

**Bothar Group Pty Ltd ACN 137 166 780**

**Modern Slavery Statement**

**1 January 2020 to 31 December 2020**

Reporting date 30 June 2021

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## Statement from CEO and Chair of Board

The Modern Slavery Act 2018 (Cth) (**Act**) requires large Australian entities carrying on business in Australia to report annually on the risks of modern slavery in their operations and supply chains and the action/s taken to address these risks. This is the first modern slavery statement of Bothar Group Pty Ltd ("**Bothar**", "**we**", "**us**" or "**our**"), ACN 137 166 780, for the reporting period of 1 January 2020 to 31 December 2020.

As part of the Bothar Group of companies ("**Bothar Group**"), Bothar was founded in Sydney, Australia in 1990 and is an international leader in the provision of engineering solutions for complex subsurface infrastructure. The company provides micro-tunnelling, traditional tunnelling (pipe jacking) up to 4 metres in diameter, as well as shaft construction, direct pipe installation®, auger boring, horizontal directional drilling (**HDD**), Bothar Cranes and Bothar Built equipment. Bothar Group operates internationally with operations in Australia, North America, Asia and the Middle East. For the purposes of this reporting period, Bothar is the reporting entity in the Bothar Group and is required to lodge its first modern slavery statement (**Modern Slavery Statement**) by 30 June 2021.

The term Modern Slavery is used to describe a range of exploitative practices including trafficking in persons, slavery, slavery like practices (including forced labour, forced marriage and debt bondage), as well as child labour.

Modern Slavery can occur in any country, sector or industry. In the Explanatory Memorandum for the Act, the Australian Government considered that there is a high risk of Australian businesses being exposed to modern slavery risks on the basis that modern slavery can occur in a variety of industries and at any point of a supply chain. Traditionally, Australia has had a strong presence in 'high risk' sectors and industries (including construction, electronics, extractive industries, manufacturing and hospitality). Many Australian businesses, including Bothar, who operate in the construction industry, have supply chains that extend throughout the Asia Pacific region that is often identified by international labour organisations as being a 'high risk' region.

The primary objective as set out in the Explanatory Memorandum to the Act, is to support the business community in Australia to take proactive and effective actions to address modern slavery (in all its forms).

Tackling modern slavery is a difficult issue that will require continuous commitment and an on-going focus. Compliance with the requirements of the Act will require focus at all levels of Bothar. While we do not have a reporting entity that is a foreign entity carrying on business in Australia, we take a global approach to Modern Slavery and will consider the issue of modern slavery in all the regions where Bothar Group operates.

Bothar commits to following the path of continuous improvement in this area and will lodge its first Modern Slavery Statement by 30 June 2021 and will lodge annual statements, outlining the activities undertaken in that current reporting period and our plans and targets for the ensuing years.

### **Approval and signing**

This statement was approved by the Board of Directors of Bothar Group Pty Ltd on 29 June 2021.



Garry Ash  
Group Chairman  
29 June 2021



Noel Kerr  
CEO and Managing Director  
29 June 2021

## 1. Criterion 1 - Identify the reporting entity

The reporting entity for the reporting period of 1 January 2020 to 31 December 2020 is Bothar Group Pty Ltd (“Bothar”, “we”, “us” or “our”), ACN 137 166 780.

## 2. Criterion 2 - Describe the reporting entity’s structure, operations and supply chains

### 2.1 Our Structure

Bothar is an Australian proprietary company, limited by shares. Bothar is part of a larger corporate group, the Bothar Group. Bothar Group employs 1,000 people internationally with employees engaged by relevant regional subsidiaries. The registered office for Bothar is located at 98 Ingleston Road, Wakerley, 4154, Queensland, Australia.

Bothar controls other entities within the Bothar Group, including:

|  |              |
|--|--------------|
| Bothar Boring and Tunnelling (Australia) Pty Ltd                     | Australia    |
| Bothar Boring and Tunnelling Pty Ltd                                 | Australia    |
| Petroserv International Pty Ltd                                      | Australia    |
| Bothar Boring and Tunnelling Operations WLL                          | Qatar        |
| Bothar Roads, Drainage, Bridges and Gas Extension Contracting Co WLL | Kuwait       |
| Coleman Tunnelling Africa (Pty) Ltd                                  | South Africa |
| Bothar Boring and Tunnelling LLC                                     | Oman         |
| Bothar Boring and Tunnelling Ltd                                     | Canada       |
| Innovative Pipeline Crossings Inc                                    | Canada       |
| CPGH Microtunnelling Limited   | Ireland      |
| Bothar Boring and Tunnelling (NZ) Limited                            | New Zealand  |
| Bothar International Trading FZE                                     | UAE          |
| Bothar International Limited   | Hong Kong    |
| Bothar Holdings (SE Asia) Pte Ltd                                    | Singapore    |
| Bothar Operations (Singapore) Pte Ltd                                | Singapore    |

Bothar has an experienced Board of Directors who oversee the business operations and governance practices with appropriate committees in place, being the Audit and Risk Committee and Nomination and Remuneration Committee. The Board of Directors meet on a regular basis to consider Management’s reporting obligations and responsibility for workplace health and safety, risk management, environmental and sustainability practices.

The Board and Committees have appropriate procedures and practices in place to ensure the effective monitoring of the Bothar Group and its team.

The Managing Director (Chief Executive Officer) leads Bothar through clearly defined objectives for employees that meet the strategic direction and goals of Bothar Group.

The Bothar Board of Directors has developed a 12-month action plan and three year road map to action improvements for modern slavery governance and due diligence, risk management, supply chain management, communications and training. The Audit and Risk Committee will oversee these activities and regularly monitor the modern slavery obligations under the Act.

## 2.2 Our Operations

Bothar’s vision is to be recognised as a global partner that provides excellence in the delivery of tunnelling solutions. We endeavour to do this by providing sustainable and increasing value to clients, shareholders and staff, through a business model that aims to innovate in all that it does. Our clients include both government and private sector clients (including projects where we are the sub-contractor).

As Bothar is part of the global Bothar Group, we mention operational activities undertaken at the group level, as well as operational activities undertaken at local level.

Since inception, 30 years ago, Bothar Group has aimed to be recognised as a global partner in the delivery of tunnelling solutions and to increase value to clients, shareholders and staff through a continually innovative business model. This mission is driven through Bothar Group’s five key values (see diagram below).



Bothar Group’s team of technical and skilled employees located in our worldwide locations (including Bothar’s employees in Australia) is capable of providing a full suite of tunnelling services for all projects. Bothar Group has long-term relationships with international equipment suppliers, specialist sub-contractors and local suppliers in each region.

Bothar Boring and Tunnelling Pty Ltd owns the tunnelling equipment used in our global operations around the world.

Bothar Boring and Tunnelling (Australia) Pty Ltd undertakes tunnelling work in Australia. Apart from the dormant entities in the Bothar Group, all the entities controlled by Bothar undertake drilling and tunnelling activities as part of our global operations around the

world. Bothar Group has some dormant entities (being Petroserv International Pty Ltd, Bothar Boring and Tunnelling South Africa (Pty) Ltd, Coleman Tunnelling Africa (Pty) Ltd and Coleman [Micro] Tunnelling Africa (Pty) Ltd).

Bothar Group's tunnelling and engineering solutions include shaft construction that serve as the location where all material enters and exits. Shafts vary in size and depth, their design and construction are key to the successful completion of any tunnelling project.

When absolute micro-tunnelling precision is required, Bothar Group utilises cutting-edge micro-tunnelling machines manufactured by world leaders Herrenknecht. These Herrenknecht AVN machines are all-rounders for safe tunnelling in the diameter range of 0.4 metres to 4 metres and are operated using state-of-the-art laser-guided technology. The slurry-supported excavation concept makes it possible to use these machines in all kinds of ground conditions, ranging from silt to clay to incohesive soils and further to gravel and rock.

Bothar and other entities in the Bothar Group supply the following solutions:

- Bothar Auger Boring Machines are used to bore horizontally through soil or rock with a cutting head and auger. The majority of machines are used to install pipe casings under railways, highways, runways, creeks or any area of ground that cannot be open cut or disturbed in any way.
- When particularly tough ground conditions require manual excavation, Bothar Boring is highly skilled in pipe jacking, another trenchless method for the installation of steel pipe and concrete casings. This method is often used for shallow installations under roads, railway tracks and wherever other trenchless methods could cause surface settling or heaving.
- Bothar Built's team of equipment manufacturing specialists have developed tunnelling solutions to meet these complex tunnelling environments. Bothar Built's team has delivered hundreds of kilometres of tunnels for infrastructure projects including city development, rail, airports and roads, water conveyance systems for both cities and industrial needs, oil and gas projects and power projects.
- Horizontal Directional Drilling (**HDD**) is a technique typically used for long crossings over waterways, gorges and environmentally sensitive areas where traditional trenching or excavating is not practical. This service permits the placing of pipes or conduits over considerable distances, without disturbing the surface or damaging the surrounding environment. This method of trenchless technology is suitable for laying water and wastewater pipes, gas, oil pipelines, and electricity and telecommunications cables and conduits.
- Bothar Crane Hire specialises in heavy lifting, with a fleet of cranes ranging from 25 tonnes to 500 tonnes. Bothar Crane Hire provides craneage to Bothar projects and to external clients such as Qatar Gas and many other leading Qatari organisations.

### **2.3 Personnel of Bothar Group**

The personnel in Bothar Group have a diverse range of skills and cultural backgrounds throughout the world and each individual plays a critical role in the success of Bothar Group. Each project undertaken requires a team of experts, from engineering, tunnelling operators, machinery maintenance and safety officers who work on site to deliver quality tunnelling solutions to our clients.

Support personnel in each region manage the human resources function including recruitment, performance management and payroll, finance and accounting, supply chains and subcontracting arrangements.

Bothar Group is a leading provider of tunnelling solutions in many of the countries that it operates in, with a brand that has gained an enviable reputation as a very mature and long-standing tunnelling contractor. We and the other entities in Bothar Group choose our larger projects and our clients carefully, only seeking those where we feel we can add value.

The size and structure of Bothar Group allows for flexibility and an ability to mobilise quickly and get the critical success factors done whilst directly communicating with clients and providing immediate expert feedback throughout the project.

Bothar serves a broad range of clients from multinationals to local councils and we have the capability to adapt our approach to suit each client's specific organisational culture.

The core leadership team of Bothar Group are experts in the field, who aim to be highly visible and accessible across all of the corporate group's client and team bases and are fully engaged through the tender and contract execution phases. The experience and technical skills of the teams in Bothar Group enable the group to customise any project solution utilising its various tunnelling techniques with its Bothar Built equipment providing the group with a cutting-edge advantage.

Bothar has extensive experience identifying and mitigating project risk on the most challenging projects with a strong track record in health and safety with industry leading environmental standards.

#### **2.4 Modern Slavery Working Group**

We take a global approach to addressing modern slavery. Accordingly, Bothar Group is in the process of establishing a modern slavery working group, that will eventually comprise of senior managers within each operational region. The working group will continue to undertake supplier due diligence activities, engaging with the identified suppliers to gather relevant information as part of the modern slavery supplier activity assessments.

As senior managers within each region, they will be responsible for communication and training Bothar Group staff in Modern Slavery concepts including ongoing updates to the group's risk management practices.

#### **2.5 Supply Chains of Bothar Group**

Bothar Group has assessed the supplier spend across the group with a focus on those suppliers where expenditure during the 2020 calendar year exceeded A\$0.5 million (**Tier 1 suppliers**) and considered the modern slavery risk indicators, identifying those high risk procurement categories. As Bothar and its controlled entities around the world all undertake drilling and tunnelling activities, the types of goods and services supplied to each entity in the Bothar Group are similar.

### What we and other entities in Bothar Group buy:

- Engineering, construction and fabrication services;
- Tunnelling equipment;
- Energy and utilities (including fuel);
- Maintenance spares and services;
- Operations support services including remote accommodation and catering services; and
- Labour and corporate services.

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### 3. Criterion 3 - Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.

#### 3.1 Operational risks

Bothar recognises its moral and legal responsibilities to provide a safe and health work environment for employees, contractors, clients and visitors. Our commitment extends to doing our best to ensure the organisation's operations (and those of our owned and controlled entities) do not place the local community at risk of injury, illness or property damage.

We do this with reference to Bothar's quality, health and safety management systems that support our people through:

- Safe working practices;
- Workplaces that are free from harassment, discrimination and bullying;
- Ethical and lawful conduct in business relationships;
- Engaging stakeholders respectfully and honestly; and
- Contributing to sustainable communities through providing local jobs, developing local skills and support local suppliers.

We have appropriate training in place for all employees and encourage our people to report any identified risks and contraventions of policies to resolve these matters.

Bothar considers that the existing policies and procedures we have in place lower the potential for us (or our owned and controlled entities) to cause or contribute to incidents of modern slavery in our operations. However, we recognise that potential areas of vulnerability in our operations (and those of our owned and controlled entities) include:

- **Geographic risks:** The countries where some of the Bothar Group entities operate and which the Global Slavery Index 2018 of the Minderoo Foundation (**Global Slavery Index**) has ranked as higher risk geographical areas based on government response to modern slavery i.e. Qatar, Kuwait and United Arab Emirates; and
- **Services risks:** Outsourced services such as cleaning, catering, facilities management and use of labour hire contractors.

#### 3.2 Supply Chain Risks

Bothar's supplier expenditure and category risk prioritisation review still inform the ongoing modern slavery risk management and supplier engagement throughout the Bothar



Group's regional operating activities. We are continuing to assess Bothar Group's supply chain risks and have determined the following potential key risk areas related to modern slavery as part the supply chain review process:

**3.2.1 Industry risks:**

- Specific industry sectors deemed as high risk in international and national guidance documentation. Being part of the construction industry, we recognise that construction is a higher risk industry.

**3.2.2 Product and services risks:**

- Specific products and services deemed as high risk, mainly related to manual labour activities for our operations.

**3.2.3 Geographic risks:** Some countries may have higher risks of modern slavery. The Global Slavery Index ranks countries based on the government response to modern slavery.

- As part of a global corporate group, our suppliers are located in regions that while not identified by the Global Slavery Index as higher geographical risk areas, further due diligence activities are required to understand specific supplier modern slavery practices.

**3.2.4 Entity risks:** Some entities may have higher risks of modern slavery because they have poor governance structures, a record of treating workers poorly or a track record of human rights violations. Bothar is not aware of any entities in its supply chains as potentially carrying higher risks of modern slavery but we understand that entity risks may arise in future or we may identify these as we roll out our compliance program.
















Bothar recognises modern slavery risk management as a challenging and evolving process and aims for continuous improvement in our supplier engagement. In future reporting periods, Bothar plans to focus on the geographic risks in our operations, namely our operations in Qatar, Kuwait and United Arab Emirates.

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**4. Criterion 4 - 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**

Bothar continues to develop our understanding of potential modern slavery risk in our operations and supply chain. In recognition of different operating regions around the globe, Bothar has started to establish a working group for modern slavery. The intention is to have the working group comprised of senior managers within each region, representing operations and commercial functional areas. The modern slavery working group will report quarterly to the Audit and Risk Committee and ultimately to the Board of Directors on the modern slavery action plan, due diligence processes and progress.

The modern slavery working group will undertake internal gap analysis to collaboratively identify areas for improvement across five key categories:

|                                 | Stage 1:<br>Commencing<br>2021  | Stage 2:<br>End<br>2022   | Stage 3:<br>End<br>2023   |
|---------------------------------|---|---|---|
| Management Systems              |  |  |  |
| Risk Management                 |  |  |  |
| Procurement and Supply Chain    |  |  |  |
| Human Resources and Recruitment |  |  |  |
| Customers and Stakeholders      |  |  |  |

#### 4.1 Actions taken in the reporting period

4.1.1 In this reporting period, we have focussed on:

- (a) Undertaking an initial assessment of suppliers within each operating region to identify the high risk procurement categories for future due diligence activities;
- (b) Conducting a training needs assessment to communicate modern slavery risk-based training to our senior operations leaders and procurement staff;
- (c) The identification of potential causes of modern slavery within our industry and business operations to be included in the risk management framework together with appropriate mitigation strategies; and
- (d) Implementing Bothar Group’s Whistleblower Policy, that provides people with a reporting structure for the disclosure of any misconduct, improper state of affairs or circumstances relating to the company’s operations.

Bothar encourages open communication up and down management lines and fosters a culture of compliance, ethical behaviour and good corporate governance. We endeavour to support anyone who reports an issue. We are also committed to creating a culture of integrity, transparency and accountability.

#### 4.2 Modern slavery actions road map

Bothar has created a road map for modern slavery laws compliance. The steps we are aiming to take in the future are:








- Assessing modern slavery risks in the countries where Bothar Group has operations and which the Global Slavery Index has recognised as higher risk;
- Training and education of personnel of Bothar Group on the reporting obligations under the Modern Slavery Act, modern slavery risks and how to respond if they find modern slavery risks or incidents;

- Training and education of the Board given the modern slavery statements must be approved by the Board;
- Supplier engagement and awareness so that our suppliers understand our expectations in relation to modern slavery laws compliance;
- Creating and implementing policies to identify and address modern slavery risks in our operations and supply chains; and
- Updating contract management requirements to address modern slavery risks.

**5. Criterion 5 - Describe how the reporting entity assesses the effectiveness of these actions**

Our modern slavery risk management action plan and due diligence processes will be reviewed regularly and reported to the Audit and Risk Committee on a quarterly basis as part of our risk management review process. Our risk assessment procedure requires annual reviews of all risks and controls, including modern slavery risks identified in our operations and supply chain.

Bothar acknowledges the importance of assessing the effectiveness of our actions to manage risks of modern slavery in our operations and supply chain. For the first reporting period an assessment of the following key activities is set out below:

|   | Progressing   | Achieved  |
|---|---|---|
| Requirements of Modern Slavery Act outlined to the Board              |   |  |
| Tier 1 supply chain risks mapped                                      |  |   |
| 100% of operational executive and senior leaders engaged on the issue |  |   |
| 100% of supply chain staff trained on modern slavery risks            |  |   |
| 100% of identified high-risk suppliers (<A\$1m spend) engaged         |  |   |
| Relevant existing policies updated and additional policies created    |  |   |
| Standard contract templates updated                                   |  |   |

As our modern slavery compliance program progresses, we expect that our ways of measuring the effectiveness of our actions to assess and address modern slavery will evolve.

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**6. Criterion 6 - 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)**

We have consulted with our controlled entities in the preparation of this Modern Slavery Statement. A list of our controlled entities is provided in Criterion 1. All of our controlled entities operate under the direction and governance of Bothar Group Pty Ltd and share the same executive management team. The modern slavery working group includes members from each operation group to ensure the consultation and implementation process is supported by the wider Bothar team.

As Bothar Group Pty Ltd is the sole reporting entity in the Bothar Group, consultation with other entities giving the modern slavery statement is not applicable.

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**7. Criterion 7 Provide any other relevant information**

**7.1 The Impacts of Covid-19**

In order to keep our people safe and continue our operations through the COVID19 pandemic, Bothar ensured there were sufficient consumables available for employees including face masks, hand sanitiser, toilet paper and gloves. We recognise that personal protection equipment (PPE) can pose higher modern slavery risks due to the regions in which they are manufactured. In an aim to minimise modern slavery risks, these PPE consumables were sourced in each operational region utilising existing suppliers and local suppliers.

The nature of Bothar's work activities were not significantly impacted other than strict quarantine requirements for our people travelling to other countries or across borders and in some regions restrictions on the number of employees accessing project work sites.