenance, operations and comprehensive overhaul of assets.

We set industry best practice with forward-looking technology solutions like our TrainDNA data analytics platform to deliver safe, efficient and reliable services.

Sydney's fleet

The Waratah fleet is the pride of Sydney's network, delivering unprecedented reliability, availability, safety and comfort. The New South Wales Government initially ordered 78 Waratah trains, which is the largest rollingstock order in Australian history. In 2016, Transport for NSW ordered an additional 24 and in February 2019 a further 17 Waratah trains, known as Waratah Series 2. When the 17 Waratah Series 2 trains are all in service, Downer will have delivered a total of 119 Waratah trains for New South Wales commuters. Downer is responsible for the through-life-support of the Waratah trains at the purpose-built Auburn Maintenance Centre. Downer maintains a further 35 four-car Millennium trainsets.

Melbourne Metro

Melbourne's High Capacity Metro Trains project is the largest single order of new trains in Victoria's history. The \$2.3 billion project includes delivery of 65 trains, a state-of-the-art maintenance facility, a light service facility, two driver simulators and maintenance of the trains for over 30 years. The trains are being delivered with over 60 per cent local content and the project has created over 1,100 new jobs with over 100 long-term maintenance jobs. It is being delivered by the Evolution Rail consortium comprising Downer, CRRC Changchun and Plenary.

Queensland's New Generation Rollingstock

In 2019 Downer was awarded the \$85 million contract for modification of Queensland's New Generation Rollingstock (NGR) fleet. With works taking place at the historic Maryborough Service Delivery Centre, Downer will deliver accessibility upgrades to 75 trains, and work will continue through to 2024.

Bogie centre of excellence

Our recently upgraded Cardiff Service Delivery Centre is equipped with world-class rollingstock overhaul capabilities. The \$38 million refurbishment includes a purpose built eight-car train lift and bogie centre of excellence, with the capacity to overhaul more than 3,000 bogies and 23,000 wheelsets a year. Cardiff also has the capacity to support technology upgrades, customer experience enhancements and new fleet introduction.



Light rail and buses

Through our joint venture, Keolis Downer, we are Australia's largest private provider of multi-modal public transport solutions. Keolis Downer is also the largest light rail operator in Australia and one of the nation's most significant bus operators.

It operates and maintains Yarra Trams in Melbourne and G:link on the Gold Coast, and has significant bus operations in Western Australia, South Australia and Queensland. It is also the operator of the integrated public transport system in Newcastle that includes buses, ferries and new light rail.

It develops new forms of shared and customised mobility, such as on demand transport and autonomous vehicles to cater to the evolving needs of local communities.

For more information visit
www.keolisdowner.com.au



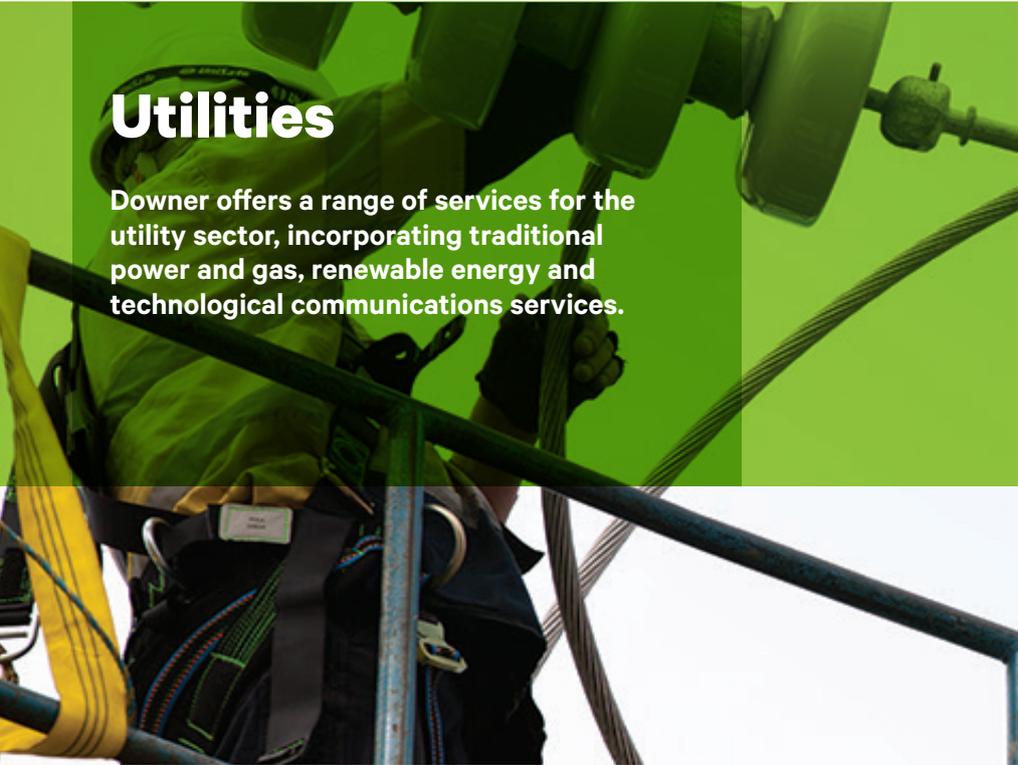
Airports and ports

We offer a comprehensive range of capabilities for airport customers, from pavement construction, facilities maintenance and communications technologies, to open space and asset management.

We specialise in turnkey solutions for electrical and communications systems, for new or existing airport facilities, as well as whole-of-life asset services for critical infrastructure such as roads, rail lines, car parks and grounds which support airport sites.

Downer offers turnkey electrical and communications systems for the expansion or upgrade of port facilities as well as whole-of-life asset services for critical infrastructure such as roads, rail lines, car parks and grounds which support and connect port sites.

Our expertise also includes construction and maintenance of wharves and marine structures.



Utilities

Downer offers a range of services for the utility sector, incorporating traditional power and gas, renewable energy and technological communications services.

Power and gas

We offer a wide range of services including planning, designing, constructing, operating, maintaining, managing and decommissioning power and gas network assets.

We design and construct steel lattice transmission towers, design and build substations, construct and maintain electricity and gas networks, provide asset inspection and monitoring services, connect tens of thousands of new power and gas customers each year and provide meter, energy and water efficiency services for government, utilities and corporations throughout Australia.

Our performance on the network is benchmarked at activity unit level, repeatedly demonstrable and assessed against continually improving key performance indicators.

Water

Downer is dedicated to delivering complete water lifecycle solutions for municipal and industrial water users.

Our expertise includes water treatment, wastewater treatment, water and wastewater network construction and rehabilitation, desalination and biosolids treatment.

As a leading provider of asset management services, we support our customers across the full asset lifecycle; from conceptual development through to design, construction, commissioning and into operations and maintenance.

We collaborate with our customers to manage their assets, so they create community benefits that are sustainable, innovative, cost-effective and provide value to all stakeholders.



Renewable energy and power systems

We are one of Australia's largest and most experienced providers in the renewable energy market and power systems sectors, delivering services to customers requiring both utility and commercial scale sustainable energy solutions.

We offer trusted services and integrated solutions required for the entire asset lifecycle including procurement, assembly, design, construction, commissioning and maintenance for a range of renewable assets.

We offer flexible services like innovative energy systems that include self-generation and storage, grid services such as frequency control ancillary services (FCAS), fast frequency response (FFR), grid stability and transmission terminal congestion solutions. Our expertise also includes consultancy services to customers that assist them to bridge the gap to achieve commercial viability.



Technology and communications services

We are a leading provider of end-to-end technology and communications service solutions and offer integrated civil construction, electrical, fibre, copper and radio network deployment capability.

Key capabilities:

- Design, engineering and network construction of fixed and wireless networks
 - Mobile deployment: site acquisition, environmental and design services
 - Network operations and help desk outsourcing
 - Network maintenance
 - Warehousing and logistics
 - Smart metering
 - Smart home power and technology solutions
- Fleet management
 - Network security
 - Remedial works and proactive maintenance
 - Customer connections, in-premise installations and service activations.

Our approach is centred on reducing the risk associated with disruption to asset operations and improving asset performance.

Our quality delivery is managed through a widely distributed and substantial technical workforce, providing our customers with confidence when we deal directly with their customers. We listen, understand and partner with our customers to ensure all parties' expectations are exceeded.

Integrated facilities services

Through Spotless we deliver tailored solutions for over 1,000 customers from a diverse range of industry sectors.

Whether it be providing critical security for patients and clinical staff at hospitals, preparing nutritious meals at schools, delivering the optimum air-conditioned climate at an airport, maintaining public housing that accommodates tens of thousands of people, or ensuring the elderly have clean rooms in an aged care residence, our Spotless team will take care of it.

Spotless is the largest integrated facilities management services provider in Australia and New Zealand. Our customers depend on us to provide essential services for the everyday running of their businesses. We deliver more than 100 integrated facilities services.

Key capabilities:

- Air-conditioning, mechanical and electrical
- Asset maintenance and management
- Catering and hospitality
- Cleaning
- Facilities management
- Security and electronic solutions
- Utility support.

Proven long term partner

With around 15 Public Private Partnership (PPP) projects across the healthcare, education, defence and leisure sectors, we are known for our value for money approach and innovative management of an asset's lifecycle. Our experienced team focuses on our customers' needs, develops innovations that make a difference, and operates with a mindset to take care of valued assets for the long term.

Key partnerships include the International Convention Centre Sydney and the Department of Defence.



Education

We create world-class learning environments with leading private and public schools and tertiary institutions. Our integrated services include catering, fixing the building assets, maintaining grounds and gardens, conserving energy with air-conditioning and lighting solutions, and ensuring a secure environment.

Government

Spotless provides property and facilities management services to government departments, agencies and authorities at the federal, state and municipal level.

Healthcare and aged care

Spotless has a 40-year history of supporting the daily operations of hospitals across Australia and New Zealand. As a trusted partner we deliver care-associated services that create a safe environment for hospital staff, patients and their guests. As healthcare providers we support hospitals and senior living facilities. Every year, Spotless delivers more than 3.5 million hours of non-clinical support services to over 200 healthcare facilities.



Business

We offer innovative solutions for workplaces and manufacturing facilities to help them run well. Spotless manages solutions for employee wellbeing, workplace efficiency and sustainable facility management.

Key customers include Coca-Cola Amatil (hard and soft facilities maintenance) and Bluescope Steel (integrated services including facilities management, cleaning, catering and laundry services).

Stadia, venues & leisure

We create great experiences to ensure the comfort and satisfaction of fans, patrons and guests. With over 14 venues across Australia and New Zealand, we manage small meetings to large gala events.

For example, we provide a multi-service offering to the Melbourne Cricket Ground including catering, facility management and refrigeration and air-conditioning maintenance.

We are mostly known as Spotless, however you may also know us as AE Smith, Alliance, EPICURE, Mustard, Nuvo, Skilltech, UAM and Envar.

Non-residential building

Building projects in New Zealand are delivered under our Hawkins brand.

Hawkins is New Zealand's leading construction business, delivering unique transformational projects across a variety of sectors including education, health, airports, commercial office buildings and heritage restorations. Hawkins leads the industry in civic projects including art galleries, event centres, stadiums and community facilities. Complex projects, such as the restoration of the earthquake-damaged Christchurch Town Hall, are Hawkins' speciality.

Hawkins believes in creating stronger communities around us, which is why we partner locally with experts in each region. We work collaboratively with iwi, community, government, educators and trainers to support effective pathways into construction and leadership.

Hawkins invests in technology, innovation and continuous improvement. We have invested in the tools to allow our people to use Building Information Management (BIM) technology on our sites. We use HoloLens and augmented reality to allow our team to experience virtual design. We complement this by capturing real-world data through laser scanning and point cloud modelling. The technology makes our operations more efficient.

We use Lean Construction techniques to maximise value for our customers while minimising waste and bringing continuous improvement.



Asset Services

Downer is a leading provider of asset maintenance and specialist services to Australia's critical economic infrastructure including the oil and gas, power generation and industrial sectors.

Photograph courtesy of Santos

We support our customers with long-term, relationship-based contracts where we seek to optimise the reliability, efficiency and whole-of-life costs of their assets.

Our key capabilities cover the full range of services including maintenance, shutdown, turnaround and outage delivery, sustaining capital program delivery, project and commissioning services.

We partner with our customers to deliver success, driving continuous improvement through collaboration and innovation.

Oil and gas

Downer provides end-to-end asset management for onshore and offshore oil and gas facilities for our customers that supply clean energy globally.

We offer state-of-the-art equipment and technology, paired with trained and competent people to support our customers through the full asset lifecycle.

As one of Australia's most experienced asset maintenance service providers, we operate across multiple commodities. Downer provides maintenance, shutdown, turnaround and

outage services, and offers end-to-end asset management services for Coal Seam Gas and Liquefied Natural Gas sectors, and terminals, refineries and petrochemical plants.

We partner with our customers to deliver success, driving continuous improvement through collaboration and innovation. We're passionate about creating value for our customers, and we work closely with world-leading companies including ConocoPhillips, Chevron, Origin Energy, APLNG, Santos, GLNG, BP and Viva to deliver projects across the oil and gas sector.

Asia-Pacific LNG | Origin

Downer works across the Surat Basin in South East Queensland to support APLNG's CSG well delivery program. With a dedicated team of technical experts, Downer delivers the fabrication, installation and commissioning of coal seam gas wellsite infrastructure. A joint venture between Origin, ConocoPhillips and Sinopec, APLNG is the largest producer of CSG in Australia. Downer also delivers sustaining capital projects for Origin across Queensland including upgrades to their gas processing facilities.

Power generation

Downer is one of the largest providers of power generation asset management services in Australia, offering the full range of maintenance, shutdown, turnaround, outage and sustaining capital works.

We provide maintenance and outage services essential in running Australia's power stations, servicing customers that supply 80 per cent of the National Electricity Market (NEM).

Through DMH, Downer's Alliance with Mitsubishi Power, we are also an Original Equipment Manufacturer (OEM) specialist in the maintenance and overhaul of boilers, turbines and generating plants. We pride ourselves on developing long-term relationships and work collaboratively with our customers including CS Energy, Origin Energy, Stanwell Corporation, Alinta Energy, AGL and Delta Electricity to deliver services at major power stations across the country.



Downer and CS Energy Asset Management Alliance

In 2019, Downer and CS Energy formed the relationship-focused Asset Management Alliance (AMA) to provide overhaul and capital works services at the Callide and Kogan Creek power stations. The AMA works collaboratively to scope, plan and execute shutdowns across both sites, working together to drive safe, reliable, cost effective and timely outcomes, and delivered the first joint outage program in 2020.

Our key capabilities include asset management, reliability engineering, maintenance and shutdown planning, mechanical, structural, electrical and instrumentation maintenance and construction, rope access, insulation and scaffolding, commissioning and decommissioning.

Using our skilled in-house trades and engineering teams, we deliver complex brownfields projects for iron ore and nickel assets across Western Australia, maintaining safety and delivery schedules.

With bases in Kwinana, Newcastle, Wollongong, Kalgoorlie and the Pilbara, we have capability to provide services around Australia.

BHP Australia

Downer has worked with BHP for over 50 years, supplying maintenance, shutdown services and sustaining capital works to projects across the Western Australian Iron Ore, Nickel West and Olympic Dam assets. We work closely with BHP to plan, prepare and deliver maintenance events and major projects, including the assembly of an electrostatic precipitator at Olympic Dam in 2017.

Industrial

We provide maintenance, turnaround, shutdown and sustaining capital programs for industrial operations around Australia.

With more than 50 years' experience in the industrial sector, we operate across the iron ore, minerals and metals, bulk materials handling and processing sectors.

Our customers include BHP, Bluescope Steel, Orica, Wesfarmers, Northern Star, QAL and Port Waratah Coal Services.



Minerals processing

Celebrating 80 years in 2020, Mineral Technologies has been built on the passion and vision of our people who have continually strived to bring innovation and unparalleled quality solutions to the minerals processing sector worldwide.

From its beginnings as a mineral sands producer on Australia's Gold Coast, to the early development of spiral and electrostatic technology, through to the modern and sustainable design of the world's largest spiral plant in Senegal, Africa, the Mineral Technologies business is an industry leader.

Focussed on technological advancement, we provide our customers with innovative and cost-effective process solutions for a wide range of fine minerals, including iron ore, mineral sands, silica sands, coal, chromite, gold, garnet, rare earths, tin, tungsten, and tantalum.

We offer a range of support services across all stages of the project lifecycle, from metallurgical test work, concept and pre-feasibility studies, through to plant design, equipment supply and commissioning.

We take infinitely variable inputs and design sustainable process solutions that produce consistent and bankable outputs for our customers.

Mineral Technologies is a truly global business with operations servicing customers throughout the world. The head office, manufacturing and full-scale metallurgical test facility are based at Queensland's Gold Coast, with engineering and support teams in Brisbane, Perth and Adelaide. Worldwide, the business also has operations in South Africa (Richards Bay), North America (Florida, USA), South America (Belo Horizonte, Brazil) and India (Kolkata, Kochi and Goa). This supports our vision of being the leading global provider of sustainable, responsible and ethical mineral separation solutions.



Mining

We are one of Australia's most experienced open cut mining services providers, working across multiple commodities including coal, copper, iron ore and zinc.

We offer state-of-the-art equipment and technology, paired with trained and competent people to support our customers through the full life of their assets.

Our key areas of expertise include:

- Operation and management of small to large scale mining operations
- Full maintenance solutions for mining fleets
- Mine engineering, scheduling and planning
- Load and haul operations
- Facilities and infrastructure design and construction
- Mine road construction
- Mine site rehabilitation
- Statutory management of operations
- Operation of coal handling and preparation plants.

Defence

Downer provides a broad range of professional and managed services, asset sustainment and estate upkeep services to the Australian and New Zealand Defence Forces and other government agencies.



Downer and its ancestor companies have been working with Defence since 1941. Today, Downer's Defence business – Downer Defence Systems – delivers a range of professional and managed services to Defence and other government agencies, while our Spotless business delivers estate upkeep services to the Australian and New Zealand Defence Forces.

Downer is a sovereign Australian company that delivers genuine Australian Industry Capability for the Department of Defence and the Australian Defence Force. As an integrated services company, Downer's service lines support the entire military capability lifecycle while delivering strong results elsewhere across Defence, national security organisations, the major primes and other government agencies.

As an Australian Defence Magazine Top 10 Defence Contractor, Downer is a proven and trusted long-term partner, committed to diversity and inclusiveness and to growing Australia's Defence industry with the participation of small-to-medium enterprises.

Professional and managed services

Downer consultants work with Defence and other agencies to strategically deliver complex projects and programs and are specialised in the introduction of complex systems and security-sensitive capabilities. Downer has established itself

as a major contributor to the modernisation of land, maritime, air, space and joint communications and information systems across the Australian Defence Force and other government agencies.

Major Service Provider

Team Downer Major Service Provider (MSP) is a consortium with Downer as the prime, and Providence Consulting, DXC Technology, and Systra Scott-Lister as member companies. As an MSP to the Department of Defence's Capability Acquisition and Sustainment Group, it provides 'above the line' contracting services; delivering professional services, workforce planning and other professional expertise in partnership with Australia's small-to-medium enterprises as an important part of the nation's sovereign Defence industry capability.

Project delivery

Downer and Spotless execute highly complex projects across the Land, Sea, Air, Cyber, Space and Key Enabler domains. Acting as either a prime contractor, managing contractor, head contractor, subcontractor, joint venture partner or through the Team Downer Major Service Provider consortium, we have successfully delivered projects for various parts of the Defence industry including Defence's Estate and Infrastructure Group, the Chief Information Officer Group and the Capability Acquisition and Sustainment Group.

Through-life-support

Downer and Spotless retain a strong through-life-support capability built on decades of delivering managed services, engineering, maintenance, supply, training and operating support.

Sustainment Operations and Maintenance

Downer and Spotless provide a full range of services to operate and maintain a diverse portfolio of Defence estates and facilities.

These services include asset management and engineering, maintenance, land management and operational services. In Australia, Spotless provides these services to Defence through the Estate Maintenance and Operations Services (EMOS) Contract encompassing 170 Defence bases and installations in the Queensland, the Australian Capital Territory (ACT) and Southern New South Wales Defence Regions. We also have a Public Private Partnership arrangement managing the Headquarters Joint Operations Command in the ACT. In New Zealand we provide facility management services to the New Zealand Defence Force in the Manawatu and Southern Region.

Section 3: Risk assessment

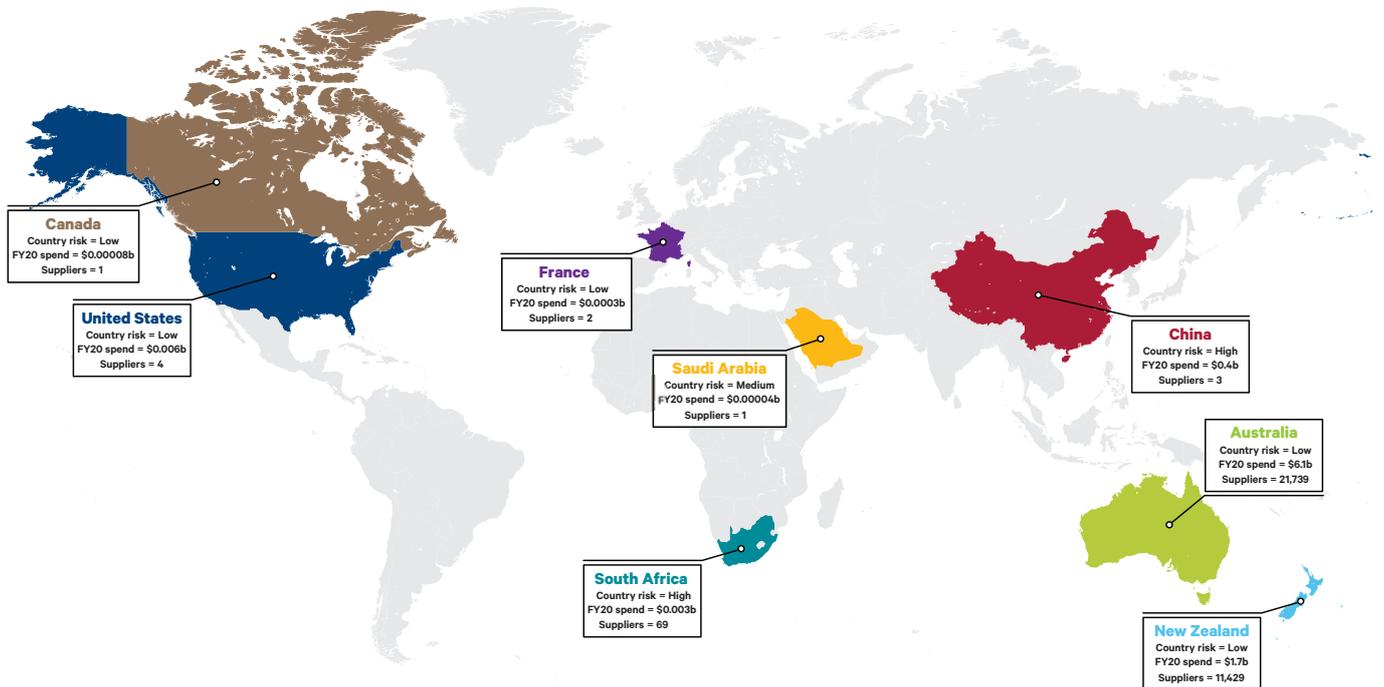
Modern slavery includes the crimes of human trafficking, slavery and slavery-like practices such as servitude, forced labour, forced or servile marriage, the sale and exploitation of children, and debt bondage or bonded labour. The most widespread type of modern slavery is forced or bonded labour, which poses the highest risk to Downer.

Downer's risk assessment process sets a base level identification of modern slavery risk by considering product/service category risk and our direct suppliers' country risk to produce an overall risk rating of low, medium and high across our third party spend.

To improve our understanding of local human rights contexts, as well as exposure to related issues such as corruption, we use tools such as the Global Slavery Index and the Corruptions Perceptions Index.

The majority by value of our payments are made to goods and services suppliers and subcontractors in Australia and New Zealand, primarily in lower risk categories such as skilled subcontractors.

We recognise that there is risk, primarily in our lower-spend subcategories such as workwear, electronics and specified raw materials, or products sourced from higher-risk countries such as China and South Africa.





Downer's extended supply chain

Downer has robust policies and procedures in place to help prevent modern slavery occurring in our immediate supply chain, however we understand we are not immune to risk in our extended supply chain.

One example of risk in Downer's extended supply chain relates to our joint venture partner for the delivery of Melbourne's new High Capacity Metro Trains (HCMT). Downer works with suppliers in China through its partnership with CRRC Changchun to deliver these trainsets.

On 1 March, 2020, the Australian Strategic Policy Institute released a report claiming 27 factories in nine Chinese Provinces were using exploited Uyghur labour. The report also listed 82 global brands – including Amazon, Google, Apple, BMW, Toshiba, Land Rover, General Motors and a number of clothing and electronics providers – which use products from these factories in their supply chains.

The report also includes allegations that a number of Uyghur workers were transferred to factories operated by KTK Group in July 2019 and states that KTK's customers include major international train manufacturers such as Alstom, Bombardier, Hitachi, Siemens and CRRC.

The reference to CRRC in the report relates to their purchase of train gangways from KTK. Gangways are the flexible accordion-type connectors fitted to the end of a train carriage, enabling passengers to safely move between carriages without danger of falling from the train. KTK exports gangway systems across the international train manufacturing sector extensively, including to CRRC for the HCMTs in Melbourne.

No other Downer projects utilise KTK products. Some media reports linked KTK to Sydney's Waratah trains; however, this is untrue. The Waratah gangways are supplied by German company Hubner.

Immediately after the report was published, Downer commenced investigating the allegations. CRRC and KTK have both strongly denied the allegations. As a result of the investigation, Downer is presently unaware of any evidence to support these allegations.

However, incidents like this highlight the challenges Downer faces in managing these issues outside of our immediate supply chain.

Downer continues to engage with CRRC to determine appropriate measures to be put in place by CRRC to protect the integrity of their supply chain in relation to Melbourne's HCMTs.



Improving our risk mitigation

Where risk of modern slavery is identified, we prioritise areas for further investigation.

Downer recognises that seeking to prevent or mitigate the risks of modern slavery at all levels of our supply chain, particularly beyond our direct suppliers and subcontractors, is a demanding and ongoing task that will require progressive and prioritised enhancements.

Our initial prioritised investigation is to better understand the risk of overseas sourcing and shape our strategies. We are doing this by conducting testing of a sample of international procurement activities.

In addition, we have prioritised workwear for further supply chain mapping beyond our direct suppliers to better understand the level of risk.

The next stage of this risk assessment and prioritisation process will be to incorporate a supplier and subcontractor self-assessment questionnaire about modern slavery into our prequalification process.

All new suppliers and subcontractors will complete this self-assessment questionnaire as part of our prequalification process. Downer is also rolling out this self-assessment questionnaire to our existing supplier and subcontractor base.

These measures will enable Downer to determine areas for further investigation, incorporating our Due Diligence Standard.

International sourcing trade-offs

Downer understands that international sourcing can potentially result in greater exposure to modern slavery.

In addition, while there are potential benefits and cost-savings associated with international sourcing, there are several other risks to consider. These include:

- Additional costs for international administration, foreign currency exchange, transport and customs duties
- Logistical challenges including import, customs and quarantine regulations
- Potential for bribery and corruption in some foreign jurisdictions
- Limited legal protections in foreign jurisdictions, should disputes arise
- Increased rules and regulations in foreign markets and dealing with foreign entities
- Language barriers and understanding of foreign supply markets
- Differences in quality and safety standards.



Case study

Downer's response to COVID-19

In order to keep our people safe and continue our operations throughout the Coronavirus pandemic, Downer required an increased supply of consumables such as face masks, hand sanitiser, toilet paper and gloves.

However, the pandemic severely impacted supply chains across the world. Factory shutdowns, reduced capacity to ship raw materials, reduced available labour for manufacturing and quality inspections, and reduced capacity to ship goods from factories to ports all contributed to the disruption.

In addition, surging customer demand for consumables created global shortages, which affected Downer's preferred suppliers. As a result, Downer needed to identify alternative sourcing options.

While all our preferred suppliers undergo stringent prequalification and onboarding procedures to reduce the risk of modern slavery occurring within our supply chain, moving to new suppliers to fulfil the supply shortfall could potentially increase the risk of modern slavery due to the urgency of obtaining goods.

Downer implemented a number of steps to minimise this risk.

Increase products sourced through existing low-risk preferred consumables suppliers

Prior to the pandemic, robust tracking of consumables was not required as our preferred suppliers serviced our operations on very short lead-times. As the global crisis unfolded, our operations teams and preferred consumables suppliers, Blackwoods and Winc, worked to estimate current and forecast demand for these goods and the level of priority, as well as confirm suppliers' stock on hand, back order levels and lead

times. This information was fed into simple dashboards, which enabled us to identify and act on areas where we could move our demand for unavailable items to available alternatives from our preferred suppliers. The dashboard also allowed us to identify areas where we needed to find new alternative supply.

Utilise other low-risk preferred suppliers who can supply consumables

Downer identified that consumables could be supplied through one of our existing preferred hardware suppliers, Bunnings. Downer worked with Bunnings to source consumables through their own credible supply chains.

Identify and utilise other low-risk suppliers with similar values

Downer identified that Qube has similar values to Downer - Qube will submit their first Modern Slavery Statement in this period and has publicly stated their commitment to the principles and objectives underpinning the Modern Slavery Act. We then worked with Qube to source consumables through their own credible supply chains.

Utilise in-house opportunities

Downer's Road Science team in New Zealand was able to pivot and repurpose their manufacturing plants for bulk production of hand sanitiser. Sourcing a formula from the World Health Organisation, the team produced a bespoke hand sanitiser solution to keep our people and our customers safe. In total, the team produced more than 10,000 litres of hand sanitiser between April and June, and marketed the product externally under the Spotless brand.

Section 4: Risk mitigation and approach to deal with risk

The Downer Board oversees our approach to modern slavery and the production of this Statement.

Downer implements a four-stage mitigation approach to dealing with modern slavery risk.

1. Policies and Framework: Our Modern Slavery Statement is supported by our Procurement Framework and Standards of Business Conduct. Our Standards of Business Conduct incorporates human rights, employee conduct, supplier conduct, sustainable procurement and modern slavery.

2. Processes, procedures and standards: Our policies and framework are supported by procedures and standards to prevent modern slavery occurring within our supply chain. Downer has also reinforced our risk assessment process to help identify whether any modern slavery is occurring within our supply chain.

3. Governance: Strong governance assures compliance with our policies, framework, processes, procedures and standards. Downer employees, suppliers and consultants can raise concerns about modern slavery through our formal whistleblower process. A specific modern slavery question has also been added to Downer's Financial and Corporate Governance Self-Assessment (FCGSA), a biannual assessment of our senior executives and senior managers. Downer's Audit and Risk Committee receives a summary of any issues raised.

4. Continuous improvement: Downer is committed to continually enhancing our approach to modern slavery.

Case study

Setting the standard for how we conduct our business

In December 2019, Downer launched a refreshed Standards of Business Conduct, which outlines how our people should conduct themselves when dealing with our customers, suppliers, communities and each other.

A number of important changes were made to the Standards of Business Conduct. These include an update to the Business Integrity Policy, which sets out how to report misconduct or other illegal behaviour, and information on Downer's position on modern slavery.

For Spotless staff, the Standards of Business Conduct replaced their Code of Conduct.

Downer also encourages our people to raise concerns about behaviour which may be contrary to the Standards of Business Conduct.

Our updated Business Integrity Policy was released in conjunction with the refreshed Standards of Business Conduct. It clearly sets out how Downer deals with reports of conduct that is contrary to our Standards of Business Conduct, and how we protect our people who make reports.





Procurement Framework

Downer's Procurement Framework provides a consolidated view of Downer's procurement requirements and objectives and outlines how they apply to each step of the procurement process.

Our Procurement team's key objectives align to Downer's Pillars and are to:

- Deliver on our social and sustainable procurement goals
- Ensure value for money is delivered across all Downer procurement activities
- Meet governance and probity requirements
- Streamline procurement processes.

Social and sustainable procurement goals: By helping to build a diverse supply chain, Downer's procurement capability can support businesses of all types to grow and encourage economic and social development while ensuring a sustainable future. Downer uses procurement to support small and medium-sized businesses, Aboriginal-owned businesses, regional businesses, and disability employment organisations. Downer also proactively works with its supply chain to support social and sustainable outcomes, including reducing the risks of modern slavery impacting Downer's supply chain. Downer ensures compliance with all legislations relevant to social and sustainable procurement is maintained. For Downer, sustainable procurement includes:

- Considering how procurement impacts society, the economy and the environment
- Providing suppliers with fair opportunities to compete

- Respecting stakeholders' interests, the rule of law and human rights (including modern slavery)
- Seeking sustainable alternatives
- Analysing all procurement costs, including benefits for society, environment and the economy
- Integrating sustainability into procurement practices.

Value for money: This is not necessarily the lowest price, nor the highest quality good or service. Value for money is derived from a fair and balanced assessment of a range of financial and non-financial factors.

Governance and probity requirements: Ensuring governance and probity across the procurement process builds trust in Downer's practices and decisions, drives fair and ethical behaviour, and ensures healthy working relationships between Downer and its suppliers.

Procurement processes: Downer aims to ensure that procurement processes are streamlined for both internal stakeholders and suppliers, while still meeting Zero Harm and all relevant requirements and legislations. Making procurement simpler, easier and more efficient delivers time and cost efficiencies for both Downer and our suppliers.



Processes and procedures

In FY20, Downer developed and launched several initiatives and platforms to help meet our procurement objectives.

This included a new online sourcing tool that will help Downer employees ensure they are adhering to governance and probity requirements as well as social and sustainability goals. The tool provides important information on Downer's suppliers and subcontractors, including:

- Preferred suppliers and subcontractors
- Indigenous ownership, and other social and sustainable procurement metrics
- Prequalification status utilising Avetta and other prequalification tools
- Modern slavery rating
- Size and capacity of companies
- Cost range
- Performance ratings.

The performance ratings draw information from a separate online evaluation tool, which was launched in June 2020. The evaluation tool helps to ensure Downer does not re-engage poor-performing suppliers and subcontractors and complies with requirements for International Organisation for Standardisation (ISO) certification.

To further improve this feedback loop for our employees we will enhance both the usability and the information available through our online sourcing tool during FY21.

Additionally, we have:

- Updated legal precedent templates to reflect our modern slavery requirements in our standard terms and conditions for all supply agreements and subcontracts
- Established and enhanced an International Supply Standard to address and manage the risks prior to and while sourcing internationally. This standard outlines requirements and considerations for personnel involved in negotiating and drafting international supply agreements, and also provides guidance for managing our overseas suppliers
- Established a Due Diligence Standard where further due diligence will be initiated through a periodic risk assessment or a report of suspected or detected modern slavery within the supply chain. Based on this, we take a number of potential steps which may include: engaging with the supplier and investigating any allegations; training and building and obtaining modern slavery documents; reviewing supplier/subcontractor's modern slavery documents; assessing implications; and completing remediation activities.

As noted on Page 20, Downer is currently conducting testing of a sample of international procurement activities, in addition to enhancing our understanding of the risk of overseas sourcing. We will also use this to review our due diligence process.



Governance

Downer implements a robust corporate governance framework, which provides the platform from which Downer's Board provides strategic direction for the responsible and sustainable growth of the company.

Downer's governance framework ensures:

- The Board is accountable to shareholders for the operations, performance and growth of the company
- Downer management is accountable to the Board
- The risks to Downer's business are identified and managed
- Downer effectively communicates with its shareholders and the investment community.

The primary goal the Board has set for management is to focus on enhancing shareholder value, which includes responsibility for Downer's economic, environmental and social performance. Our Board recognises the need for the highest standards of behaviour and, as such, endorses the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles).

Each year our Corporate Governance Statement is included in our Annual Report.

In addition, Downer's people, suppliers and consultants are able to raise concerns about modern slavery through Downer's formal whistleblower process. Downer has both internal and external processes that allow

for the reporting of breaches, including 'Our Voice', which is an external and independent service that allows employees to anonymously report potential breaches of the Standards of Business Conduct. Downer encourages its employees, subcontractors and partners to voice their concerns if they identify potentially unethical practices.

To monitor the effectiveness of our governance framework, we conduct a biannual assessment of our senior executives and senior managers through the Financial and Corporate Governance Self-Assessment (FCGSA). Downer's senior executives and senior managers are required by the Board to undertake the FCGSA to determine the compliance of their respective areas with financial and corporate governance policies. The FCGSA includes a dedicated question on modern slavery. Downer's Audit and Risk Committee and Board receive a summary of matters disclosed in the FCGSA and act upon these in accordance with Downer's policies and procedures.

Modern slavery risks are also assessed, considered and managed through our Enterprise Risk Framework. This involves objective evaluation and reporting on the existence and effectiveness of our internal controls.

Although the initial building blocks are in place, ensuring our governance and ethical standards are adhered to by our diverse supply chain remains a challenge, particularly around issues such as human rights and modern slavery.



Section 5: Assessment of effectiveness

This is Downer's first Modern Slavery Statement and outlines the steps we are taking to ensure modern slavery is not taking place across Downer or our supply chains.

We recognise we still face many challenges in this complex area, but we are confident that our current policies and processes provide important and robust building blocks from which we can progress our work.

Several of our processes and targeted bodies of work will help build a baseline to shape our future approach and help track our performance.

Downer publicly discloses information on its human rights and modern slavery performance in its annual Sustainability Report, which is available at <https://sustainability.downergroup.com>

The Sustainability Report undergoes third party limited assurance over selected sustainability indicators to assess whether they have been prepared in accordance with Downer's policies and procedures, as well as the Global Reporting Initiative (GRI) Standards for defining report content and quality.

As outlined on Page 19, Downer continues to engage with CRRC and other stakeholders to investigate allegations against KTK and to obtain confidence that appropriate measures are in place.

Outside of these allegations, we are not aware of any modern slavery complaints against our supplier base being made through our internal channels, FCGSA or external channels such as the Our Voice service during the 12 months ending 30 June 2020.



Section 6: Consultation

Downer seeks to identify the material issues that matter most to the business and our internal and external stakeholders.

Material issues are those that have the greatest potential to impact Downer's future success and returns to shareholders.

In FY19, Downer revisited its material issues and undertook a formal materiality assessment in accordance with the GRI Standards. Materiality Counts, an independent expert, led a process to engage selected internal and external stakeholders to identify and understand our material economic, social, environmental and governance risks and opportunities which included human rights and modern slavery.

Human rights and modern slavery were issues associated with the material issues Contractor Management and Sustainable Supply Chain. Contractor Management ranked as Downer's third highest of 18 issues identified, and Sustainable Supply Chain was ranked 13th.

For further information on Downer's materiality assessment, refer to the Material Issues section of our 2020 Sustainability Report, which is available at <https://sustainability.downergroup.com/2020/material-issues.html>

Downer has committed to undertake another materiality assessment in FY21, where human rights and modern slavery will be a standalone issue which we will seek feedback on from internal and external stakeholders. This feedback will help inform our material issues and Sustainability disclosures in FY21.



Internal consultation

Downer recognises that each entity within the Downer Group has a role to play in addressing modern slavery risks. Downer's engagement strategy spans three objectives:

- 1. Inform:** Create awareness about Downer's modern slavery journey
- 2. Engage:** Encourage involvement, ownership and commitment
- 3. Align:** Demonstrate that this fits with Downer's strategic journey.

This Statement has been prepared in consultation with each entity and has been approved by Downer's Board. The process of consultation involved engagement with the Group's Executive Committee and input from the various relevant internal stakeholder groups (including Procurement, Zero Harm, Human Resources, Company Secretariat, Risk, Legal and Corporate Affairs).

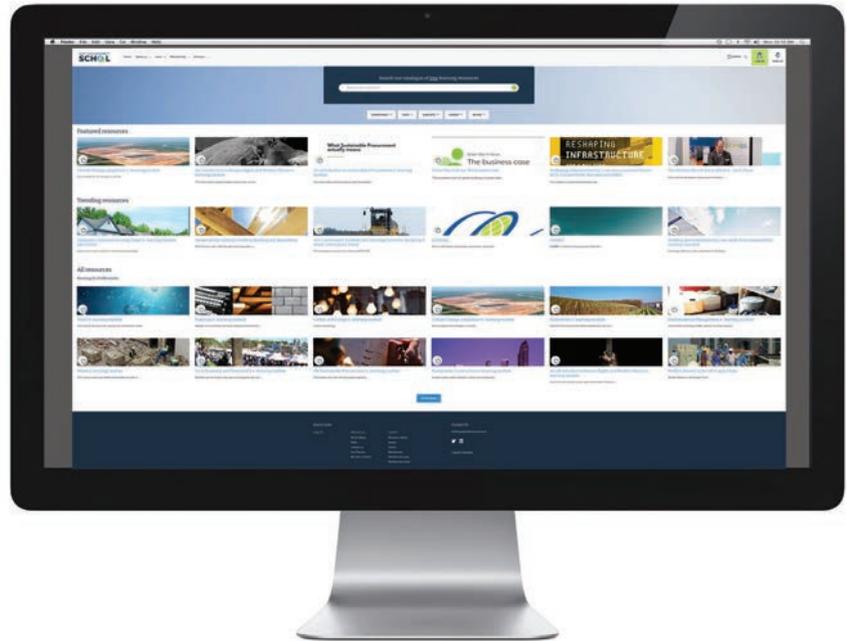
In FY20, we launched a dedicated page about Downer's approach to modern slavery on the company intranet. This page was designed to engage the wider employee base, inform them of Downer's journey, promote available tools, and provide further information and resources. Most importantly, the page reinforces the importance of our modern slavery approach, and how this fits into Downer's strategic journey.

External consultation

Relationships and collaboration with our suppliers, business partners and relevant government agencies assist in shaping our strategies on modern slavery.

In FY20, Downer actively participated in relevant forums to discuss and understand our peers' views on human rights issues including modern slavery. These included:

- Infrastructure Sustainability Council of Australia (ISCA) Modern Slavery Coalition
- Business Council for Sustainable Development Australia (BCSD Australia)
- Procurement and Supply Australasia (PASA) Connect
- The Supply Chain Sustainability School.



Case study

Supply Chain Sustainability School of Australia

www.supplychainschool.org.au

The Supply Chain Sustainability School of Australia (SCSS) aims to create more sustainable supply chains for the property, construction and infrastructure industries in Australia.

As a founding member, Downer has been involved with SCSS since its launch in 2015, and is currently the Chair of the Supply Chain Sustainability School's Advisory Board.

Prior to and during FY20, the SCSS actively led a collaboration with industry peers to develop and produce a suite of modern slavery education and training resources that are freely available for all businesses and their supply chains.



Section 7: Training and capacity building

Awareness-raising is crucial in helping prevent and address modern slavery in our business and supply chain.

Downer's updated Standards of Business Conduct online training module has been relaunched and is mandatory for all employees. When commencing employment with Downer, our people complete training on our Standards of Business Conduct as part of their induction process. Refresher training must be undertaken at least every two years.

In FY20, we developed, consulted, communicated and rolled out policies and documents including our Standards of Business Conduct, Procurement Framework and related processes, which detail our expectations around modern slavery, sustainable procurement and supplier conduct.

This is complemented by an online Procurement induction and training module, which has been developed to guide targeted employees through our standardised procurement framework, related tools and the important changes in legislation such as modern slavery.

In FY21 a more in-depth Procurement training module will be rolled out to further assist team members who conduct procurement activities in the higher risk / higher value project area, reinforcing the need to incorporate modern slavery into procurement planning.

Section 8: Looking forward

Downer will continue to strive to ensure the prevention of modern slavery through operational and supplier driven processes across our value chain.

whistleblower mechanisms, will help track our performance and provide insight into areas for improvement.

We will continue to collaborate with our internal and external stakeholders to address our own modern slavery risks and continue to improve our processes. Several of our processes, including our

Downer’s specific focus areas for the future include:

Focus area	Objective	Targets
Risk assessment and mitigation	To strengthen the assessment of Downer’s modern slavery risk rating.	Incorporation of 100 per cent of the supplier self-assessment exercise into the overall risk rating.
Approach to deal with risk	Improve our online sourcing tool for employees by enhancing both the usability and the information available.	Launch of revised online sourcing tool with improved look and feel. Further improve level of information available through online sourcing tool.
Due diligence	Further understand the risk of international sourcing and shape strategies to mitigate risk.	Complete specified testing of a sample of international procurement activities and identify areas for improvement.
	Further investigate allegations against one of CRRC’s suppliers and obtain confidence that appropriate measures are in place.	Completion of due diligence process and related follow ups.
Consultation	Continue to build on Downer’s three engagement objectives of inform, engage and align.	Launch new modern slavery intranet pages covering: 1. Spend dashboard 2. Risk assessment.
Training and capacity building	Build further awareness targeting those who conduct procurement activities in the higher risk / higher value project areas.	Develop and commence rollout of in-depth procurement training module.



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