



Modern Slavery Statement

Reporting Period: Financial Year 2023-2024



Introduction

Modern slavery is a grave violation of human rights that affects over 40 million people globally.

It involves the use of coercion, threats, or deception to exploit individuals for commercial gain, denying them their basic freedoms. Forms of modern slavery include human trafficking, forced labour, servitude, debt bondage, deceptive recruitment, and child labour.

The construction industry is especially vulnerable to modern slavery risks due to its reliance on complex supply chains, subcontracting, and high demand for low-skilled labour. It is estimated that 16% of all forced labour worldwide occurs in the construction sector.

McConnell Dowell acknowledges its exposure to these risks within its operations and supply chains.

In alignment with the principles of the United Nations Global Compact and the United Nations Sustainable Development Goals, McConnell Dowell is committed to identifying, preventing, and addressing modern slavery risks.

This statement is made pursuant to the Commonwealth Modern Slavery Act (2018) (the Act) for the year ended 30 June 2024 (Reporting Period) and was approved by the board of directors of Aveng Australia Holdings Pty Ltd

for and on behalf of the Reporting Entities and the board of directors of McConnell Dowell Corporation Ltd on 20 December 2024.

This statement relates to the following entities in the McConnell Dowell Group:

- McConnell Dowell Corporation Ltd
- McConnell Dowell Holdings Pty Ltd
- McConnell Dowell Constructors (Aust) Pty Ltd
- Built Environs Pty Ltd

and the ultimate Australian parent company of McConnell Dowell (Aveng Australia Holdings Pty Ltd), which each carried on business in Australia with a consolidated revenue in excess of \$100 million in the financial year, and their owned or controlled entities.





**MCCONNELL
DOWELL**

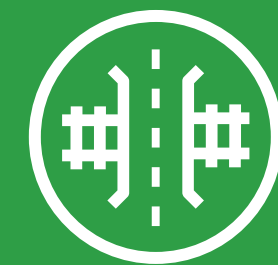
CREATIVE CONSTRUCTION™

Our structure, operations & supply chains

McConnell Dowell operates a construction and engineering business which is organisationally structured to deliver projects through four (4) business units:

Australia, New Zealand & Pacific Islands, South East Asia and our building business - Built Environs.

McConnell Dowell provides engineering and construction solutions for customers in the following sectors:



Building

Construction of commercial buildings.



Energy

Construction of civil, electrical, mechanical, pipelines and tunnelling works to enable sustainable and efficient power infrastructure.



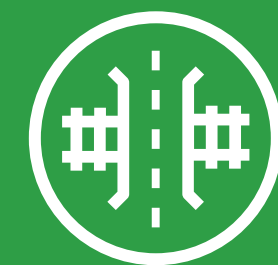
Ports & Coastal

Construction of ports, wharves, jetties, passenger terminals, marinas and defence marine facilities.



Resources

Construction of mining and metals and oil and gas assets.



Transport

Construction of rail, road and airport infrastructure



Water & Wastewater

Construction of intakes, pipelines, outfalls, treatment plants, dams and storage.

Our structure, operations & supply chains

continued.

McConnell Dowell delivers projects independently or as part of joint ventures. Typically, these joint ventures are unincorporated, and McConnell Dowell's stake varies between 20% and 80%, with a majority being 50%. Our partners in these ventures usually operate in similar industries and regions, which supports alignment on project goals and standards.

Our operations rely on a diverse workforce that includes executives, engineers, administrative staff, skilled tradespeople, and labourers. As of the end of the reporting period, McConnell Dowell employed 2985 individuals, predominantly based in Australia and New Zealand, but with significant numbers in South East Asia, which is recognised as a higher-risk region for modern slavery by the Global Slavery Index*. Table 1 outlines the number of employees by location.

In addition to direct employees, we engage a range of indirect workers, such as contractors and labour hired through third-party agencies. These contracted workers are essential to our business operations. During the reporting period, McConnell Dowell spent approximately \$89 million AUD on third-party labour hire, with over 99% of this expenditure concentrated in Australia and New Zealand. Table 2 outlines labour hire spend by country of operation.

Our supply chain includes a broad network of suppliers, with approximately A\$2 billion spent on materials, goods, and services from around 7,700 suppliers. Table 3 outlines the vendor spend by category. A significant portion of this spend (93%) was with suppliers based in Australia and New Zealand. Table 4 outlines the vendor spend by country of incorporation.

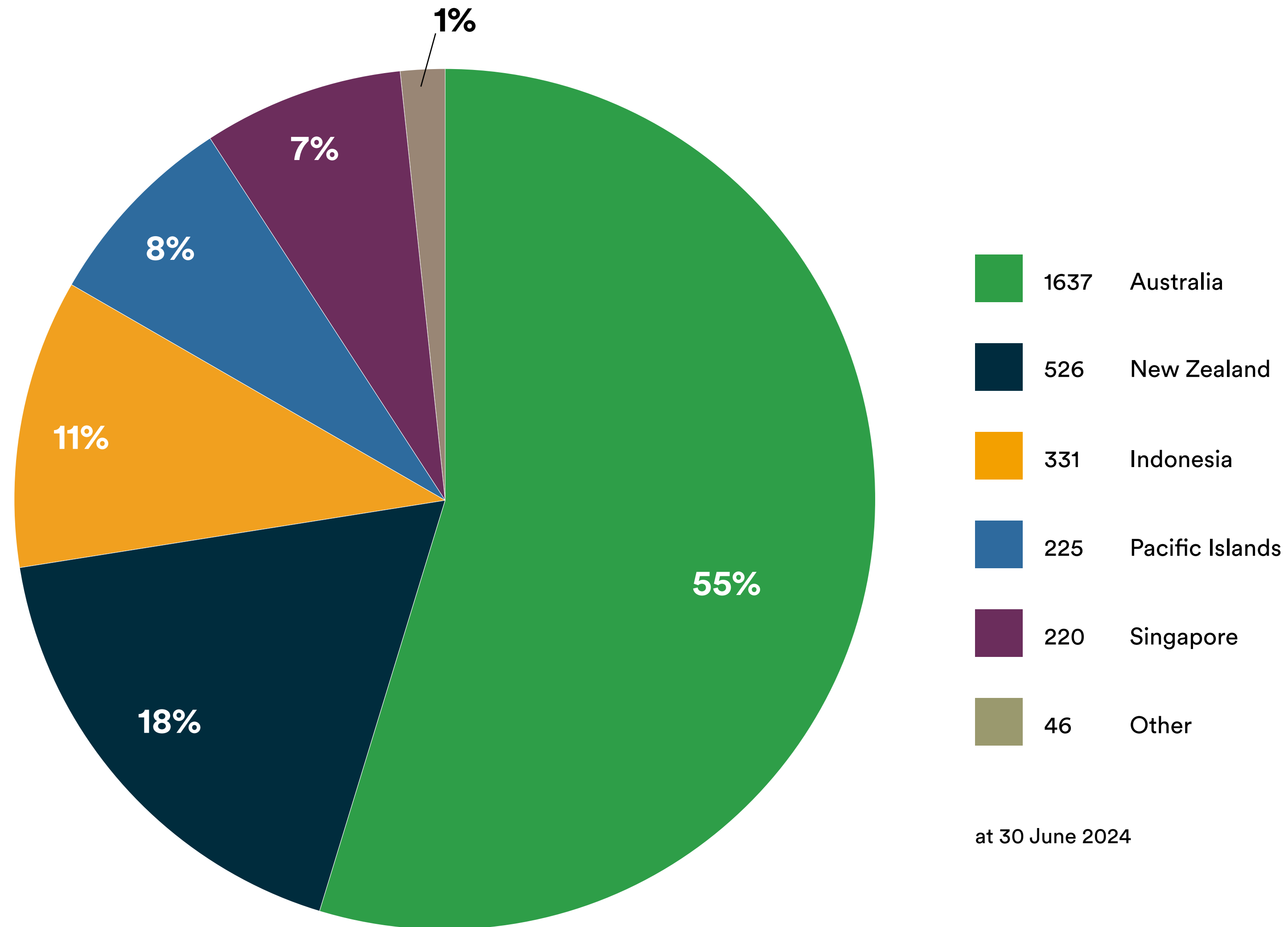
Importantly, this analysis considers only the supplier's country of incorporation and does not fully capture the global origin of materials within each supplier's supply chain. For example, products sourced from a New Zealand supplier may contain materials originating from, or manufactured in, other countries. As with other reporting entities, we are currently working with our suppliers to identify ways of creating greater transparency of country of origin of materials used in our supply chain.



*The Global Slavery Index

Table 1

Number of Employees by Location



at 30 June 2024

Table 2

Labour Hire Spend by Country of Operation

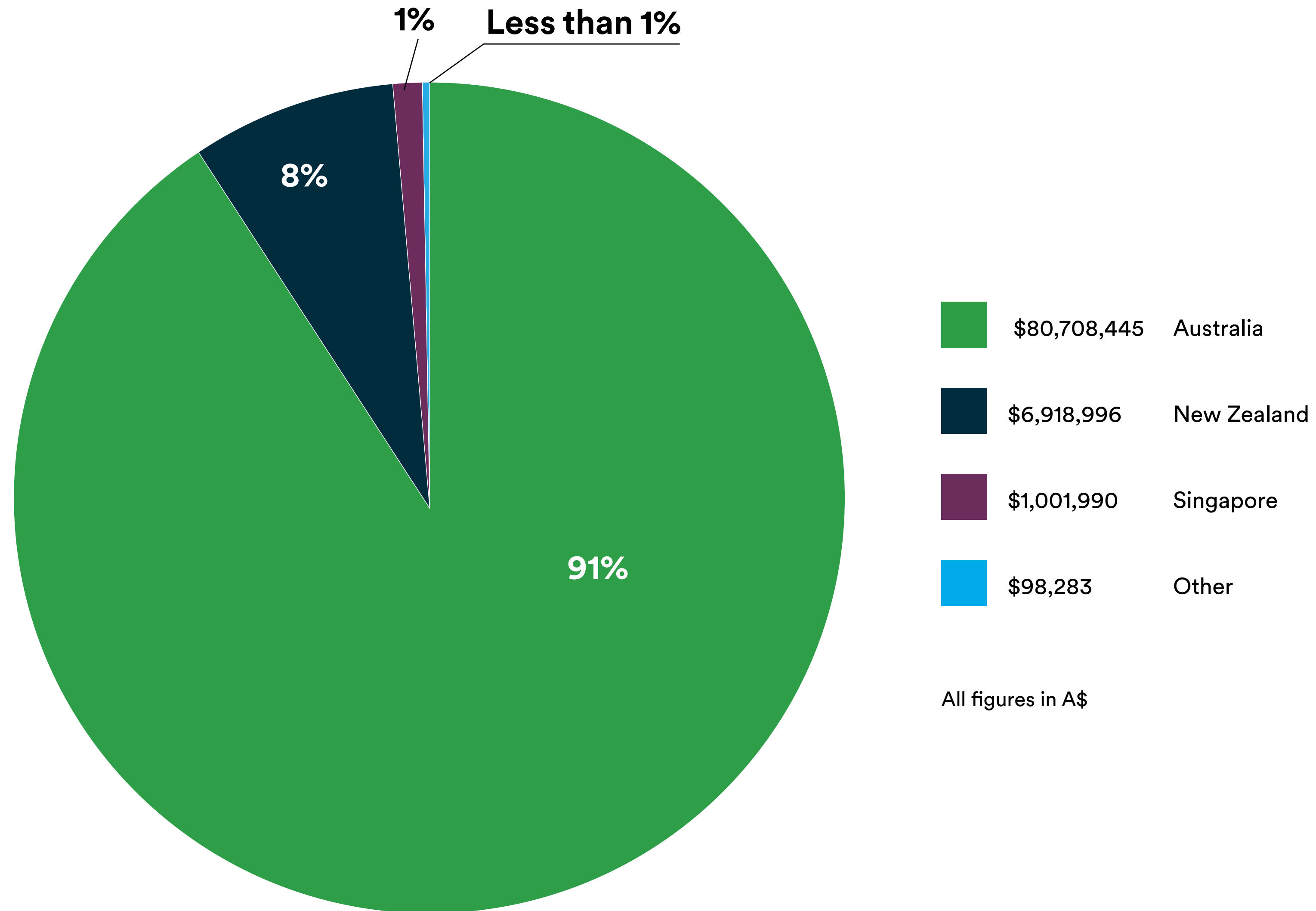
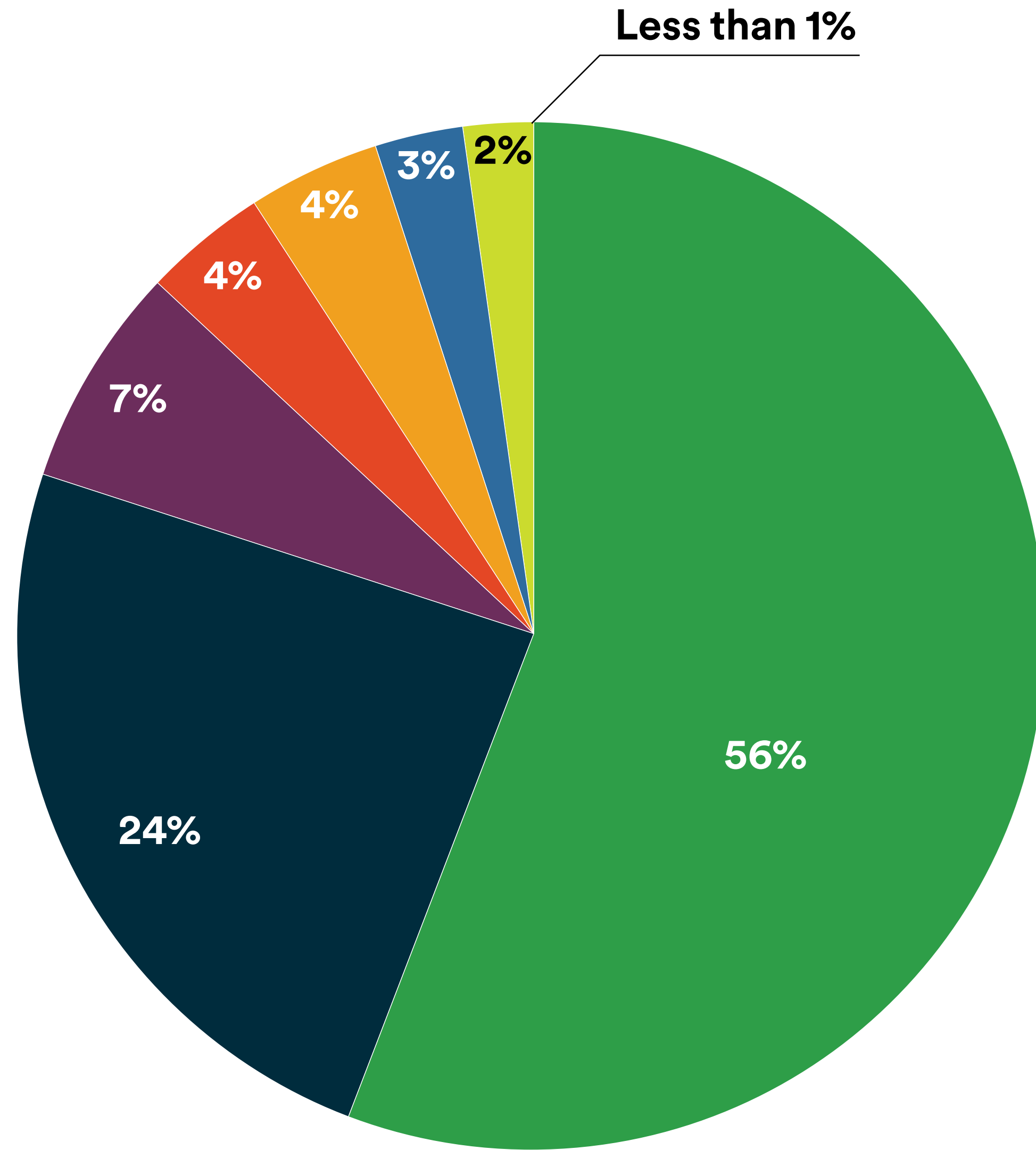


Table 3

Vendor Spend by Category

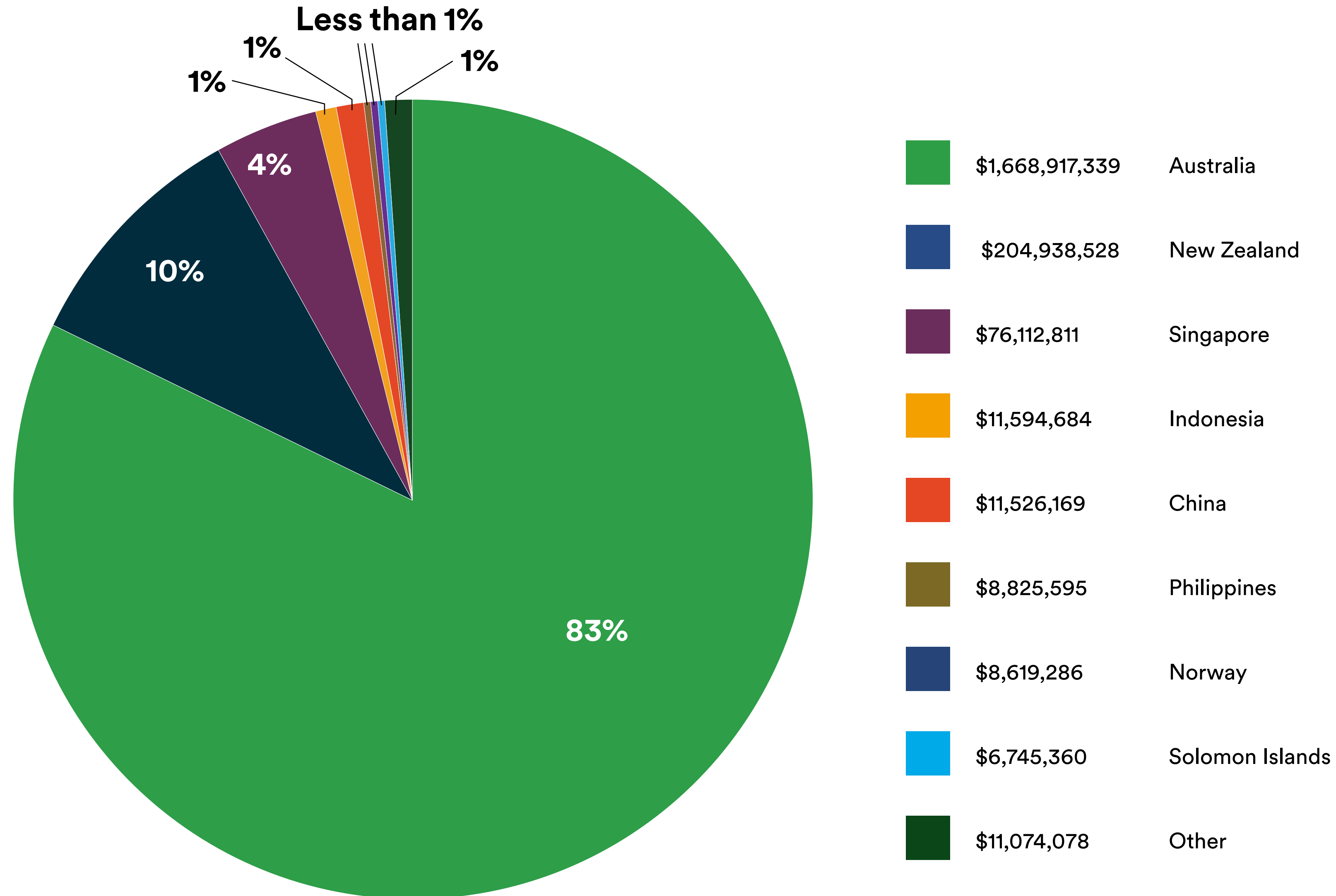


-  \$1,114,202,85 Subcontractors
-  \$485,315,146 Materials
-  \$148,560,943 Plant Hire
-  \$88,727,713 Labour Hire
-  \$84,799,583 Consultants
-  \$52,413,502 Corporate
-  \$28,527,548 Shipping
-  \$5,806,559 Other

All figures in A\$

Table 4

Vendor Spend by Country of Incorporation



All figures in A\$

Risks of modern slavery in our operations and supply chains

McConnell Dowell recognises that modern slavery risks are present across our operations and extensive supply chains. The complexities of these supply chains, along with various business factors, can limit transparency and increase the vulnerability of certain sectors to modern slavery.

Key contributing factors include:

Demand for Low-Skilled Labor: The high need for lower-skilled workers can lead to higher risks of exploitation.

Operations in High-Risk Geographies: We work in several regions that are flagged as high risk for modern slavery.

Subcontracting Model: Heavy reliance on subcontractors increases risk exposure.

Cost and Time Pressures: Industry norms of low margins and tight delivery schedules can exacerbate risks.

McConnell Dowell understands that its actions could either cause, contribute to, or be directly linked to modern slavery incidents:

Cause: Direct involvement where the company's actions or omissions lead to exploitation, such as if McConnell Dowell were to impose unfair labour conditions.

Contribute: Situations where McConnell Dowell's actions significantly influence modern slavery risks, like setting cost expectations that could lead contractors to exploit workers.

Directly Linked: When the company's services or products are associated with third-party exploitation, such as purchasing goods from suppliers with forced labour in their supply chains.



Risks of modern slavery in our operations and supply chains cont.

McConnell Dowell is committed to respecting human rights across all areas of its operations, in line with the UN Guiding Principles on Business and Human Rights*.

These principles include ensuring freedom of association, preventing workplace discrimination and harassment, and strictly prohibiting any form of modern slavery.

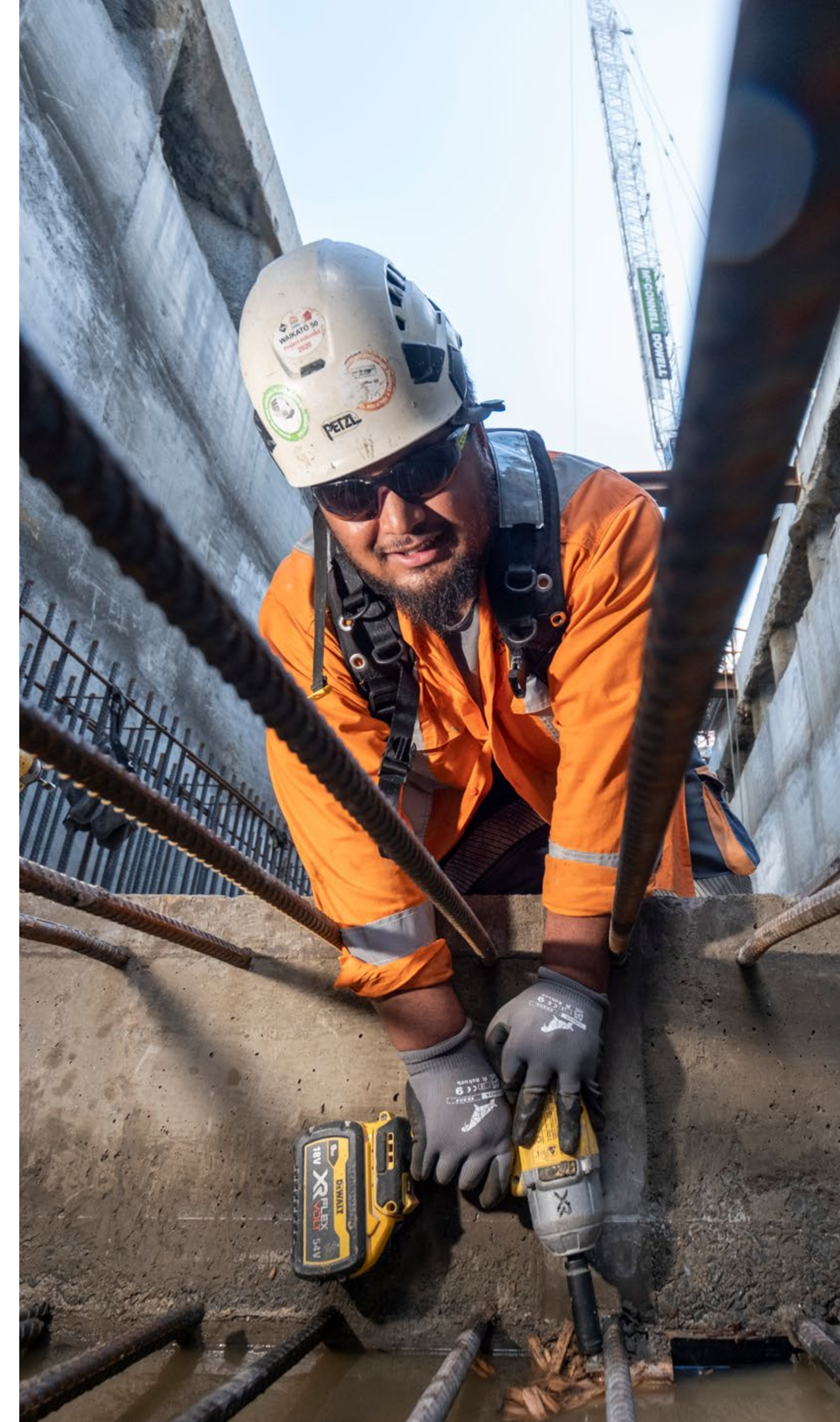
To uphold these commitments, we follow fair recruitment and employment practices, ensuring that employees are hired under legal contracts, are paid fairly, and can freely leave their employment, respecting notice periods. We also provide internal and external reporting channels for employees to safely raise concerns about unethical, improper, or illegal conduct, including issues related to modern slavery.

Our risk assessment indicates that modern slavery risk is negligible for our direct employees, largely due to the safeguards and processes we already have in place. However, we recognise that contingent or contracted workers, especially those in lower-skilled roles, temporary positions, or in specific geographic areas, may face higher vulnerability to exploitation.

McConnell Dowell has identified several high-risk areas within its operation, including:

- Labor Subcontracting: Subcontracted labour for projects, especially those in high-risk locations, pose notable risk.
- Construction Materials: High-risk when sourced by subcontractors.
- Onsite Accommodation and Catering: Particularly relevant in remote or international projects, where workers may be isolated and vulnerable.
- Telecommunications and IT Equipment: Sourcing hardware can carry significant risk due to the complex manufacturing supply chains.
- Cleaning and Security Services: These sectors have known vulnerabilities, especially where migrant or low-wage workers are used.
- Personal Protective Equipment (PPE): PPE sourcing can involve materials from regions with documented forced labour issues.

* UN Guiding Principles on Business and Human Rights document



Risks of modern slavery in our operations and supply chains cont.

During the reporting period, McConnell Dowell worked with over 7,700 suppliers. Our spend across these suppliers was highly concentrated, with the top 100 suppliers representing 42% of the total spend and the top 500 accounting for 76%. This concentration allows us to build stronger relationships with core suppliers, improving our ability to understand and manage risks within their operations. However, we are aware that each direct supplier may have its own complex network of suppliers, amplifying the potential footprint and risks in our extended supply chain.

McConnell Dowell remains committed to maintaining a safe and fair working environment for all workers, with a strong focus on supporting any vulnerable groups within our workforce and supply chain.



Actions taken to address the risk of modern slavery in our business

During the reporting period, McConnell Dowell implemented several key initiatives to address and reduce the risks of modern slavery within its operations and supply chains:

- Annual Pledge
- Vendor Code of Conduct
- Ethixbase
- Contractual Measures
- Industry Collaboration

Each of these initiatives are detailed on the following pages ...





Actions taken to address the risk of modern slavery in our business cont.

1 The Annual Pledge

The McConnell Dowell annual pledge is a formal commitment made by employees to adhere to the ethical standards and values outlined in our Code of Conduct.

During the reporting period, the annual pledge was supplemented with information about protecting human rights and preventing labour exploitation. By pledging to stand against modern slavery, employees take an active role in fostering a culture of respect, fairness, and dignity for all workers. The pledge was completed by over 90% of staff during the reporting period.

2 Vendor Code of Conduct

While our suppliers and subcontractors are independent entities, McConnell Dowell realises that their business practises may impact on our reputation. For this reason, during the reporting period we published and implemented the McConnell Dowell Vendor Code of Conduct which requires our vendors to comply with recognised social, environmental and ethical responsibilities, including in relation to Modern Slavery and human rights.

3 Ethixbase

We incorporated the Ethixbase Modern Slavery Supply Chain Risk Assessment Questionnaire into our procurement process. Ethixbase assists us to identify, assess, and mitigate risks of forced labour, human trafficking, and exploitative practices in our supply chains by providing:

- Risk Assessment & Screening: Tools for evaluating third-party vendors and suppliers for risks related to modern slavery and forced labour, helping companies identify high-risk areas in their supply chains.
- Due Diligence: In-depth investigations into suppliers' labour practices to ensure they meet legal and ethical standards. This includes gathering information on working conditions, wages, employment contracts, and other indicators of potential forced labour.
- Ongoing Monitoring: Regular updates on any changes in third-party risk profiles, including shifts in compliance with modern slavery legislation, to enable proactive risk management.

Actions taken to address the risk of modern slavery in our business cont.

④ Contractual Measures

During the reporting period we incorporated the following model clause into all our procurement contracts:

“The Supplier must take reasonable steps to identify, assess and address risks of Modern Slavery practices in the operations and supply chains used in the provision of the Goods and/or Services. If at any time the Supplier becomes aware of Modern Slavery practices in the operations and supply chains used in the performance of the Contract, the Supplier must as soon as reasonably practicable take all reasonable action to address or remove these practices, including where relevant by addressing any practices of other entities in its supply chains.”

The model clause aims to ensure that our suppliers respond to modern slavery risks and support our efforts to address Modern Slavery in our own supply chain.

⑤ Industry Collaboration

Modern slavery is a pervasive issue, affecting entire industries rather than individual companies. During the reporting period, members of our Modern Slavery Working Group joined industry-wide coalitions dedicated to combatting modern slavery through shared resources, aligned standards, and joint initiatives.

Collaboration with industry peers provides McConnell Dowell with strategic and operational benefits, enabling us to address modern slavery risks more effectively. As these coalitions mature, we anticipate further enhancements to transparency, supplier accountability, and resilience against modern slavery risks, reinforcing our commitment to ethical and responsible business practices.



Assessing the effectiveness of the actions taken

McConnell Dowell recognises that measuring the impact of individual actions against modern slavery risk is complex. Instead, we focus on core elements that support an effective overall response to modern slavery, which includes:

- **Strong Standards:** Establishing clear expectations for our workforce and suppliers, and ensuring these standards are communicated to all relevant parties.
- **Thorough Risk Assessment:** Performing in-depth assessments and due diligence processes to accurately identify, prevent, or mitigate modern slavery risks.
- **Accessible Reporting Channels:** Maintaining trusted grievance mechanisms that allow for safe reporting and effective handling of any modern slavery concerns.

To gauge the effectiveness of our actions, we took several steps during the reporting period:

1. **KPI Monitoring:** Regularly reviewed progress against annual goals set by our Modern Slavery Working Group.
2. **Policy and Process Reviews:** Continually assessed and refined policies, codes, and operational standards related to human rights and modern slavery.
3. **Whistleblowing and Grievance Tracking:** Tracked the frequency and patterns of reports made through whistleblowing and grievance mechanisms.
4. **Training Completion Rates:** Monitored the rates of completion of training related to human rights and modern slavery, to ensure high awareness and understanding within the company.



Process of consultation within the Group

McConnell Dowell maintains a dedicated Modern Slavery working group that meets regularly to manage and refine our approach to modern slavery risks across our operations, both in Australia and internationally. This group comprises representatives from Compliance, Procurement, People, and Sustainability business functions, each responsible for modern slavery management across all business units.

The working group ensures that all business units and relevant departments collaborate closely on modern slavery matters, enabling the sharing of critical information and resources for effective risk management.

In preparing this modern slavery statement, draft versions of the statement were shared with senior leadership to foster discussions, gather feedback, and ensure alignment with the company's values and compliance standards.



Scott Cummins
Director



