



JOINT Modern Slavery

STATEMENT

01 January 2022 – 31 December 2022

1 REPORTING ENTITY

This is a Joint Modern Slavery Statement of Kellogg Brown & Root Pty Ltd (KBRPL) (ABN 91 007 660 317), and Frazer-Nash Consultancy Limited (Australian operations) (ABN 20 578 377 332) (FNCL), each a reporting entity pursuant to the Modern Slavery Act 2018 (Cth) and each a wholly-owned subsidiary of KBR, Inc.

KBR operates through various entities globally that share the same policies and processes and for the most part business systems.

After being acquired by KBR, Inc. KBRPL undertook a period of transition to build on its existing procurement processes to align with the global KBR processes. FNCL was acquired by KBR shortly before this Reporting Period and the FNCL Australian operations business unit of FNCL is presently undertaking such migration and transition activities. It is anticipated in the next reporting period that FNCL will have fully integrated into the global KBR business operations.

The overall procurement activities of KBR are managed globally. Accordingly, this statement is a consolidated description of the actions taken to address modern slavery risks by KBR and has been published as a Joint Modern Slavery Statement of KBRPL and FNCL in accordance with section 14 of the Modern Slavery Act 2018 (Cth).

Throughout this Statement, except as otherwise stated, the terms “KBR”, “we” and “our” are used to refer collectively to KBR Inc. and its subsidiaries, of which KBRPL and FNCL are two wholly-owned subsidiaries.

This statement is for the year 1 January 2022 to 31 December 2022 (“Reporting Period”).

2 OUR BUSINESS, OPERATIONS AND SUPPLY CHAIN

KBR delivers science, technology and engineering solutions to governments and companies around the world. KBR employs approximately 30,000 people performing diverse, complex and mission critical roles in 34 countries.

KBR is proud to work with its customers across the globe to provide technology, value-added services, and long-term operations and maintenance services to ensure consistent delivery with predictable results. At KBR, We Deliver.

KBR’s capabilities and offerings include the following:

- scientific research such as quantum science and computing, health and human performance, materials science, life science research and earth sciences
- defence systems engineering such as rapid prototyping, test and evaluation, aerospace acquisition support, systems and platform integration and sustainment engineering
- operational support such as space domain awareness, command, control and communications; human spaceflight and satellite operations, integrated supply chain and logistics and military aviation support
- information operations such as data analytics, mission planning systems, artificial intelligence and machine learning
- technology such as licensing of proprietary industrial process technology, advisory services focused on energy transition and digitally-enabled asset optimisation solutions.

KBR provides these and other services to a diverse customer base, including domestic and foreign governments, international and national integrated energy companies and industrial companies.

The diagram in Figure 1 is a depiction of where KBR conducted business operations globally as of 31 December 2022.

Our Vision

We bring together the best and brightest to deliver technology and solutions that help our customers accomplish their most critical missions and objectives. In doing so, we strive to create a better, safer and more sustainable world.



30,000 EMPLOYEES WORLDWIDE

Excluding 10,000 joint venture employees as of December 31, 2022



\$6.6B 2022 REVENUE



CUSTOMERS IN MORE THAN **90** COUNTRIES

OPERATIONS IN **34** COUNTRIES

Our Global Footprint

We deliver science, technology and engineering solutions to governments and companies around the world. The map above shows our office and project locations at the end of 2021.

Figure 1 Our global footprint

KBR has over 5,000 vendors/suppliers globally. Through KBR's subsidiaries and joint ventures, KBR provides direct and indirect engagement to its customers of labour, goods, and services. KBR's indirect engagement consists of KBR subcontractors providing the labour, goods, and services to KBR and/or their customers. KBR has a wide variety of global supply chains that are dependent on the type of project, KBR's role in the project, and the project's geographic location.

KBR has a wide variety of global supply chains that are dependent on the type of project, KBR's role in the project, and the project's geographic location. KBR takes a risk-based approach to assessing human rights vulnerabilities in its supply chain, both during the onboarding process and throughout the project cycle.

Certain subcontractors and lower tier subcontractors in high-risk countries are the focus of enhanced due diligence efforts to mitigate risks regarding human rights abuses.

The treatment of foreign and/or low-skilled employees working for KBR subcontractors in host countries is a particular area of focus for KBR and is addressed through its Combatting Trafficking in Persons (CTIPS) and Modern Slavery Act (MSA) programmes.

KBR Operations in Australia

KBRPL is a wholly-owned subsidiary of KBR, Inc. (NYSE: KBR) a Delaware corporation. FNCL is a wholly-owned subsidiary of Kellogg Brown & Root Ltd based in Leatherhead, UK and KBR, Inc. is also a wholly owned subsidiary of KBR, Inc. KBR, Inc. acquired FNCL in October 2021 and is undergoing a long transition and integration period due to the complexities of operating across the UK and Australia. As FNCL operates in both UK and Australia, this statement refers only to the FNCL Australian operations business unit activities.

KBRPL has two subsidiaries (not considered Reporting Entities for the purpose of this Joint Statement), and FNCL does not have any subsidiaries in Australia.

Figure 2 below provides an overview of the KBRPL and FNCL corporate structure below, relevant to this Joint Statement:



Figure 2

KBRPL has approximately 2,070 employees across Australia with office presences in Brisbane, Sydney, Canberra, Melbourne, Adelaide and Perth.

FNCL has approximately 77 employees across Australia with office presences in Adelaide, Melbourne, Canberra and Sydney.

KBR operations in Australia is focused on delivery of differentiated professional solutions and services covering domains such as engineering, project and program management, business/

commercial support, engineering design, training design and delivery and Integrated Logistical Support.

In Australia, KBR delivers its core offerings predominately to the Commonwealth of Australia (Department of Defence), State Governments (and State Government entities such as water utility providers), local government and infrastructure constructors/managing contractors.

KBR and FNCL’s supply chain comprises approximately 1,000 Australian active suppliers providing various services to KBRPL. The companies within our Supply Chain range in size from large multi-national/ international companies to small-medium and micro businesses. The KBRPL supply chain includes several indigenous suppliers. The types of services procured by KBRPL and FNCL can be broadly categorised into three categories:

- **Project/Program Subcontractors and Subconsultants:** these are organisations providing services to KBRPL and FNCL in direct support of a project or program of work being executed by KBRPL and FNCL to a client or end-client. Typically, services are delivered under back-to-back (or broadly back-to-back) contracting arrangements. In respect of our services delivered to Defence these include provisions for compliance with national security and confidentiality obligations.
- **Internal Services:** these are organisations providing services to KBRPL and FNCL as part of our corporate activities. Typically, services include training, corporate development activities (bids and proposals) and internal compliance advice.
- **General Corporate Procurement:** these are organisations providing general corporate procurements to KBRPL and FNCL. Typically, services include office consumables, cleaning, real estate, travel and corporate memberships.

Across the three categories above, a significant majority of the services are delivered by Australian companies in Australia with expenditure for Project/Program Subcontractors and Subconsultants representing 90% of supply chain expenditure. The nature of the professional services results in the 'supplies' being direct with no or little indirect content (a report produced by a design engineer would be direct, the paper used to print the report would be indirect per the guidance notes). There are services related to elements such as travel which may contain an overseas component and would comprise foreign content.

3 OUR MODERN SLAVERY RISKS IN THE OPERATIONS AND SUPPLY CHAINS (OF THAT REPORTING ENTITY AND/OR ANY OTHER ENTITIES OWNED OR CONTROLLED)

Both KBRPL and FNCL's risk of engaging in modern slavery practices or inadvertently procuring services from a supplier who has engaged in modern slavery is considered to be low. Neither KBRPL's nor FNCL's Australian operations appear to trigger any of the high-risk areas or indicators for modern slavery. This assessment is based on the below risk analysis:

- Entity and Corporate Governance:** KBR minimises the risk of modern slavery through our corporate Code of Business Conduct, Global Human Rights policy, and our strong anti-corruption and business ethics governance framework. All employees are required to certify on an annual basis their compliance with the Code of Business Conduct. The Code is enforced by the CEO and KBR Inc.'s Board of Directors and is governed by a Chief Compliance Officer with global responsibility for corporate compliance and business integrity.
- Corporate and Business Operations:** KBRPL and FNCL provide services and do not deliver products. These services are predominately delivered by degree qualified professionals. In addition, given our client or end-clients comprise both Commonwealth and State government departments or authorities, the additional audit and oversight obligations (including national security obligations) further prevent modern slavery practices or behaviours.
- Employee Relations:** KBRPL and FNCL's workforce is predominately professionals (engineers, project managers, commercial/procurement professionals, etc). KBRPL's employment agreements are routinely assessed against National Employment Standards and industry best practice. KBRPL and FNCL do not substantially operate under the awards system relying on common law contracts given the majority of employees are degree qualified and members of relevant professional organisations. Our standard employment agreements meet the current Australian standards and are consistent with industry and market practice here in Australia. The type and complexity of the services we offer to our clients prevent the use of unskilled labour or foreign labour. All employees are required to complete annual Ethics training, which also includes training regarding human rights.
- Industry and Geography:** The industry sectors that we operate within Australia are not generally considered to be susceptible to the use of vulnerable labour categories or persons. In the Defence sector the standards set to meet qualification levels, experience and national security requirements prevents the use of at risk labour. As most of our services are delivered in Australia by persons authorised to work in Australia for government clients, the geographic risks associated with modern slavery are considered to be extremely remote for KBRPL and FNCL.

4 OUR ACTIONS ADDRESSING RISKS, DUE DILIGENCE AND REMEDIATION PROCESSES

In Australia, KBR requires all employees (and direct contractors) to certify their compliance with the KBR Code of Business Conduct as part of its annual ethics training. This is a condition of employment. This annual certification encompasses employee's adherence to, among other things, avoidance or behaviours or practices that are inconsistent with the Code of Business Conduct.

In addition to our employees, KBRPL routinely assesses our supply chain against our Code of Business Conduct, and Global Human Rights policy which include corporate obligations on our suppliers around ethics, human rights, bribery and corruption and human trafficking. As a global business we are very sensitive to the external factors which impact our commercial and corporate operations. As such, at registration, all suppliers are required to complete a declaration confirming their conformance with our Supplier Code of Conduct.

In addition to suppliers declaring conformance with the Supplier Code of Conduct, KBR ensures its suppliers are aware of KBR's zero tolerance position with regards to child labour, people trafficking and modern slavery. Within KBR's standard subcontract terms and conditions, suppliers warrant and agree that they abide by the same obligations imposed on KBR by the Modern Slavery Act 2018 (Cth).

In this Reporting Period:

- KBRPL has sought to ensure that all third party contracts contain clauses which acknowledge the requirements of the Modern Slavery legislation irrespective of whether the third party is a supplier to KBRPL or the customer.
- all of FNCL's Enabling Functions personnel in Australia (which covers procurement, legal and HR functions) have completed internal Modern Slavery Training.

5 OUR ACHIEVEMENT AND EFFECTIVENESS OF TAKING ACTIONS

As stated, both KBRPL and FNCL are wholly owned by KBR Inc. KBR globally takes a risk-based approach to assessing human rights vulnerabilities in its supply chain. Certain subcontractors and lower tier subcontractors in high-risk countries are the focus of enhanced due diligence efforts to mitigate risks regarding human rights abuses.

- KBR acknowledges its corporate responsibility to respect human rights as delineated in the United Nations Guiding Principles on Business and Human Rights and in its Global Human Rights policy. KBR has adopted Human Rights as part of its Governance Corporate Pillar in its sustainability platform. KBR further recognises that modern slavery is a heinous crime that affects communities and individuals across the globe.
- KBR has existing policies and procedures in relation to Human Rights that include acknowledgement of the principles contained in the United Nations Universal Declaration of Human Rights. In 2022, KBR updated its Global Human Rights policy, which sets forth KBR's commitment to ensure its operations and supply chain are free from modern slavery, human trafficking and forced labour, and its commitment that the Company, its subsidiaries, its employees, its suppliers, and its partners will comply with all applicable laws.
- KBR's Code of Business Conduct and Global Human Rights policy recognise promoting human rights as its corporate responsibility and requires all of its employees to adhere to the Code of Business Conduct. All employees are required to complete annual Ethics training, which also includes training regarding human rights. Additionally, a large portion of the workforce is also required to complete separate CTIPS training on certain U.S. Department of Defense contracts.

- KBR has established an Ethics Hotline, where employees and others can report suspected inappropriate or unethical behaviour or human rights abuses, misconduct or violations of the Code of Business Conduct. KBR engages a third-party vendor to manage the Ethics Hotline, which permits reporters to maintain their anonymity.
- KBR's Legal Department (through its Business Integrity team) promptly and thoroughly investigates any report that may include indications of human rights abuses and contacts the appropriate authorities when appropriate.
- KBR's Supplier Code of Conduct affirms that KBR has zero tolerance for child or forced labour and trafficking in persons and requires suppliers to adhere to these principles.
- KBR conducts CTIPS/MSA audits/inspections of certain key subcontractors that include interviews and surveys of subcontractor employees, housing inspections, and prevailing wage reviews.
- KBR conducts restricted party screening on subcontractors and vendors to ensure KBR is not doing business with entities that are flagged for designated human rights abuses or other watchlists/sanctions.
- KBR conducts due diligence on certain business partners that include reviewing any derogatory information concerning human rights abuses when required.
- During 2022, KBR delivered its online training programme to 47 'Tier 1' key suppliers across its non-US businesses to raise awareness in identifying and combatting modern slavery in the supply chain. The training achieved a success rate of 58% of those targeted suppliers completing the training.
- A desktop audit was then conducted on the identified 47 suppliers and subcontractors who specifically work with KBR in Tier 1, Tier 2, Tier 2 Watchlist, Tier 3 and Special Case countries (according to the US Department of State).

6 OUR PROCESS OF CONSULTATION

KBRPL continually consults with its wholly owned subsidiaries and entities through each of KBRPL's major business units, Government Solutions & Infrastructure Solutions. KBRPL as provided in Figure 2 has two subsidiaries; Sigma Bravo Pty Ltd and Catalyst Australia Pty Ltd. Both of these subsidiaries perform their procurement activities in the same manner and requirements of KBRPL and are managed by the managers of KBRPL.

FNCL Australian operations does not control other entities and therefore this criteria is not applicable for FNCL in relation to this Joint Statement.

7 OUR COMMITMENT AND OTHER RELEVANT INFORMATION

KBR is undertaking further steps to improve our oversight of our supply chains and subcontractors to ensure workers being abused or exploited; and to monitor (and where necessary) reassess risks. KBR globally:

- will continue to implement the rollout of its online modern slavery training programme;
- is continually reviewing and, where necessary, updating our processes and policies governing modern slavery and people trafficking;
- is continually reviewing and, where necessary, updating our processes for appointing potential supply chain providers;
- is conducting further internal reviews to ensure that our systems contain appropriate processes to protect lesser skilled workers engaged in overseas locations;
- is providing ongoing training materials to be given to employees and certain key suppliers about modern slavery and trafficking in people, and referring them to our ethics hotline to report any concerns;

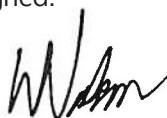
Other external influences, like the war in Ukraine, resulting in mass-movement of vulnerable people, poses an enhanced risk of people trafficking and modern slavery on our doorstep. KBR is fully aware of this and will continue to remain vigilant to such risks.

8 APPROVAL OF STATEMENT

This is the Modern Slavery Statement of Kellogg Brown and Root Pty Ltd and Frazer-Nash Consultancy Limited (Australian operations) for year ending 31 December 2022, having been agreed by each company's Board of Directors on 19 June 2023 and 20 June 2023 respectively and is submitted in accordance with Section 13 of the Modern Slavery Act 2018 (Cth).

Kellogg Brown & Root Pty Ltd

Signed:

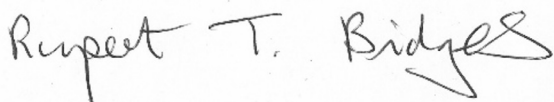


Wayne Nolan

Company Director

Frazer-Nash Consultancy Limited

Signed:



Rupert Bridges

Company Director