

# Modern Slavery Statement FY22



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

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### Acknowledgement of Country

Downer acknowledges Aboriginal and Torres Strait Islander peoples as the First Australians and the Traditional Custodians across Australia.

We would like to acknowledge and pay our respects to the Elders of the past, present and future in maintaining the culture, country and their spiritual connection to the land.

### Whakatauki

Tuituia ngātahi matou ki te mana o te Whānau, te Manaaki te Kairangatira me te Ngākau Pono. Tuituia hei korowai tikanga tuku iho mo tatou.

O rite ki ngā rakau nui tupu ai te wao nui o Tāne ko te Kauri i whakawhiwhi haumaruru, ko te Rimu i whakawhiwhi taonga, ko te Tōtara i whakawhiwhi whanaungatanga, ko te Kahikatea i whakawhiwhi whakaaro matakite. Ngā pou e whā i aumangea ai te whakatauki “Mā te whanaungatanga ka angitū”. Hui e! Taiki e!

Stitching us together as one are family and relationships, care & respect, excellence and integrity as our cloak of values.

The same as the great trees growing in the great forest of Tāne is the Kauri which connects us to Safety, the Rimu which connects us to Delivery, the Tōtara which connects us to Relationships and the Kahikatea which connects us to Thought Leadership.

These are our four pillars upon which we build “Relationship creating success”. United and ready to move forward!

## Chief Executive Officer Introduction



Downer's core operating philosophy is, 'Relationships creating success'.

Our people create lasting relationships with our customers, communities and suppliers to successfully deliver services that enable the lives of millions in Australia and New Zealand every day.

People are at the heart of this philosophy, and we are committed to ensuring the fair and equal treatment of everyone in everything we do.

Downer will not tolerate any form of human rights abuse, including modern slavery, in our operations and supply chain. We implement a risk-based approach to managing modern slavery and are committed to continuously improving our processes. This includes commencing engagement with our direct suppliers to educate, assess and encourage improvement in their own capacity to manage modern slavery risks within their broader supply chains.

This is Downer's third modern slavery statement and we have made significant progress.

In FY22, we continued to strengthen our processes and procedures to combat modern slavery risks within our operations and supply chain. We updated and enhanced Downer's modern slavery framework, and reviewed our training programs to ensure our people have the knowledge to detect and report modern slavery risks. We also continue to refine the process for supplier prequalification, and investigate strategies to safeguard against risks in international sourcing.

Downer's exposure to the risk of modern slavery in our supply chain is low, given 98 per cent of our \$7 billion Tier 1 supply chain spend in FY22 was in low risk countries. However, we understand we must remain alert to any actual or potential risk, and we will continue to focus on improving our mechanisms to protect human rights across our operations and supply chain.

A handwritten signature in black ink, consisting of a stylized 'G' and 'F'.

**Grant Fenn**  
Downer Group Chief Executive Officer



## Criteria A: About this statement

Downer EDI Limited (ABN: 97 003 872 848) is an Australian company listed on the Australian Securities Exchange (ASX: DOW) and is a foreign exempt issuer on the New Zealand Stock Exchange (NZX: DOW). The company is registered at Level 2, Trinita III, Trinita Business Campus, 39 Delhi Rd, North Ryde NSW 2113.

This Modern Slavery Statement is published in accordance with the *Modern Slavery Act 2018 (Cth)*. Downer supports the aim of the Act, which is to combat modern slavery in global supply chains and to illuminate the impact of modern slavery across the world. Downer's approach to modern slavery risk reflects our core values which is to treat people with fairness, respect and dignity.

This statement applies to and describes the steps taken by Downer EDI Limited and its controlled entities during the financial year ending 30 June 2022 to mitigate modern slavery in its operations and supply chains.

This statement is submitted as a joint statement on behalf of all reporting entities (Appendix A).

This statement was approved on 21 November 2022 by the Board of Downer EDI Limited on behalf of all the named reporting entities. The statement in its entirety has been signed by the Chief Executive Officer of Downer EDI Limited (page 3).



# Criteria B: 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.

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

**Our business is founded on four Pillars:**

<p><b>Safety</b></p> <hr/> <p>Zero Harm is embedded in Downer’s culture and is fundamental to the company’s future success</p> 	<p><b>Delivery</b></p> <hr/> <p>We build trust by delivering on our promises with excellence while focusing on safety, value for money and efficiency</p>	<p><b>Relationships</b></p> <hr/> <p>We collaborate to build and sustain enduring relationships based on trust and integrity</p>	<p><b>Thought leadership</b></p> <hr/> <p>We remain at the forefront of our industry by employing the best people and having the courage to challenge the status quo</p>
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**33,000+**

employees, primarily in Australia and New Zealand



**28,000+**

suppliers and subcontractors



**97%**

of Tier 1\* supply chain spend in Australia and New Zealand



**\$7 billion+**

supply chain spend



**98%**

of Tier 1 supply chain spend in low-risk countries

### Percentage of spend by supplier category



Subcontractors	44%
Project materials	12%
Other	8%
Consumables	5%
Professional services	4%
Fleet & fuels	4%
Equipment	4%
Information Communication Technology	4%
Rail	3%
Labour hire and recruitment services	3%
Logistics	2%
Heavy machinery equipment	2%
Facilities	2%
Food and beverage	1%
Premises renting	1%
Travel	1%
Tyres	<1%

\* A Tier 1 supplier or subcontractor is a supplier or subcontractor that Downer has a direct contractual relationship with.

## What we do

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

**Our services include:**





**Water**



**Health services**



**Power and energy**



**Industrial and marine**



**Education services**



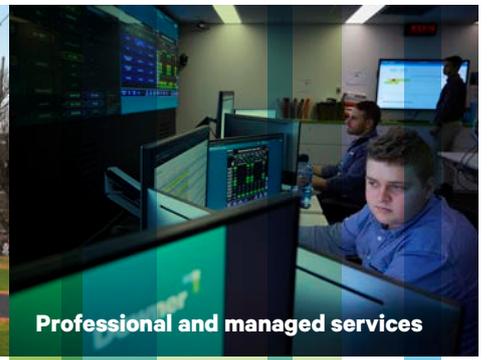
**Non-residential buildings**



**Defence**



**Asset management**



**Professional and managed services**

**For more information on Downer's services, refer to the Downer website.**



## Criteria C: Identification of modern slavery risks in our operations and supply chain

Downer refers to modern slavery as acts of servitude, slavery, forced labour, forced marriage, child labour, debt bondage, deceptive recruiting for labour or services and trafficking.

It refers to situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, deception, and/or abuse of power<sup>1</sup>.

Downer acknowledges the amendments to the NSW Modern Slavery Act 2018 (NSW) (NSW Act) which is a positive step in managing modern slavery risk.

While modern slavery legislation does not currently exist in New Zealand, Downer responded to the New Zealand Government's 'Legislative response to modern slavery and worker exploitation' discussion paper, which the Ministry of Business, Innovation and Employment (MBIE) opened for consultation on 8 April 2022.

Downer looks forward to responding to any future New Zealand legislation and to reviewing any amendments to the legislation following a statutory review which commenced on 30 March 2022.

For the purposes of this report, Downer defines our operations and supply chain in the following way:

**Supply chain:** The products and services (including labour) that contribute to Downer's own products and services. This includes subcontractors and products and services sourced in Australia and New Zealand or overseas and extends beyond Downer's Tier 1 suppliers or subcontractors.

**Operations:** Activity undertaken by Downer to pursue its business objectives and strategy, including the direct employment of workers engaged in the lifecycle of services delivered to our customers.

### Supply chain risk

The vast majority of Downer's Tier 1 supply chain spend relates to suppliers and subcontractors in Australia and New Zealand.

During FY22, a series of global events contributed to the likely increase in modern slavery risk across global supply chains.

These events include the war in Ukraine, the ongoing effects of COVID-19, climate change and extreme weather events, supply chain disruptions and labour shortages.

### War in Ukraine

Downer acknowledges the humanitarian crisis this war has created and the violations of international humanitarian and human rights law.

Downer notes that the United Nations has published UN Guiding Principles on Business and Human Rights (UNGPs), which is a guide for businesses operating in conflict-affected areas. The guide emphasises the corporate responsibility to respect human rights, which includes conducting human rights due diligence.

Downer has no trading relationships with Russian suppliers.

<sup>1</sup> Walkfree foundation <https://www.walkfree.org/what-is-modern-slavery/>.



## COVID-19

The COVID-19 pandemic continues to pose significant challenges for supply chains globally.

Multiple national lockdowns slowed or temporarily stopped the flow of raw materials and finished goods, which is causing a disruption to manufacturing. The supply and demand shock created by the pandemic exposed vulnerabilities in the production and supply chain strategies of many global businesses. This has led many companies to consider reducing their dependency on imported goods and services in favour of those acquired domestically.

During the pandemic, Downer's supply chain impacts included disruptions to materials that are manufactured and supplied overseas, including the availability of excavation equipment and Rapid Antigen Tests. In addition, logistics suppliers (including warehousing and transport providers) were impacted significantly, which affected the receipt of some orders. Some issues were reported with smaller delivery partners where labour impacts were felt heavily by smaller workforces. The ability to engage with alternate contract partners assisted in managing this risk.

## Climate change and decarbonisation

The transition to a low carbon economy, including investment in renewables, is essential to align with the 2015 Paris Agreement goals to limit a global temperature increase to 1.5°C by the end of this century.

A net zero emissions future will require significant adjustments to almost all urban infrastructure. Downer's capabilities, scale and asset knowledge places us in a unique position to help our customers decarbonise their asset base.

However, Downer acknowledges the potential for increased modern slavery risks, including through forced labour, from the increasing demand for manufactured and other components supporting the energy transition.

An example of this heightened climate-related vulnerability is the human rights risks associated with the supply chain specifically for batteries and solar panels.

As a company that designs, constructs, and maintains solar infrastructure, Downer is acutely aware of this risk and is taking deliberate steps to combat it (refer to page 17).

## Supply chain disruption

Given that 97 per cent of Downer's FY22 Tier 1 supplier and subcontractor spend was in Australia and New Zealand, Downer has maintained a degree of insulation from impacts to the global supply chain by buying local. However, Downer was not immune to importation and transportation delays that impacted these local suppliers or increased costs associated with supply chain uncertainty.

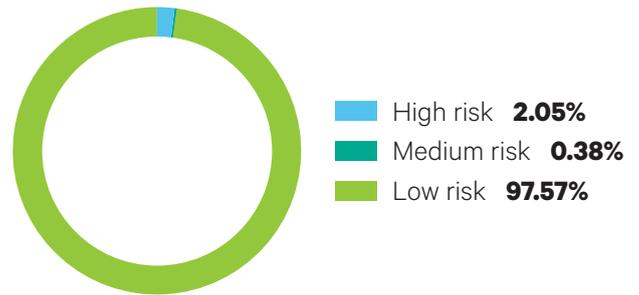
## Labour shortages

Downer has been adversely impacted by labour shortages over the past 12 months. Labour accounts for more than 70 per cent of Downer's total costs. These labour shortages were exacerbated in the trades and hospitality sectors, fuelled by Australia's record low unemployment rate and the continuing cyclical impacts of COVID-19, as well as a skills shortage in the trades sector.

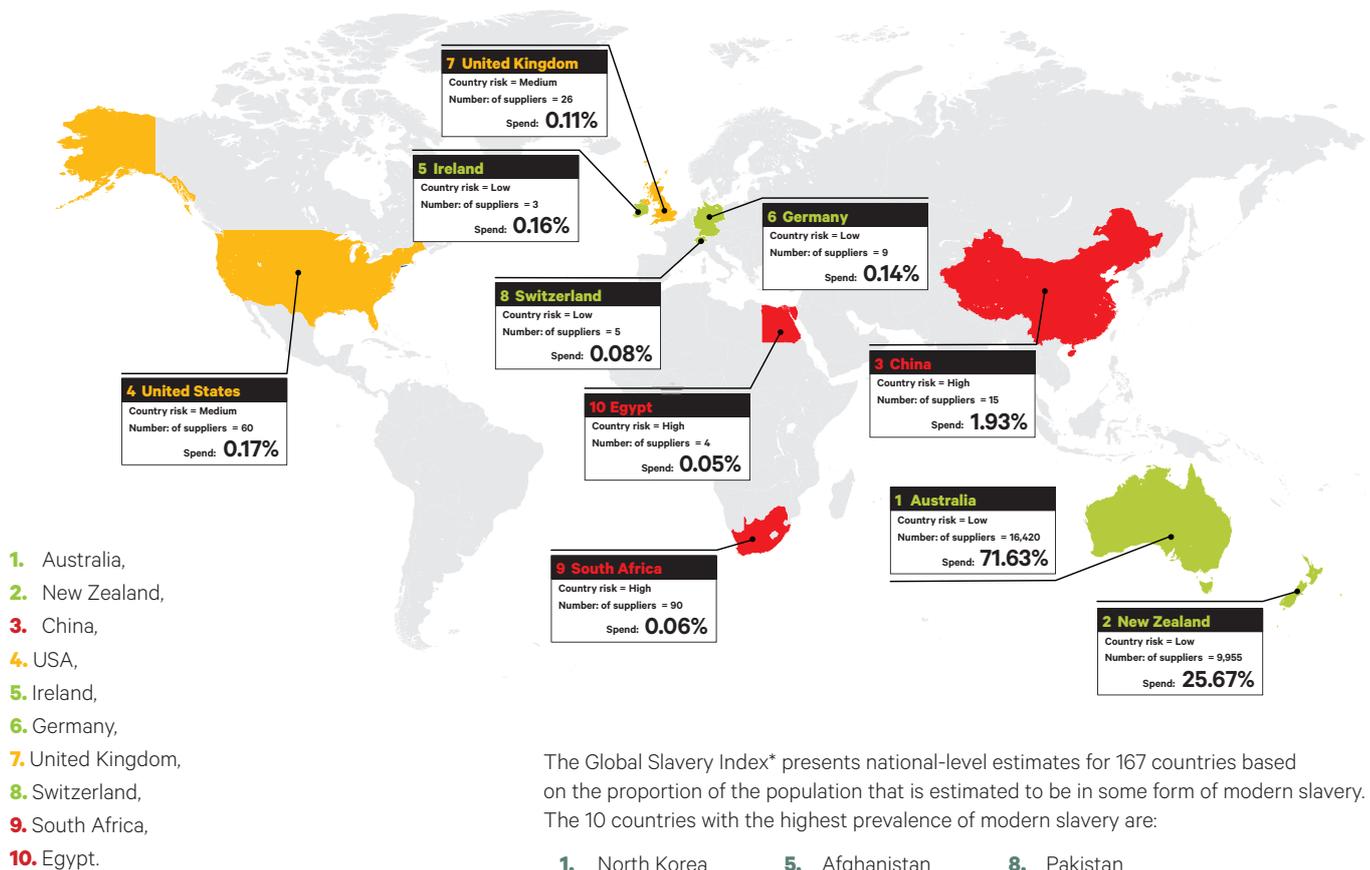
### Downer's Tier 1 supply chain profile:



### Downer's Tier 1 supply chain profile by risk category



### Location and number of suppliers - in order of spend



The Global Slavery Index\* presents national-level estimates for 167 countries based on the proportion of the population that is estimated to be in some form of modern slavery. The 10 countries with the highest prevalence of modern slavery are:

- |                                 |                |             |
|---------------------------------|----------------|-------------|
| 1. North Korea                  | 5. Afghanistan | 8. Pakistan |
| 2. Eritrea                      | 6. Mauritania  | 9. Cambodia |
| 3. Burundi                      | 7. South Sudan | 10. Iran    |
| 4. the Central African Republic |                |             |

**Downer has no supply relationships with the named countries.**

Downer utilises the Sedex platform to determine country risk.

\* <https://www.globalslaveryindex.org/2018/findings/global-findings/>

## Operational risk

Downer employs approximately 33,000 people, mostly in Australia and New Zealand, and fewer than 100 people across other countries. By employment contract, 59 per cent of our workforce are permanent, with 41 per cent contingent workers. Refer below for a breakdown of Downer's workforce.

Employee headcount decreased by 25 per cent in FY22. This reflects the completion of the divestment of Downer's Mining portfolio of businesses, with the sale of Open Cut Mining East and Otraco during the year, and the exit of the majority of Hospitality contracts.

### Employees by contract type and gender

Contract type	FY21 Female	FY21 Male	FY21 Total	FY22 Female	FY22 Male	FY22 Total	Change Female	Change Male	Change Total
<b>Permanent</b>									
Full-time	3,969	16,214	20,183	3,787	13,984	17,771	-5%	-14%	-12%
Part-time	1,562	652	2,214	1,325	569	1,894	-15%	-13%	-14%
<b>Temporary</b>									
Full-time	1,201	2,185	3,386	1,163	2,301	3,464	-3%	5%	2%
Part-time	876	609	1,485	841	615	1,456	-4%	1%	-2%
Casual	7,282	9,811	17,093	3,348	5,506	8,854	-54%	-44%	-48%
<b>Total</b>	<b>14,890</b>	<b>29,471</b>	<b>44,361</b>	<b>10,464</b>	<b>22,975</b>	<b>33,439</b>	<b>-30%</b>	<b>-22%</b>	<b>-25%</b>

### Employee headcount

Region	FY21	FY22	% Change
<b>Australia</b>	33,704	24,007	-29%
<b>New Zealand</b>	10,234	9,377	-8%
<b>Other</b>	423	55	-87%
<b>Total</b>	<b>44,361</b>	<b>33,439</b>	<b>-25%</b>

Downer acknowledges that a key modern slavery risk in Australia is migrant labour exploitation. This exploitation may potentially be more prevalent amongst cleaning, maintenance, and security contractors.

Downer employs people in these sectors as part of its Facilities services offering.

Downer will not tolerate any form of human rights abuse - whether it occurs within our own operations or our supply chain. We manage this risk

closely using robust policies and processes underpinned by our Modern Slavery Framework.

To further mitigate this risk, nearly half of Downer's workforce is covered by a Collective Bargaining Agreement (CBA), with a further 15 per cent engaged under a Modern Award. Employees not covered by a CBA or Modern Award are engaged under common law contracts, underpinned by legislated minimum employment rights in both Australia and New Zealand.

### Percentage of total employees covered by collective bargaining agreements

Region	FY21 Number	FY21 Rate	FY22 Number	FY22 Rate
		<b>% total headcount of region</b>		<b>% total headcount of region</b>
<b>Australia</b>	18,322	54%	12,029	50%
<b>New Zealand</b>	4,171	41%	4,057	43%
<b>Other</b>	-	0%	-	0%
<b>Total</b>	<b>22,493</b>	<b>51%</b>	<b>16,086</b>	<b>48%</b>

## Grievance reporting

Downer's Business Integrity Policy provides guidance on how behaviour that is inappropriate, unethical, corrupt or illegal can be reported. It also sets out what happens when a report is made, as well as how a discloser will be protected when they make a report. Reports can be made to supervisors, managers or officers of the company, a Human Resources Advisor or Manager or the Whistleblower Protection Officer (WPO).

If someone is uncomfortable making an internal report or prefers to remain anonymous, Downer's Business Integrity Policy is supported by the

'Our Voice' service. This free, independent service is available to our employees, subcontractors and suppliers for the purpose of reporting conduct which may include inappropriate, illegal, corrupt, or unethical behaviour.

Any reports of suspected modern slavery which could include labour exploitation, poor working conditions or other concerns, can be made via this service.

Downer received no modern slavery related reporting through the Our Voice service during FY22.

# Criteria D: Assessment of our modern slavery risks and process to address

## Our approach

It is important to Downer that our suppliers and subcontractors share our values and reflect our expectations when doing business with and for us.

In assessing modern slavery risk in our supply chain and operations we are guided by codes, regulations and statutes including:

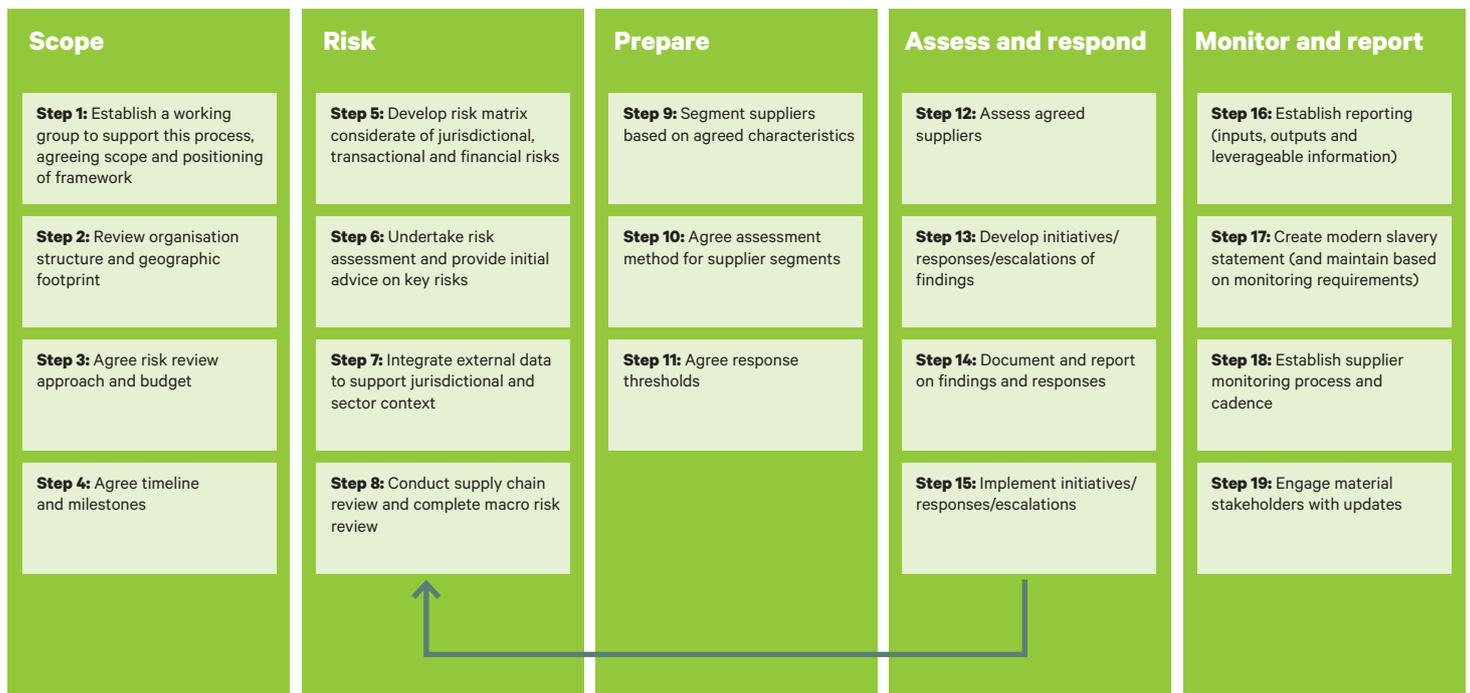
- The Modern Slavery Act 2018 (Cth)
- The UN Universal Declaration of Human Rights
- The UN Guiding Principles on Business and Human Rights
- The Ten Principles of the UN Global Compact
- The UN Sustainable Development Goals (SDGs).

Downer conducted a comprehensive materiality assessment in 2021, which identified a prioritised list of eight SDGs that Downer contributes to. SDG #8 'Decent work and economic growth' – which aims to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all – was ranked as our third highest SDG.

## Downer's modern slavery framework

Further to Downer's Risk and Opportunity Management Standard, we have adopted the following framework and assessment process to identify, manage and mitigate the risk of modern slavery in our operations and supply chain. Downer is committed to fully integrating this into our systems and processes over the next reporting period.

## Modern slavery framework five phases:



## Risk assessment process

Downer implements a six-step modern slavery risk assessment process.

1. Risk is reported to General Manager Group Procurement, Legal/ Company Secretariat, or via whistleblower helpline
2. Risk is triaged, according to whether it arises within Downer's operations or supply chain.
3. Risk criteria is assessed on whether Downer causes, contributes to, or is linked to the risk.
4. Risk is evaluated to identify and investigate potential issues and potential impact.
5. Action is taken to mitigate or remediate the risk, or take further action.
6. Monitor and review the risk periodically, or as required.

## Modern slavery governance

The Downer Standard (TDS) is Downer's proprietary Integrated Management System that defines the way we work and deliver for our customers.

The Downer Standard is closely aligned to Downer's Purpose, Promise and Pillars, and covers our core business processes including Customer Planning and Engagement, Opportunity and Bid Management, Delivery Management, Asset Management, Business Services, Corporate Affairs, Company Secretariat, Finance, Human Resources, Information Technology, Legal and Insurance, Plant and Light Vehicles, Procurement, Property, Quality, Risk, and Zero Harm.

The Downer Standard sits across each functional and operational area of Downer to ensure a standardised approach to business planning, operational and functional delivery, reporting, monitoring and decision making.

In the context of the prevention of modern slavery the following TDS documents apply:

### Policies

- Standards of Business Conduct: Sets expectations of how our people, contractors and suppliers conduct business, incorporating human rights, employee conduct, supplier conduct, sustainable procurement and modern slavery
- Business Integrity Policy (includes whistle blowing): Guides the reporting of misconduct, or an improper state of affairs or circumstances, in relation to the company, such as inappropriate, unethical, corrupt or illegal behaviour and the management of those reports. This policy is made available to all officers and employees of the company on the Downer Group website and The Downer Standard intranet site.

### Frameworks

- Procurement Framework: Downer's standardised Procurement framework, which is supported by a range of best practice platforms, ensures we are engaging with the right suppliers and subcontractors to achieve our business, ethical, Zero Harm and social objectives
- Modern Slavery Framework: This defines the modern slavery risk lifecycle.

The Downer Standard Leadership Team, chaired by the Group Chief Operating Officer, provides oversight and champions the adoption and continuous improvement of The Downer Standard across the Downer Group. The Downer Standard aids Downer in meeting its legislative compliance requirements and to reduce the risk of modern slavery in our operations and supply chain.

In addition, Downer implements a range of other internal and external processes and tools to ensure our modern slavery governance remains robust. These include:

## Processes, procedures and standards

- Supplier and subcontractor prequalification process. Downer undertakes a comprehensive prequalification process to ensure our suppliers and subcontractors meet our high standards of business conduct
- International Supply Standard to address and manage the risks prior to and while sourcing internationally
- Supplier Watchlist which provides our business with a referenceable list of suppliers requiring additional due diligence prior to engagement
- Precedent supply agreements and subcontracts, including our purchase order terms and conditions, containing standard modern slavery terms and conditions.
- Finance and Corporate Governance Self-Assessment (FCGSA) questionnaire, a biannual survey of our senior executive and senior managers, which includes specific modern slavery questions. Downer's Audit & Risk Committee receives a summary of any issues raised
- Supplier questionnaires and survey process.

## Training and education

- Mandatory employee training related to Standards of Business Conduct which addresses modern slavery risk
- Procurement induction and training module process for those workers in the organisation who perform procurement related activities.

## Tools

- Supplier sourcing tool, which is available to employees via Downer's intranet, which allows employees to apply filters to assist sourcing decisions, including:
  - Prequalification status
  - Environmental, Social and Governance (ESG)
  - Insurance status
  - Performance rating
  - Certification
  - Indigenous ownership
  - Preferred supplier status
  - Cost
  - Modern slavery risk.
- Modern slavery risk dashboard, which shows classification of supplier by country, category and spend. This provides an overall risk rating and provides buyers with an enhanced understanding of modern slavery risks relating to choice of supplier.

## Our approach

Downer's procurement objectives align with our Pillars and are designed to:

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

We believe that effective sustainable procurement and sourcing will enhance Downer's reputation while also supporting our long-term Group-wide sustainability objectives, including creating an increased focus on modern slavery risk.

Downer's definition of social procurement has been embedded into The Downer Standard and is closely aligned to the principles of ISO 20400 – Sustainable Procurement, which are: Accountability; Transparency, Ethical behaviour; Full and fair opportunity; Respect for shareholders; Respect for law and norms; Respect for human rights; Innovative solutions; Focus on needs; Integration; Analysis of cost; and Continual improvement.

**Downer defines sustainable procurement as the act of adopting social, economic, governance and environmental factors alongside the typical procurement considerations such as price and quality.**

**In FY22, we engaged a third-party to perform an overarching current-state and future-state review of our sustainable procurement practices, including our approach to modern slavery. The review considered the following social, economic, environment and governance criteria:**

### Social

- Buy local
- Health and safety
- Human right and modern slavery

### Economic

- Total cost of ownership
- Equitable processes
- Supply chain efficiency

### Governance

- Risk management
- Compliance
- Reporting

### Environment

- Scope 3 emissions
- Reduce waste
- Circular materials

## Modern slavery risk focus areas

### Rollingstock

Downer continues to partner with CRRC Changchun for the delivery of trainsets associated with Melbourne's High Capacity Metro Trains (HCMT). In 2020, it was alleged that a number of Uyghur workers were transferred to factories (in the Xinjiang Uyghur Autonomous Region of China), operated by KTK Group. KTK is a supplier of train components to CRRC and the broader international train manufacturing sector.

KTK has denied the allegations and Downer has found no evidence to establish the allegations. We continue to work with CRRC to monitor this risk on an ongoing basis.

### Solar sector

The Australian and New Zealand Governments have committed to near term 2030 targets and to achieving net zero emissions by 2050. The generation of renewable energy via solar is key to this objective.

Downer designs, builds and sustains solar farms for its customers in both the private and government sectors.

Downer has committed to an absolute near-term target of 50 per cent reduction of its Scope 1 and 2 GHG emissions by 2032 and an absolute near-term target of 30 per cent reduction of its Scope 3 emissions by 2032. Downer has set a long-term target to be net zero in Scope 1, 2 and 3 GHG emissions by 2050. Both the near-term and the long-term targets have the base year of 2020.

The vast majority of solar panels globally are manufactured in China, supported by an abundant supply of polysilicon, which is a key raw material in the solar photovoltaic (PV) supply chain. Downer has utilised the Sedex online platform to guide our procurement decisions.

### Sedex

Sedex is a not-for-profit organisation that aims to improve ethical and responsible business practices in global supply chains. Downer uses the Sedex online platform, tools and services to help guide our approach to modern slavery risk in our supply chain and operations.

The platform offers a streamlined and consistent process to ensure that Downer is focused on modern slavery risk indicators such as forced labour, freedom of association, children and young workers, wages, working hours, and health, safety and hygiene.

In addition to these criteria, we have reviewed the Sedex overarching modern slavery risk indicators associated with the manufacturing sector in China. The primary concerns include number of hours worked, discrimination and freedom of association.

In consideration of the Sedex modern slavery risk indicators, and applying them to the potential manufacture of solar panels, Downer has created the following solar-related action plan:

- a. Commencement of supplier audits performed by a certified third-party in their China-based factories. It is possible that the risk of modern slavery in Asian manufacturing hubs has increased over the past three years, given that the COVID-19 pandemic has complicated the auditing process. Measures that have reduced the spread of COVID-19 have conversely impacted the ability of companies like Downer to conduct site audits. Downer has commenced this process and is working collaboratively with suppliers in order to reach an acceptable outcome.
- b. The introduction of an internal Supplier Watchlist, which provides our company with a referenceable list of suppliers requiring additional due diligence prior to engagement. This list is updated as required in consideration of any new information or events and forms an integral part of Downer's bid governance.
- c. Scheduled bi-weekly meetings, which take place with Downer's Group Procurement and the Infrastructure Projects and Utilities businesses, to discuss the current and proposed use of solar suppliers and the status of any bid submissions.
- d. Updates to The Downer Standard – including updates to the following documents for modern slavery related matters:
  - Supplier Subcontractor Tendering Procedure
  - Construction Contractor Checklist
  - Maintenance Contracts Checklist
  - Facilities Management Contract Checklist
  - Modern Slavery Supplier and Subcontractor Checklist
  - Modern Slavery Due Diligence Procedure
  - Procurement Framework.

# Criteria E: Assessing the effectiveness of our actions

Downer has taken deliberate steps to assess the effectiveness of the actions we are taking to address modern slavery in our operations and supply chain.

## Looking back: FY22 objectives

Focus area	Objective	Targets	Outcome
<b>Risk assessment and mitigation</b>	To review and standardise supplier prequalification process across the organisation.	Review all prequalification methods and technology and provide recommendation.	<b>Complete.</b> Next steps will involve the consolidation of existing prequalification tools.
<b>Consultation</b>	Review and enhance Modern Slavery Framework in consultation with entities controlled by Downer.	Agree and communicate updated Modern Slavery Framework to controlled entities.	<b>Progressing.</b> Consultation process is ongoing.
<b>Due diligence</b>	Further refine the process for the collection mechanism for quantifying and monitoring supplier risk.	Embed process and review effectiveness.	<b>Completed.</b> Significant updates to The Downer Standard have been released.
<b>Approach to deal with risk</b>	Further understand the risk of international sourcing and shape strategies to mitigate risk.	Mature Sedex as our supplier risk screening platform for international suppliers. Engage audit specialists where required.	<b>Maturing.</b> We continue to utilise and expand our use of the tool.
<b>Training and capacity building</b>	Review the effectiveness of modern slavery training across our organisation.	Determine whether training targets and the intended recipients achieve the desired level of awareness. Make any required changes to training materials.	<b>Progressing.</b> We continue to assess our training methodology and its effectiveness.
<b>Maturity</b>	Measure the activity level and engagement from our organisation and customers related to modern slavery.	Monthly measure of engagement activities by Group Procurement, including quantum of enquiries received and meetings attended. Make any required changes to training materials.	<b>Ongoing.</b> Measurement process has been implemented. We continue to monitor modern slavery engagement activities monthly.

In addition to the focus areas on page 18, Downer has undertaken the following additional assessment actions during FY22:

<p><b>Due diligence</b></p>	<ul style="list-style-type: none"> <li>■ Monitoring the nature and quantum of modern slavery queries from our business, customers, and investors to determine if we have the right level of focus and are concentrating our efforts where it is needed most</li> <li>■ Endorsement of Group Procurement Strategy, inclusive of sustainable procurement initiatives that align with our Group goals and objectives</li> <li>■ Completion of Procurement Operating Model review to support best practice sustainable sourcing and identify gaps</li> <li>■ Delivery of Sustainable Procurement current state and future state review, including a review of our modern slavery risk framework.</li> </ul>
<p><b>Consultation</b></p>	<ul style="list-style-type: none"> <li>■ A pattern of regular meetings to provide modern slavery related updates to senior executives has been established and includes the periodic review and approval of the Modern Slavery Framework</li> <li>■ Met with the Infrastructure Sustainability Council of Australia's Modern Slavery coalition for cross-sector collaboration each quarter.</li> </ul>
<p><b>Supplier engagement</b></p>	<ul style="list-style-type: none"> <li>■ Engaged with solar suppliers and enacted our audit and assurance processes and examination of any findings</li> </ul>
<p><b>Resourcing</b></p>	<ul style="list-style-type: none"> <li>■ Conducted a review and identified the need for a Manager of Sustainable Sourcing to mature our risk position and ensure we are adequately resourced to manage modern slavery risk.</li> </ul>

**Reinforcing The Downer Standard**

In FY22, Downer built on the foundations established through The Downer Standard, by implementing centralised requirements and processes. We continue to focus on embedding The Downer Standard to reduce modern slavery risk by improving its application through continuous improvement arising from the feedback mechanism.



## Criteria F: Consultation process

Downer supports the fundamental human rights of our people, and people working across our value chain. Human rights are the basic standards of treatment to which everyone is entitled, regardless of gender, race, nationality, economic status or religion.

Downer has taken a consistent approach to managing modern slavery across our controlled entities, which are listed in Appendix A. We understand that in order to manage risk we need to make the risk visible. We have taken deliberate steps to provide education and awareness to our people and suppliers and provide tools that support our business in understanding and assessing risk.

Our centralised governance structure, which includes corporate functions such as Procurement, Company Secretariat and Legal, supports us to disseminate information collectively across our diverse organisation.

Modern slavery queries are managed centrally, and our business understands the engagement process.

We will continue to strengthen the information conduit relating to modern slavery risk into our organisation and provide specific advice and direction to entities where we perceive the risk of modern slavery exists.

### External consultation

Downer seeks to continually mature and improve our modern slavery risk position. To help achieve this, we consulted or engaged with the following industry bodies during FY22:

- Supplier Ethical Data Exchange (Sedex)
- Infrastructure Sustainability Council's, modern slavery coalition
- Supply Chain Sustainability School
- Business Council for Sustainable Development Australia
- Procurement and Supply Australasia Connect
- Other consultants to advise on specific aspects of modern slavery.

# Criteria G: Looking forward

In FY23, Downer will focus on the following actions.

Focus area	Objective	Target
Risk assessment and mitigation	Standardise supplier prequalification process across the organisation.	Implement the recommendation to standardise to a single prequalification tool.
Risk assessment and mitigation	Manage compliance to The Downer Standard as it relates to modern slavery risk.	Internal audit review conducted by Downer's Risk and Assurance function.
Consultation	Communicate the risk of modern slavery to our Tier 1 supply chain.	Develop an approach to promote awareness and educate our Tier 1 supply chain on modern slavery risk.
Approach to deal with risk	Expand our audit capabilities when engaging with international suppliers.	Mature our approach and establish a program of international audits.
Training	Increase modern slavery awareness across the organisation.	Make modern slavery training accessible to all Downer employees.
Capacity building	Enhance sustainable procurement capability.	Appoint Manager of Sustainable Sourcing.

**Downer is cognisant that, due to the insidious nature of modern slavery, it is hard to detect.**

**We welcome the enactment of modern slavery legislation and efforts to create awareness, highlight the risks, and address modern slavery risks in our operations and supply chain.**

**We will continue to be vigilant and monitor risks that may occur.**

# Appendix A

The controlled entities of the Group listed below were wholly owned during the current and prior year, unless otherwise stated:

## Australia

A E Smith & Son (NO) Pty Ltd <sup>(vii)</sup>  
A E Smith & Son (SEQ) Pty Ltd <sup>(vii)</sup>  
A.E. Smith & Son Proprietary Limited <sup>(vii)</sup>  
AE Smith Building Technologies Pty Ltd <sup>(vii)</sup>  
A.E. Smith Service (SEQ) Pty Ltd <sup>(vii)</sup>  
A.E. Smith Service Holdings Pty Ltd <sup>(vii)</sup>  
A.E. Smith Service Pty Ltd <sup>(vii)</sup>  
ACN 009 173 040 Pty Ltd  
AGIS Group Pty Limited  
Airparts Fabrication Pty Ltd <sup>(vii)</sup>  
Airparts Fabrication Unit Trust <sup>(vii)</sup>  
Airparts Holdings Pty Ltd <sup>(vii)</sup>  
Aladdin Group Services Pty Limited  
Aladdin Laundry Pty Limited  
Aladdin Linen Supply Pty Limited  
Aladdins Holdings Pty. Limited  
ASPIC Infrastructure Pty Ltd  
Asset Services (Aust) Pty Ltd  
Berkeley Challenge (Management) Pty Limited  
Berkeley Challenge Pty Limited  
Berkeley Railcar Services Pty Ltd  
Berkeleys Franchise Services Pty Ltd  
Bonnyrigg Management Pty. Limited  
Cleandomain Proprietary Limited  
Cleavevent Australia Pty. Ltd.  
Cleavevent Holdings Pty. Limited  
Cleavevent International Pty. Limited  
Cleavevent Technology Pty Ltd  
DM Road Services Pty Ltd  
DMH Electrical Services Pty Ltd  
DMH Maintenance and Technology Services Pty Ltd  
DMH Plant Services Pty Ltd  
Downer Australia Pty Ltd  
Downer EDI Associated Investments Pty Ltd  
Downer EDI Engineering Company Pty Limited  
Downer EDI Engineering CWH Pty Limited  
Downer EDI Engineering Electrical Pty Ltd  
Downer EDI Engineering Group Pty Limited  
Downer EDI Engineering Holdings Pty Ltd  
Downer EDI Engineering Power Pty Ltd  
Downer EDI Engineering Pty Limited  
Downer EDI Limited Tax Deferred Employee Share Plan  
Downer EDI Mining Pty Ltd  
Downer EDI Mining-Minerals Exploration Pty Ltd  
Downer EDI Rail Pty Ltd  
Downer EDI Services Pty Ltd  
Downer EDI Works Pty Ltd  
Downer Energy Systems Pty Limited  
Downer Group Finance Pty Limited  
Downer Holdings Pty Limited  
Downer Investments Holdings Pty Ltd  
Downer Mining Regional NSW Pty Ltd  
Downer PipeTech Pty Limited  
Downer PPP Investments Pty Ltd  
Downer Utilities Australia Pty Ltd  
Downer Utilities Holdings Australia Pty Ltd  
Downer Utilities New Zealand Pty Ltd  
Downer Utilities SDR Pty Ltd

Downer Victoria PPP Maintenance Pty Ltd  
EDI Rail PPP Maintenance Pty Ltd  
EDICO Pty Ltd  
Emerald ESP Pty Ltd <sup>(vii)</sup>  
Emoleum Partnership  
Emoleum Road Services Pty Ltd  
Emoleum Roads Group Pty Ltd  
Envar Engineers and Contractors Pty Ltd <sup>(vii)</sup>  
Envar Holdings Pty Ltd <sup>(vii)</sup>  
Envar Installation Pty Ltd <sup>(vii)</sup>  
Envar Service Pty Ltd <sup>(vii)</sup>  
Envista Pty Limited  
Errolon Pty Ltd  
Evans Deakin Industries Pty Ltd  
Fieldforce Services Pty Ltd  
Fowlers Asphaltng Pty. Limited <sup>(vii)</sup>  
Gippsland Asphalt Pty. Ltd <sup>(vii)</sup>  
Infrastructure Constructions Pty Ltd  
International Linen Service Pty Ltd  
LNK Group Pty Ltd  
Lowan (Management) Pty. Ltd.  
Maclab Services Pty Ltd  
Mineral Technologies (Holdings) Pty Ltd  
Mineral Technologies Pty Ltd  
Monteon Pty Ltd  
National Community Enterprises <sup>(vii)</sup>  
Nationwide Venue Management Pty Limited  
New South Wales Spray Seal Pty Ltd  
NG-Serv Pty Ltd  
Nuvogroup (Australia) Pty Ltd  
Otraco International Pty Ltd <sup>(vii)</sup>  
Otracom Pty Ltd <sup>(vii)</sup>  
Pacific Industrial Services BidCo Pty Ltd  
Pacific Industrial Services FinCo Pty Ltd  
Primary Producers Improvers Pty. Ltd.  
Rail Services Victoria Pty Ltd  
Riley Shelley Services Pty Limited  
Roche Services Pty Ltd  
RPC Roads Pty Ltd  
RPQ Asphalt Pty. Ltd.  
RPQ Mackay Pty Ltd  
RPQ North Coast Pty. Ltd.  
RPQ Pty Ltd  
RPQ Services Pty. Ltd.  
RPQ Spray Seal Pty. Ltd.  
Skilltech Consulting Services Pty. Ltd.  
Skilltech Metering Solutions Pty Ltd.  
Smarter Contracting Pty Ltd  
Southern Asphalters Pty Ltd  
Sports Venue Services Pty Ltd  
Spotless Defence Services Pty Ltd  
Spotless Facility Services Pty Ltd  
Spotless Financing Pty Limited  
Spotless Group Holdings Limited  
Spotless Group Limited  
Spotless Investment Holdings Pty Ltd  
Spotless Management Services Pty Ltd  
Spotless Property Cleaning Services Pty Ltd  
Spotless Securities Plan Pty Ltd

Spotless Services Australia Limited  
Spotless Services International Pty Ltd  
Spotless Services Limited  
Spotless Treasury Pty Limited  
SSL Asset Services (Management) Pty Ltd  
SSL Facilities Management Real Estate Services Pty Ltd  
SSL Security Services Pty Ltd  
Tarmac Linemarking Pty Ltd <sup>(vii)</sup>  
Taylors Two Seven Pty Ltd  
Trenchless Group Pty Ltd  
Trico Asphalt Pty. Ltd.  
UAM Pty Ltd  
Utility Services Group Holdings Pty Ltd  
Utility Services Group Limited  
VEC Civil Engineering Pty Ltd  
VEC Plant & Equipment Pty Ltd

## New Zealand and Pacific

AF Downer Memorial Scholarship Trust  
DGL Investments Limited  
Downer Construction (Fiji) Pte Limited  
Downer Construction (New Zealand) Limited  
Downer EDI Engineering Power Limited  
Downer EDI Engineering PNG Limited  
Downer EDI Works Vanuatu Limited  
Downer New Zealand Limited  
Downer New Zealand Projects 1 Limited  
Downer New Zealand Projects 2 Limited  
Downer Utilities Alliance New Zealand Limited <sup>(vii)</sup>  
Downer Utilities New Zealand Limited  
Downer Utilities PNG Limited <sup>(vii)</sup>  
Green Vision Recycling Limited  
Hawkins Limited  
Hawkins Project 1 Limited  
ITS Pipetech Pacific (Fiji) Pte Limited  
Richter Drilling (PNG) Limited  
Spotless Facility Services (NZ) Limited  
Spotless Holdings (NZ) Limited  
Techtel Training & Development Limited  
The Roding Company Limited  
Underground Locators Limited <sup>(vii)</sup>  
Waste Solutions Limited  
Works Finance (NZ) Limited

## Africa

Downer EDI Mining - Ghana Limited  
Downer Mining South Africa Proprietary Limited  
MD Mineral Technologies Africa (Pty) Ltd <sup>(vii)</sup>  
MD Mining and Mineral Services (Pty) Ltd <sup>(vii)</sup>  
Otraco Botswana (Proprietary) Limited <sup>(vii)</sup>  
Otraco Southern Africa (Pty) Ltd <sup>(vii)</sup>  
Otraco Tyre Management Namibia (Proprietary) Limited <sup>(vii)</sup>

## Asia

Chang Chun Ao Hua Technical Consulting Co Ltd  
Cleanevent Middle East FZ LLC <sup>(ii)</sup>  
Downer EDI Engineering (S) Pte Ltd  
Downer EDI Engineering Holdings (Thailand) Limited  
Downer EDI Engineering Thailand Ltd  
Downer EDI Group Insurance Pte Ltd  
Downer EDI Rail (Hong Kong) Limited  
Downer EDI Works (Hong Kong) Limited  
Downer Pte Ltd  
Downer Singapore Pte Ltd  
MD Mineral Technologies Private Limited  
PT Duffill Watts Indonesia  
PT Otraco Indonesia <sup>(iii)</sup>

## Americas

Mineral Technologies Comercio de Equipamentos para  
Processamento de Minerais LTD  
Mineral Technologies, Inc.  
Otraco Brasil Gerenciamento de Pneus Ltda  
Otraco Chile SA <sup>(v)</sup>

## United Kingdom and Channel Islands

KHSA Limited  
Sillars (B. & C.E.) Limited <sup>(iii)</sup>  
Sillars (TMWD) Limited <sup>(iii)</sup>  
Sillars Holdings Limited <sup>(iii)</sup>  
Sillars Road Construction Limited <sup>(iii)</sup>  
Works Infrastructure (Holdings) Limited <sup>(iii)</sup>  
Works Infrastructure Limited <sup>(iii)</sup>

- (i) 70 per cent ownership interest.
- (ii) Entity disposed during the financial year ended 30 June 2022. The Group had 74 per cent ownership interest prior to its disposal.
- (iii) Entity is currently undergoing liquidation/dissolution.
- (iv) Entity liquidated/de-registered during the financial year ended 30 June 2022.
- (v) Entity disposed during the financial year ended 30 June 2022.
- (vi) Entity acquired during the financial year ended 30 June 2022.
- (vii) Entity does not form part of the tax-consolidated group of which Downer EDI Limited is the head entity.
- (viii) Entity amalgamated into Downer New Zealand Limited during the financial year ended 30 June 2022.
- (ix) MD Mineral Technologies SA (Pty) Ltd. changed its name to MD Mineral Technologies Africa (Pty) Ltd during the financial year ended 30 June 2022



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