

Modern Slavery Statement

1 January 2021 to 31 December 2021



We're redefining exceptional

Through our specialist expertise, we're challenging boundaries to deliver advanced infrastructure solutions.

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Reporting entity

This modern slavery statement (**Statement**) has been published in accordance with the *Modern Slavery Act 2018 (Cth)* (**MAS or Act**) and is a joint statement made on behalf of the reporting entities:

- **Surbana Jurong (Holdings) Australia Pty Ltd;**
- **SMEC Holdings Pty Ltd;** and
- **SMEC Australia Pty Ltd**

together “**SMEC**”, each with a registered address of Level 5, 20 Berry Street, North Sydney, NSW 2060.

This Statement describes the risks of modern slavery in SMEC’s operations and supply chains, and outlines the actions taken to address those risks for financial year ending 31 December 2021.

This is the second Statement for Surbana Jurong (Holdings) and SMEC Australia. It is the first Statement for SMEC Holdings Pty Ltd¹.

- **Surbana Jurong (Holdings)** owns and controls: SMEC Holdings Pty Ltd and Robert Bird Group Pty Ltd².
- **SMEC Holdings Pty Ltd** owns or controls: SMEC Australia Pty Ltd, SMEC International Pty Ltd³, SMEC Services Pty Ltd, Engineering Consultants Underwriters Ltd, SMEC Foundation Ltd, and Global Maintenance Consulting Pty Ltd.
- **SMEC Australia Pty Ltd** owns or controls: PDR Engineers Pty Ltd and SMEC New Zealand Ltd.

¹ SMEC Holdings Pty Ltd is an entity owned by Surbana Jurong (Holdings) Australia Pty Ltd and was noted as such in Surbana Jurong (Holdings) first Statement for financial year ending 31 December 2020, the content of which was relevant to SMEC Holdings. For greater transparency into SMEC’s corporate structure, SMEC Holdings issues this statement as a reporting entity in its own right.

² Robert Bird Group Pty Ltd is not covered by this Statement and publishes a separate statement as a reporting entity on behalf of it

Approval

This Statement is made in accordance with s.14 of the Modern Slavery Act (Cth) for the financial year ended 31 December 2021 and approved by the board of directors of

Surbana Jurong (Holdings) Australia Pty Ltd



Hari Poologasundram
CEO SMEC & CEO International Surbana Jurong

SMEC Holdings Pty Ltd



Hari Poologasundram
CEO SMEC & CEO International Surbana Jurong

SMEC Australia Pty Ltd



James Phillis – CEO SMEC ANZ

and the entities it owns or controls. Please refer to RBG’s Statement for further details.

³ SMEC International Pty Ltd is not covered by this Statement and publishes a separate statement as a reporting entity on behalf of it and the entities it owns or controls. Please refer to SMEC International’s statement for further information.

Our structure, operations and supply chain

Organisational structure

Surbana Jurong (Holdings) is a wholly owned subsidiary of Surbana Jurong Private Limited, a Singaporean consultancy company which in turn is wholly owned by Temasek Holdings Private Limited (a holding entity of the Singaporean government).

Surbana Jurong (Holdings) and SMEC Holdings derive its revenue from holding investments in its subsidiaries (SMEC Australia, SMEC International and Robert Bird Group⁴). It shares its offices with the registered offices of SMEC Australia and SMEC International⁵.

SMEC Australia delivers its services across Australia and New Zealand, employing over 1647 people across 18 offices. 93% of SMEC employees are permanent employees with the remaining small percentage being employed on either a casual basis or fixed-term contract.

“SMEC conducts its business in a manner consistent with internationally proclaimed human rights, including all workers’ fundamental right to be treated with dignity and respect, and live a life of freedom and opportunity.”

What we do

We provide high quality advisory and consulting expertise across the project lifecycle, from initial concept, feasibility, planning and design through to construction, commissioning, and operation and maintenance.

Infrastructure

We are specialists in delivering advanced engineering solutions for transport and energy infrastructure projects. SMEC is also recognised globally for technical and service excellence across the full spectrum of infrastructure sectors, including waste, water, resources and environment.

Urban

With expertise in civil, structural and building services engineering design, we provide solutions for residential, commercial, industrial, healthcare and hospitality building projects around the world. Our experience extends from low density urban land developments, through to high-density, high-rise projects for public and private sector clients.

Managed Services

Our integrated management services extend to facilities, development, project and asset management, as well as social, governance and advisory services. Combining detailed advisory with innovative technologies, we keep projects on schedule, reduce technical risks, meet budget requirements and ensure compliance with relevant regulations, quality standards, construction permits and insurance guidelines.

⁴ Robert Bird Group Pty Ltd is not covered by this Statement and publishes a separate statement as a reporting entity on behalf of it and the entities it owns or controls. Please refer to RBG’s Statement for further details.

⁵ SMEC International is not covered by this Statement and publishes a separate statement as a reporting entity on behalf of it and the entities it owns or controls. Please refer to SMEC International’s Statement for further details.

Our supply chain

Our supply chain remains substantially similar to the previous reporting period, although our understanding of our supply chain is improving.

Our supply chain consists of goods and services that support our consulting business. It can be broadly split into two categories:

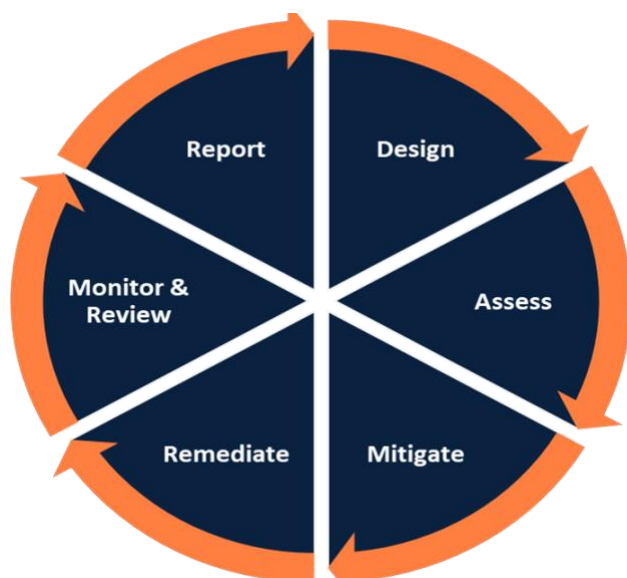
Project services	The engagement of consultants and contractors to provide sub-consultancy services which support SMEC in the provision of its consulting and advisory services to its clients.
	Hire of equipment (if necessary) in order to perform its services.
Corporate services	The purchase or hire /leasing of goods and services for the day-to-day running of SMEC's business and its offices, including:
	Rental of office space
	Facilities, including cleaning, maintenance and security
	Office and other equipment (purchase and hire)
	ICT equipment
	Advertising, marketing, sponsorships
	Professional services, including memberships, recruitment and training
	Travel, accommodation and hospitality
	Personal protective equipment

The majority of SMEC's 1700 first tier suppliers remain located in Australia, but our due diligence during the reporting period has identified that some or part of our corporate services goods are manufactured or sourced from overseas, including from countries that have a higher perceived risk of modern slavery.

Identifying and taking action to address our risks of modern slavery

Modern slavery risk management framework

In order to continue to effectively identify, assess and address our risks of modern slavery within our operations and supply chains, during the reporting period SMEC implemented a modern slavery risk management framework, based on the following approach



1. Design and implement a modern slavery management framework
2. Risk assessment and conduct due diligence on the modern slavery risks
3. Adopt strategies to address risks identified
4. Develop and implement appropriate remediation measures
5. Monitor and review effectiveness of the risk management framework
6. Establish appropriate mechanisms for internal and external reporting

Identification of modern slavery risks in our operations and supply chain

SMEC continues to develop its understanding of modern slavery risks in its operations and supply chains by building on its initial risk assessment which helped categorise and map SMEC's supply chain.

SMEC's operations and supply chain are categorised by the type of goods or services provided assessed against the geography in which such goods or services are provided. Consideration is also given to vulnerable populations and / or organisations with business models structured around high-risk practices.

Our operations

We provide engineering, advisory and consulting services, which generally have a lower perceived risk of modern slavery. We do not directly produce, manufacture, or provide services or goods which are identified as high-risk.

A high majority of our employees are permanent staff with only a small percentage (around 6%) of individuals being employed on a casual basis or from a labour hire service. All employees have employment terms and conditions set out in an employment contract, with regular performance reviews and interactions with management.

The risk of modern slavery occurring within our operations is therefore generally low.

Our supply chains

As noted above, our supply chain is generally split into two categories:

- project services; and
- corporate services.

Project services



In the previous reporting period, we noted that the risk mapping process identified a large significant expenditure allocated to subconsultants but that the supplier data used for the risk mapping was not strong enough to determine the types of services provided. We identified that this, in turn, may correlate to a higher risk of modern slavery.

In the current reporting period, we have developed a better understanding of our subconsultants and we are pleased to report that we consider the risk of modern slavery within our project services category as also low. Such subconsultants provide engineering, advisory, and / or consulting services and the supply chain is not extensive (with the majority of subconsultants being the end of the chain).

We acknowledge that there may be a higher perceived risk of modern slavery in relation to the hire of equipment used to provide our services; an area which we endeavour to explore further.

Corporate services

The more prevalent risk of modern slavery sits within the higher risk categories within SMEC's corporate services supply chain.

In the previous reporting period, SMEC identified the more salient risks of modern slavery may be found in the:



Facilities Management

- Cleaning
- Maintenance services
- Security

of its offices; and



Personal protective equipment purchased for its employees in the undertaking of its services outside of the office.

In developing its risk assessment, SMEC has also identified risk of modern slavery may be present in:



Outsourcing administrative functions

SMEC outsources some of its administrative services to an overseas office located in the Philippines. Whilst this entity is a related company and employees are subject to the same policies as SMEC employees, SMEC recognises that, given the nature of the work force and the risk attributed to the geographical location of the office (as noted in the *Global Slavery Index 2018*), more targeted information is required surrounding the recruitment practices and recruitment firms used.



Purchase / hire of ICT equipment

Computers, laptops and other ICT equipment are integral to the provisions of services and SMEC acknowledges the possible modern slavery risks presented within the manufacturing and sourcing of raw materials used in our everyday technology goods.



Marketing and merchandise

During the previous reporting periods, in particular due to COVID-19 restrictions, SMEC's expenditure in relation to branded merchandise has reduced. However, we recognise that the procurement of branded merchandise presents possible modern slavery risks depending on the original source of the merchandise.

Pleasingly, the supplier of SMEC's merchandise also provides SMEC's personal protective equipment and was subject to enhanced due diligence during the reporting period.

Enhanced due diligence

During the reporting period, SMEC took a risk-based approach to the undertaking of enhanced due diligence, focusing efforts on those goods or services with salient modern slavery risk.

Supplier questionnaires

In undertaking the due diligence, SMEC created questionnaires which were issued to its higher risk suppliers with a view to providing a better understanding of their:

- processes and procedures with respect to dealing with human rights and / or modern slavery;
- visibility into its supply chain; and
- employment conditions.

Ancillary questionnaires were also created targeting

- origin of goods or services;
- relevant accreditations (such as Ethical Clothing Australia for garments);
- the level of audits and assessments undertaken of their supply chain; and
- further details pertaining to the investigation and remediation of modern slavery / human rights abuses or non-compliances.

For select suppliers, SMEC also undertook one on one discussions which provided valuable further insight into the processes and procedures of those suppliers and the challenges they may have faced during the reporting period.

Facilities Management

The general maintenance and cleaning of SMEC's offices and facilities are generally categorised as either:



direct engagement; or



indirect engagement through the building's property manager.

Each of SMEC's offices is managed slightly differently depending on the level of facilities management provided by the property managers in each of SMEC's 17 offices in Australia. In some offices, some services such as office cleaning is procured directly by SMEC, whereas the cleaning of communal areas is procured by the property manager. The same is said for maintenance.

SMEC does not directly procure any security services for its offices.

We recognise that multiple tiers in the supply chain of such services may be present with visibility being reduced where services are procured by a third party such as a property manager. Where SMEC's degree of involvement with the supplier is limited, we are reliant on information provided by the property managers. We are exploring how best to obtain meaningful information from the second and third tier contractors.

During the reporting period, we issued supplier questionnaires to each of the property managers and the directly engaged suppliers in the 17 offices across Australia.

SMEC received varying levels of engagement from its suppliers, with one property manager expressly refusing to provide any comments stating that it was not required to do so by law.

Generally, we found that the larger property managers had already started taking steps at identifying and addressing risks of modern slavery within its supply chains and were able to provide policies, procedures and annual statements supporting this.

We found that some of the smaller and independent property managers had taken little steps but pleasingly were open and honest with their responses and confirmed that efforts were being made to table such requirements for discussion at board level.

We found that in relation to directly engaged cleaning companies that were small in size, knowledge surrounding the subject matter and processes or policies to protect their employees were limited.

Visibility to the workers providing the facilities management services has also been limited given the extensive work from home mandates as a result of COVID-19. We recognise that such mandates may have impacted the workers providing these services.

During the next reporting period, SMEC will continue to engage with those suppliers that provided limited information or identified limited processes in place to manage risks of modern slavery.

It was also acknowledged that the workers providing such services within SMEC's offices may not be aware of SMEC's grievance mechanisms because they are not direct suppliers or employees of SMEC. SMEC will implement a process for such individuals to access SMEC's grievance mechanism.

Suppliers of personal protective equipment

Expenditure in relation to our personal protective equipment (PPE) (such as high visibility vests and jackets) is relatively low. However, we recognise that, despite the first tier of our suppliers being based in Australia, the raw products (such as cotton) and / or the manufacture of such product may originate overseas in jurisdictions with a higher perceived risk of modern slavery. It is a known risk that the industry may have poor labour conditions and vulnerable low skilled workers.

SMEC has attempted to centralise the supply of its PPE and SMEC branded merchandise (such as t-shirts and jackets available for purchase by its employees) to a dedicated supplier. This supplier has been chosen given its commitment to ethical, responsible and sustainable conduct and corporate social responsibility and its endeavours to reduce its environmental footprint. SMEC does, however, also procure some PPE from other suppliers.

During the reporting period, SMEC engaged with each of its suppliers and was pleased with the level of engagement, especially noting and understanding that SMEC's annual spend with most of the suppliers may not be high compared to other customers.

Case Study

SMEC engaged in detailed discussions with its key supplier. SMEC found that:

- It is a Supply Nation certified company
- It is a member of SEDEX, an ethical trade membership organisation
- The effects of COVID-19 shifted the origin of products from China and opened other jurisdictions
- Method of delivery from overseas suppliers during COVID-19 changed from shipping to air freight
- Due diligence into commercial maritime shipping services had not been considered

SMEC acknowledges that its influence over the supply chain is limited and that change is likely to be driven by industry participation.

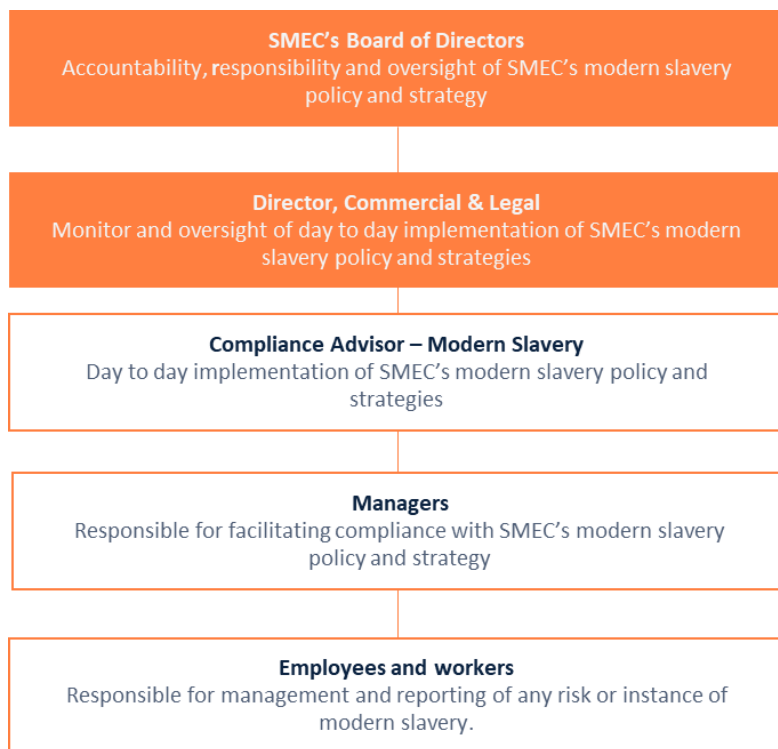
SMEC will continue its engagement with its supplier during the next reporting period and endeavours to make more informed choices with regards to the PPE procured.



“SMEC expects its suppliers of goods and services to uphold high standards of human rights and address risks of modern slavery within their own operations and supply chains.”

Governance and training

Governance



SMEC’s board of directors has ultimate responsibility and accountability for managing the modern slavery risks. They are supported by other functions in the business with a responsibility on all our employees to manage and report risk or instances of modern slavery.

During the reporting period, SMEC recruited a dedicated resource tasked with the day to day implementation of SMEC’s modern slavery policy and strategies: Compliance Advisor – Modern Slavery.

Policies

One of our core values is integrity. We act responsibly and conduct our business with the highest of ethical standards, accountability and transparency. SMEC has a suite of policies and procedures which articulate our values and expectations. In relation to the identification, prevention and mitigation of modern slavery risks and human rights abuses, SMEC has the following key policies and procedures.

Code of Conduct	Establishes a common understanding of the standards of behaviour expected of all SMEC employees and is applicable to the suppliers / third parties it engages
Modern Slavery Policy	Sets out SMEC’s commitment to addressing risks of modern slavery within its operations and supply chain
Child Protection Policy	Provide guiding principles in instances that SMEC’s services brings employees in contact with children
Business Integrity Policy	Outlines a range of requirements which are designed to reinforce the standards of behaviour to combat risks of fraud, bribery, corruption and other illegal, dishonest, unfair or unethical practices
Whistleblowing Procedure	Sets out the associated protections for whistleblowers
Modern Slavery Investigation Procedure	Provides victims of business related adverse human rights impacts with access to effective remedy and sets out generally how SMEC will investigate grievances and allegations related to modern slavery within its operations or supply chain.
Corporate Social Responsibility Policy	Ensures that SMEC is a good corporate citizen and that employees adopt corporate social considerations in their day to day work
Suppliers Code of Conduct	Sets out the ethical, social and environmental standards of conduct expected from our suppliers
Procurement policy	Sets out SMEC’s approach to procurement of goods and services
Purchasing Procedure	Sets out how SMEC manages the procurement of goods and services

Grievance mechanism

Investigation Officer / Disclosure Officer	Complainant	Subject Expert, Other Business Units, Suppliers	Senior Management	Third Party
1. Receive the grievance / allegation.	✓			
2. Acknowledge receipt to the complainant. Continue communication with complainant throughout investigation	✓			
3. Does the grievance / allegation meet the scope of the mechanism				
a. If yes, inform the complainant of the next steps	✓			
b. If no, inform the complainant of the outcome and reason for rejection	✓			
Consider providing additional support to help the complainant meet information requirements, or refer to another appropriate mechanism for raising this grievance / allegation, if applicable (either internally or externally)	✓			✓
4. Follow internal Escalation Protocol attached at Schedule 1 to notify senior management of allegation and next steps			✓	
5. Evaluate and investigate grievance / allegation.				
- Consider SMEC's degree of involvement [see Schedule 2] and apply following steps as applicable and / or consider supplier's investigation procedure		✓	✓	
- Engage with relevant internal teams as applicable (such as those responsible for procurement, human resources, legal.				
- Engage external experts if applicable (such as NGO's, community groups, local government, and / or unions				
- Engage with suppliers				
6. Develop resolution in collaboration with the complainant / victim	✓		✓	✓
7. Complainant / victim and SMEC formally agree upon resolution (if complainant / victim does not accept resolution go to recourse or appeal using management and / or a third party)	✓			
8. Implement resolution	✓	✓		
9. Monitor implementation of agreed remedy and measure the effectiveness of the remedy (or seek updates from suppliers where suppliers have implemented the resolution)				
10. Close grievance and notify senior management of the outcome			✓	
11. Integrate feedback and learnings from the process into the grievance mechanism and modern slavery risk management practices within SMEC.		✓	✓	

 Indicates possible engagement
  Indicates engagement

Adapted from: *Implementing Effective Modern Slavery Grievance Mechanisms – A guidance Note for Business*. Global Compact Network Australia. March 2021 pg 22

SMEC supports and encourages everyone to ask questions and raise concerns of suspected reportable conduct. We utilise a third party-hosted reporting platform which allows employees and suppliers to raise confidential grievances. SMEC has also allocated a specific email address for those who prefer to provide reports by email.

SpeakUP SMEC

During the reporting period, SMEC further developed its grievance mechanism and introduced its *Modern Slavery Investigation Procedure* which sets out how SMEC will investigate and, where applicable, remediate grievances and allegations relating to human rights abuses or modern slavery within its operations or supply chain. The procedure is based on recommendations by national and international guidance (*UN Guiding Principles* and *Global Compact's Implementing Effective Modern Slavery Grievance Mechanisms*).

As noted above, during the reporting period, SMEC identified that not all high risk workers (such as cleaners and maintenance workers) have knowledge of SMEC's grievance mechanism because they are not direct suppliers or employees of SMEC and may not have direct access to the websites on which SpeakUP SMEC is hosted. During the next reporting period, SMEC will implement a process for such individuals to gain easier access to SMEC's grievance mechanism.

Training

A key aspect to ensuring that our employees can identify, report and help prevent modern slavery is building awareness through training. In the previous reporting period, SMEC rolled out its compulsory online training module to all employees, with high percentage completion rates.

This training is also issued to all new employees as part of their mandatory onboarding requirements, including during the reporting period.

During the current reporting period, SMEC developed a bespoke training module to advance our employees' understanding of modern slavery.

In particular, the training better represents how modern slavery may arise within SMEC's operations or supply chain. It uses examples more representative of the services that SMEC provides and builds upon what red flags to look out for when identifying possible modern slavery. The training includes 10 questions designed to test the knowledge of our employees and includes clear guidance on how to issue reports of suspected modern slavery.

The training is scheduled for roll out in Q1/Q2 of the next reporting period and will be mandatory for all employees.



Assessing the effectiveness of our actions

Monitoring and review of the effectiveness of our actions is embedded in our risk management framework and is key to our continued improvement.

In our last Statement, we identified three focus areas assessing the effectiveness of our actions during the reporting period:

Measuring Awareness

SMEC looked to its employees to provide feedback on (1) the mandatory training module that was rolled out in the last reporting period and (2) general awareness of modern slavery.

Overwhelmingly, feedback in relation to the online training was positive with employees having a better understanding of what modern slavery is and how it might occur. It was acknowledged the training could be improved so employees better understood the risks presented to SMEC and how to make a report.

SMEC has utilised these comments to update its training module (as further set out above).

Measuring improvements to policies and procedures

Contractual arrangements

An audit was undertaken on commercial agreements executed with SMEC's supply chain between 1 January 2021 and 30 October 2021 to assess the level of inclusion of SMEC's standard modern slavery clauses and the Supplier Code of Conduct. It was found:

- 72% were executed using the correct precedent version, along with modern slavery clauses and the Supplier Code of Conduct;

- 8% were executed using the correct precedent version, along with modern slavery clauses but did not incorporate the Supplier Code of Conduct
- 20% were executed using the wrong precedent version without modern slavery provisions.

Reasons for non-compliances were identified as:

- previous versions of the agreement being downloaded and stored locally by individuals, meaning that the updates were not captured when rolled out to the supplier and / or
- terms of a previous arrangement were rolled out to a repeat supplier without checking updates to standard agreements.

We have addressed this by including within contract management training sessions hosted by SMEC's in-house legal team reminders that only those agreements hosted on SMEC's intranet site should be used and not previous versions downloaded and stored locally.

Policies

During the reporting period we have participated in externally hosted training and guidance sessions relating to modern slavery policy and procedures. We have learned from these sessions and developed our grievance mechanism (noted above) as a result.

Measuring supplier due diligence participation and cooperation

We acknowledge that we have not received responses or meaningful engagement from all suppliers contacted during the reporting period. This remains an area of focus for SMEC and follow ups are scheduled. SMEC will consider how best to approach continued relationships with those suppliers that do not wish to engage on this subject.



Consultation

SMEC has a process of consultation throughout the reporting period with quarterly progress updates to SMEC's executive committee and board. In preparing this Statement, consultation across each reporting entity and / or entities owned or controlled by a reporting entity has been conducted through the compliance and legal teams and boards of directors.

Our values

Our core values represent what we stand for, what we expect from employees, what we deliver to our clients, and how we aim to conduct our daily work. We are committed to leading by example and continuing to build a values-led global culture.

People

We act responsibly and conduct our business with the highest ethical standards, accountability and transparency.

Professionalism

We value our global and diverse talent by creating a safe, inclusive and supportive environment where our people can thrive.

Integrity

We act in the best interests of our clients and deliver innovative solutions with high standards of excellence.

Purpose

We build trusted and enduring relationships with clients, partners and colleagues to achieve win-win outcomes.

Partnership

We are passionate and committed to making meaningful impacts on our communities and environment.

Compliance

We believe that integrity is our collective responsibility. We are committed to supporting honesty, transparency and compliance through our organisational culture, systems and operational environment.

Appendix A

Mandatory Criteria	Page
Identify the reporting entity	3
Describe the structure, operations and supply chains of the reporting entity	4-5
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	6-13
Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	6-13
Describe how the reporting entity assesses the effectiveness of such actions	14
Describe the process of consultation on the development of the statement	15
Other information that the reporting entity considers relevant	4, 15



Member of the Surbana Jurong Group

We're redefining exceptional

Through our specialist expertise, we're challenging boundaries to deliver advanced infrastructure solutions.

www.smec.com