



Engineering Success

Modern Slavery Statement

FY23

CONTENTS

INTRODUCTION	3
Structure and Scope	4
Operations and Supply Chains	5
Our Approach	6
POLICY AND GOVERNANCE	6
DUE DILIGENCE	7
Identifying Risks of Modern Slavery Practices in Operations	7
Identifying Risks of Modern Slavery Practices in the Supply Chain	7
ACCESS TO REMEDY	9
ASSESSING THE EFFECTIVENESS OF ACTIONS BEING TAKEN	9
COMMUNICATION AND CONSULTATION	9
CONCLUSION	10



This 4th statement is made in accordance with the *Modern Slavery Act 2018 (Cth)* and *Modern Slavery Act 2018 (NSW)* (“Modern Slavery Legislation”) and outlines the steps taken to address Modern Slavery risks, including governance processes and progress for operations and supply chains for the financial year ending 30 June 2023 (“FY23”).



Introduction

Pursuant to the Modern Slavery Legislation, Modern Slavery has a broad meaning that encompasses slavery, servitude, forced labour, and human trafficking. Civmec Limited (“Civmec” or the “Company”) is a dual-listed public company on the Australian Securities Exchange (the “ASX”) and Singapore Exchange Securities Limited (the “SGX-ST”). Civmec and its subsidiaries (the “Civmec Group”, or the “Group”) are committed to upholding the highest standards of integrity and ethical values, and believe that respecting and promoting human rights is one of the key ways to maintain and enhance its reputation, vision and values.

Civmec Group, its board of directors (the “Board”), senior executives, and employees (“Civmec People”), will take action to prevent any Modern Slavery activities within its operations and supply chains, and will not knowingly support or conduct business with any organisation involved in such activities.

The responses to the mandatory reporting criteria of the Modern Slavery Legislation are shown in the table below:

Modern Slavery Legislation	Section
Identify the reporting entity	Introduction Page 3
Describe the reporting entity’s structure, operations and supply chains	Structure and Scope Page 3 Operations and Supply Chains Page 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	Due Diligence Pages 7 and 8
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	Due Diligence Pages 7 and 8
Describe how the reporting entity assesses the effectiveness of these actions	Assessing the Effectiveness of Actions Being Taken Page 9
Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Control of all entities is by a single management structure and therefore this criteria is not relevant to Civmec
Provide any other relevant information	

STRUCTURE AND SCOPE

This statement is a joint Modern Slavery Statement on behalf of all reporting entities within Civmec Group as listed below and will outline the steps Civmec Group has taken to identify, monitor, review, and mitigate the risk of modern slavery.

The following table illustrates all controlled subsidiaries owned by Civmec:

			Equity held by the Group	
Name of Entity	Principal Activities	Country of Incorporation	2023 %	2022 %
Held by the Company				
Civmec Construction & Engineering Pty Ltd*	Engineering and construction services	Australia	100	100
Civmec Construction & Engineering Singapore Pte Ltd**	Engineering and construction services	Singapore	100	100
Held by Civmec Construction & Engineering Pty Ltd				
Civmec Holdings Pty Ltd*	Asset holding company	Australia	100	100
Multidiscipline Solutions Pty Ltd*	Asset holding company and labour supply	Australia	100	100
Civmec Pipe Products Pty Ltd*	Asset holding company	Australia	83.5	83.5
Civmec Electrical and Instrumentation Pty Ltd*	Electrical services	Australia	100	100
Forgacs Marine and Defence Pty Ltd*	Marine and defence services	Australia	100	100
Civmec Construction & Engineering Africa Pty Ltd***	Asset holding company	Mauritius	100	100
Civmec-Mala PNG***	Engineering and construction services	Papua New Guinea	88	88
Held by Civmec Construction & Engineering Africa Pty Ltd				
Civmec Construction & Engineering Uganda Pty Ltd	Asset holding company	Uganda	100	100
Held by Civmec Construction & Engineering Uganda Pty Ltd				
Civmec Africa Ltd	Engineering and construction services	Uganda	0	32

* Audited by Moore Australia (WA) Pty Ltd, Australia.

** Audited by Moore Stephens LLP, Singapore.

*** Reviewed by Moore Australia (WA) Pty Ltd, Australia, for the purpose of consolidation

Civmec continues to collaborate with all stakeholders (including clients, contractors, suppliers, subcontractors, consultants and joint venture partners) to develop and implement management plans and procedures which aim to reduce the risk of Modern Slavery in its operations and supply chains, and ensure its compliance with the Modern Slavery Legislation.

Aside from complying with the *Modern Slavery Act 2018 (Cth)* and *Modern Slavery Act 2018 (NSW)*, the Civmec Group must also comply with other jurisdictional legal requirements regarding Modern Slavery, including Singapore's *Prevention of Human Trafficking Act 2014*, and, if a particular jurisdictional requirement imposes a higher standard than is described in this statement, Civmec Group will comply with the higher standard.

OPERATIONS AND SUPPLY CHAINS

The Civmec Group undertakes end-to-end construction, complex manufacturing from its own facilities, and maintaining clients' assets on site.

With a corporate office based in Henderson, the Group's main manufacturing facilities are located in Henderson and Newcastle. In addition, a regional facility is located in Gladstone, and the soon-to-be-completed facility in Port Hedland.

Employing around 3,400 employees directly at any given time, the proportion of labour hire across the business is approximately 12%.



In FY2023, the Groups spent just under \$328 Million on suppliers. Approximately 98% was spent within Australia, and 2% was international spend and as such Civmec has a lower risk of Modern Slavery incidences than if most of the supplier spend was overseas. Notwithstanding this there is still a risk of Modern Slavery occurring with Australian suppliers and also for lower tiers of the supply chain that source products and services from overseas.

In total Civmec Group engaged 1517 suppliers and subcontractors for procuring products and services. Top areas of supplier spend in FY2023 include:

- Steel for fabrication
- Recruitment and labour hire services
- Electrical suppliers and services
- Concrete
- Transport
- Welding services
- Plant hire
- Cabling.



OUR APPROACH

Civmec's approach to Modern Slavery is in line with the United Nations Guiding Principles on Business and Human Rights to *seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts*. Furthermore, the approach centres on policy and governance, due diligence on Modern Slavery in our operations, and supply chain and access to remedy if forms of Modern Slavery are identified.

Policy and Governance

Civmec Group monitors and addresses Modern Slavery issues in its operations and supply chains under various policies, including:

- Code of Conduct
- Equal Opportunity Policy
- Local Industry Participation Policy
- Modern Slavery Policy
- Sustainability Policy.

(These policies are available on Civmec's corporate website at <https://www.civmec.com.au/approach/policies/>)

All Civmec employees, contractors and suppliers are expected to comply with the above policies.

Key Activities Undertaken in FY23

- Improved the governance structure on Modern Slavery
- Undertook research to improve the understanding of Modern Slavery within the context of the supply chain
- Developed a process for understanding the potential for Modern Slavery in the supply chain
- Implemented a procedure to assess supplier risk
- Sought responses on Modern Slavery from the top 50 suppliers by spend
- Commenced auditing of tier 1 suppliers.

In FY23, Civmec updated its governance processes, with oversight on Modern Slavery and other ESG related issues undertaken by the Sustainability Committee. The Sustainability Committee members include the Chief Operating Officer, Group Managers from HSEQ, HR and Financial Control, along with representation from the Proposals and Sustainability teams. The Committee has a directly line of communication to the Executive Team and any material issues are passed through to the Board's Risks and Conflicts Committee.

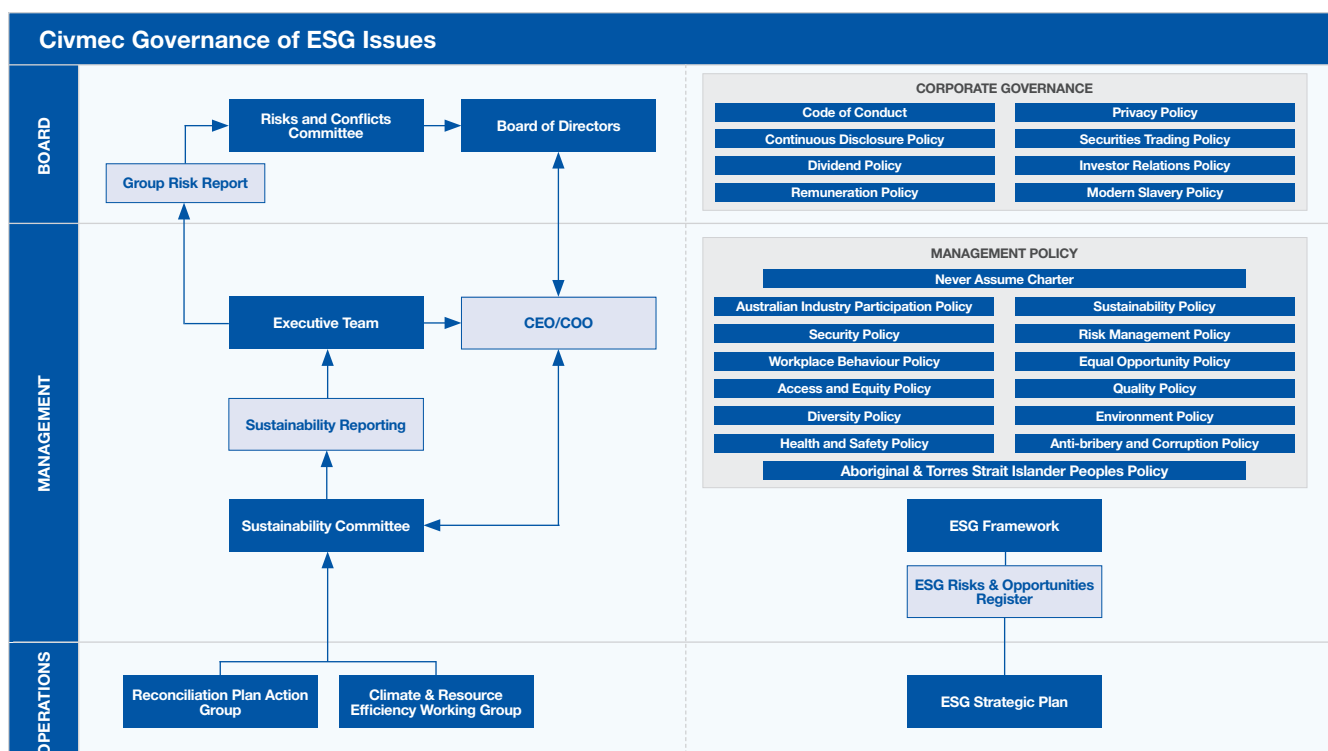


Figure 1. Civmec Governance of ESG



Due Diligence

IDENTIFYING RISKS OF MODERN SLAVERY PRACTICES IN OPERATIONS

As identified in FY22, the majority of Civmec Group's workforce is employed directly and on an employment contract which meets or exceeds the applicable employment legislation, and this direct engagement therefore will reduce the potential for direct cause of Modern Slavery risks within the Group's operations.

An area in which the Civmec Group could possibly encounter Modern Slavery issues is through the choice of labour hire companies and recruitment agencies who source employees overseas. Despite the pre-qualification assessments and contractual terms related to Modern Slavery, Civmec recognises the potential exposure to Modern Slavery in this area.

IDENTIFYING RISKS OF MODERN SLAVERY PRACTICES IN THE SUPPLY CHAIN

In order to understand the context for Modern Slavery in the supply chain, the Civmec Group have drawn information and data from reputable institutions, including Walk Free Organisation, the Australian Human Rights Commission, Social Responsibility, and Fair Supply. This research has assisted the Group in identifying those areas of the supply chain more exposed to Modern Slavery, including improving an understanding of countries which have a higher prevalence of Modern Slavery and in which the provision goods and services is known to carry a higher risk of Modern Slavery.

The research identified that the Civmec Group may also encounter Modern Slavery issues through the purchase of the following goods:

- Personal Protective Equipment (PPE) and uniforms
- Solar Panels
- Construction materials
- Tyres and wheels
- Electrical parts and electronic equipment
- Mechanical parts.

Furthermore, the Civmec Group has also identified that it may encounter Modern Slavery issues through the procurement of the following services:

- Cleaning services
- Maintenance services
- Unskilled labour services
- Security services.

In order to improve definition of risk within suppliers and contractors, Civmec has developed an internal procedure whereby goods and services are identified with an elevated level of Modern Slavery risk (or 'at risk' goods and services), countries with a moderate to high prevalence of Modern Slavery (or geographic risk) and the complexity of the supply chain from which Civmec procures its goods and services (or supply chain complexity).

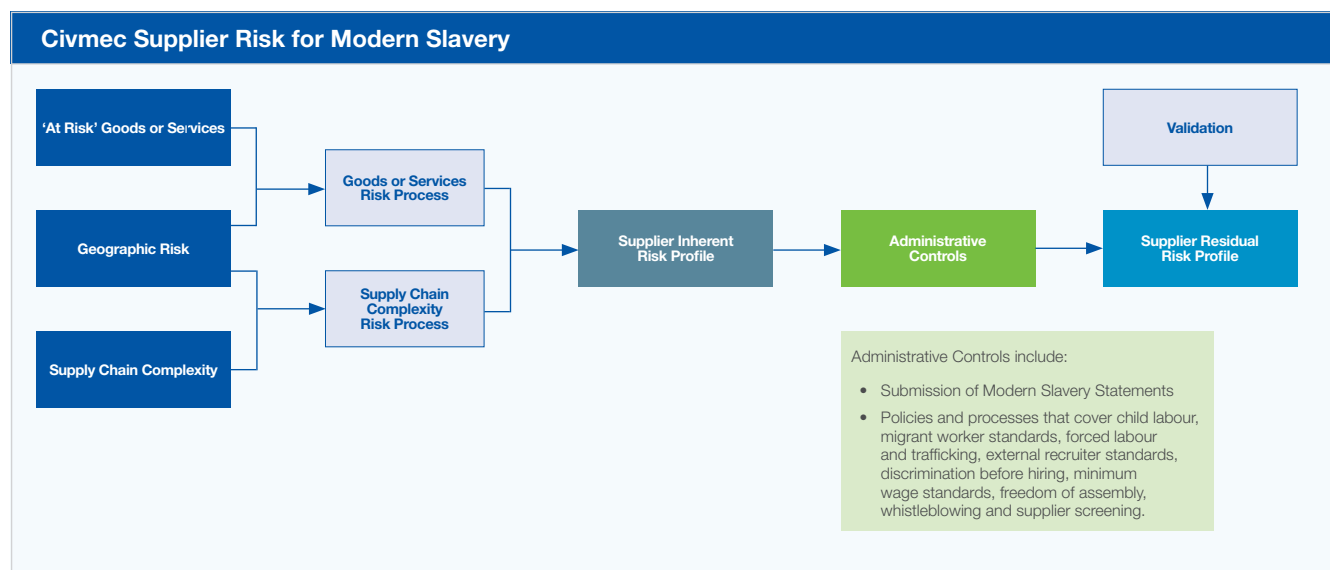


Figure 2. Civmec Supplier Risk for Modern Slavery

The newly implemented procedure is able to refine the level of Modern Slavery risk based on the information received from a supplier and includes a validation step based on publicly available information. The process assists in refining the search for Modern Slavery in the supply chain and provides suppliers needing more detailed investigation.

In parallel with the development of the internal procedure, a supplier questionnaire was sent out to the top 50 suppliers by spend. The questionnaire focused heavily on the next 2nd tier of suppliers and included specific questions related to the types of products and services supplied to Civmec, the source country(s) for those products and services and the types of controls currently in place related to Modern Slavery. This information was then used as inputs into the risk process to analyse the level of risk of Modern Slavery in the supplier's supply chain.

The result showed a total of six companies to have an elevated risk of Modern Slavery and a further 12 suppliers had showed a moderate risk. Actions to be taken in FY2024 will be a comprehensive audit of the suppliers having an elevated risk and a follow up questionnaire will be issued for the suppliers with a moderate risk.

Training

During FY23, 5007 Civmec employees, contractors and labour hire attended the General Induction which included principles of Modern Slavery incorporated into the discussion on the Code of Conduct.

In FY24, a dedicated internal Modern Slavery training package will be developed for Procurement, Human Resources and Project Managers.

Access to Remedy

Civmec recognises the need to provide access to reporting of and remediation for potential Modern Slavery.

Civmec Employees have several mechanisms through which potential Modern Slavery can be reported, including the Grievance and Dispute Resolution Procedure (10-HR-ER-PRO-0012) and the Whistleblowing – Fraud and Corruption Procedure (10-HR-AD-PRO-0001). Both procedures maintain confidentiality and provide a process for redress of the issue. The Whistleblowing Procedure includes an independently administered hotline, known as STOPline which allows for staff and third parties to report serious misconduct. The service provider is required to make quarterly reports to the Board of Directors Audit Committee.

In addition, the Group maintains the right of freedom of association for all employees, and thus Modern Slavery may also be addressed through Trade Unions.

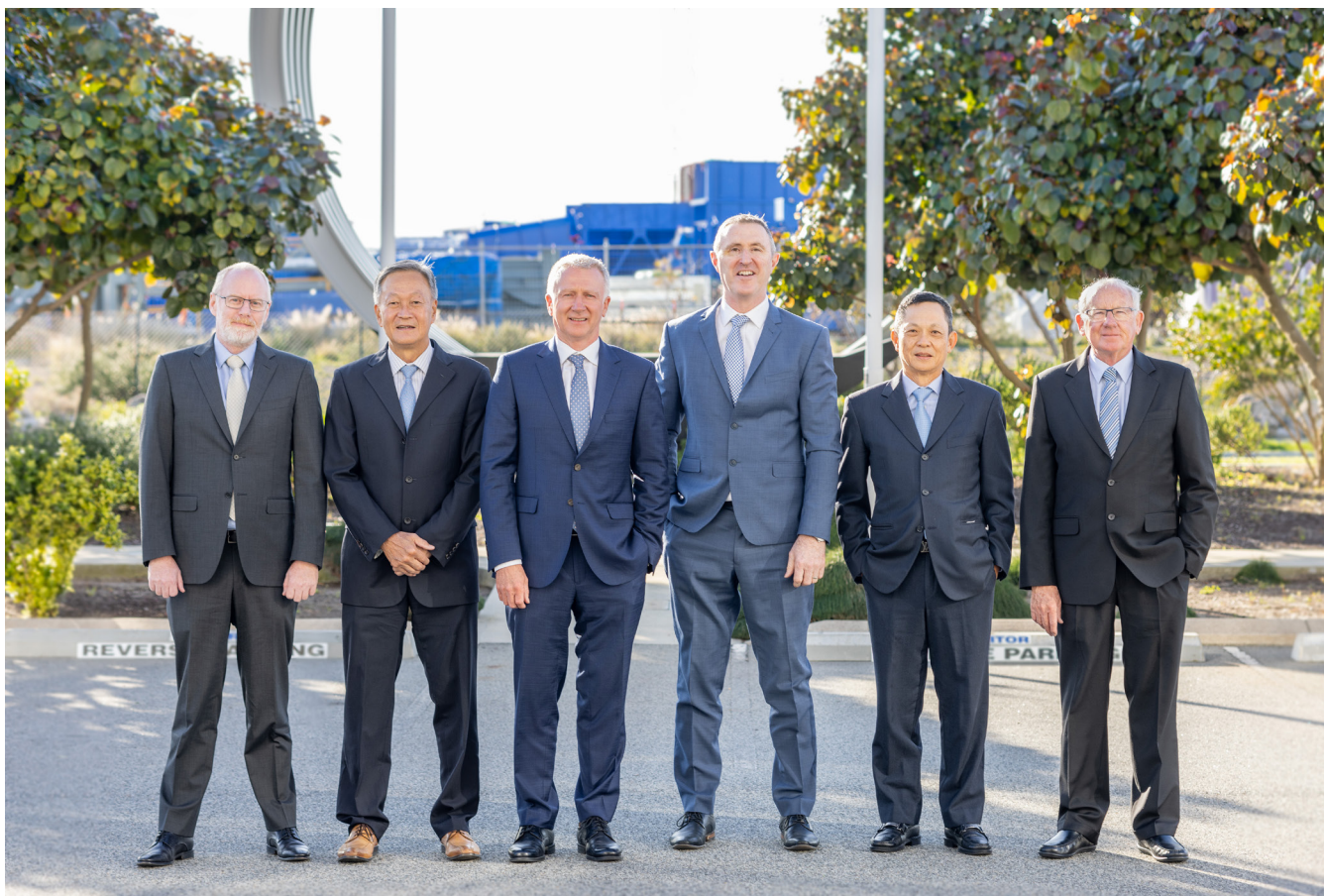
Assessing the Effectiveness of Actions Being Taken

Understanding and assessing the effectiveness of actions undertaken to combat Modern Slavery is a part of managing the risks of Modern Slavery in a systematic manner. A key component to the assessment of effectiveness of actions is the internal audit program. Civmec maintains a permanent auditor role within the Quality section to ensure non-financial management systems are operating effectively. As part of FY23, additional information was added to the “Sub-Contractor and Supplier Audit Tool”. Subsequent to updating the tool, six sub-contractors and suppliers were audited. However, at this stage it is still too early in the system’s development to determine if actions to address Modern Slavery have been successful.

Communication and Consultation

Civmec recognises the importance of internal and external communication as a means for minimising the risk of Modern Slavery within the workforce and the supply chain. Key internal stakeholders include the Board, the senior executive management, and the Commercial, Procurement and Human Resources teams. The management of Modern Slavery risks requires all relevant stakeholders (both internal and external) to work together, and the process of communication and consultation will ensure all stakeholders are provided with timely, accurate and detailed information in relation to Modern Slavery, so that the Group operations and supply chains can be managed effectively and also minimise the risk of exposure to Modern Slavery.





Conclusion

The Group is committed to eradicating all forms of Modern Slavery across its operations and supply chains and is continuously improving strategies and actions to identify and mitigate Modern Slavery risks. This Modern Slavery statement reflects Civmec Group's actions to date, and the Group is pleased to publish it and provide an ongoing report on its progress publicly.

This statement for Civmec Group was approved by the Board of Civmec Limited as the parent entity on 31 October 2023.

Patrick Tallon

Chief Executive Officer and Director of Civmec Limited

October 2023



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