

## Modern Slavery Statement – 30 June 2020

### Chairman's Foreword

NorthWestern Roads Group has taken its responsibility to analyse its modern slavery risk seriously and is committed to continuously reducing the risk of modern slavery in our supply chain. Myself and my fellow Directors are conscious that reporting entities have a duty to minimise the risks within our business and to ensure the business has processes and procedures in place to minimise the risk of modern slavery and human rights exploitation.

### Purpose of Statement

This Modern Slavery Statement (**Statement**) is made on behalf of NorthWestern Roads Group Pty Ltd (ACN 169 328 330); NorthConnex Company Pty Ltd (ACN 602 719 513); NorthWestern Roads Group Nominees Pty Ltd as trustee for the NorthWestern Roads Group Trust (ACN 169 328 287); and Westlink Motorway Group (ACN 102 757 924). All of these entities are part of NorthWestern Roads Group (**NWRG**, “**we**”, “**our**”). NWRG is owned by QIC Private Capital Pty Limited on behalf of its managed clients, Canada Pension Plan Investment Board (trading as CPP Investments) and Transurban Limited [ABN 96 098 143 410].

NWRG operates the Westlink Motorway in western Sydney and the Northconnex Tunnel in the north west of Sydney.

This Statement is made pursuant to the *Modern Slavery Act 2018* (Cth) (the **Act**). This Statement sets out the actions taken by NWRG to identify, assess, and address modern slavery risks across our operations and supply chains in the twelve months ending 30 June 2020.

## Contents

Snapshot of NWRG's work in this reporting period .....	3
NWRG's Commitment .....	3
Our joint reporting entities under the Act.....	3
NWRG's structure, operations and supply chain.....	4
Structure and Operations .....	4
Supply chain .....	4
Risks of modern slavery in NWRG's operations and supply chain.....	5
Actions taken by NWRG to assess modern slavery risks .....	5
Description of modern slavery risks.....	5
NWRG's actions to reduce modern slavery risks .....	7
Policy and Governance .....	7
Stakeholder engagement .....	7
Supplier engagement.....	7
Future actions .....	8
How we assess our effectiveness.....	9
Consultations with reporting entities.....	9
Disclaimer and approval .....	9

## Snapshot of NWRG's work in this reporting period

In this reporting period, NWRG has worked closely with entities in its group and its suppliers to identify and address modern slavery risks, including the following steps:

- mapping NWRG's structure, businesses and supply chains to identify modern slavery risks;
- undertaking a risk assessment to assess human rights risks, including modern slavery risks, across its suppliers, and produce a heat map indicating risks per supplier;
- managing and addressing identified risks by:
  - Policy and Governance:
    - strengthened its policy framework to directly inform our approach to modern slavery and limit future risks, including a review of our Sustainability Policy and Code of Conduct;
    - developing a Supplier Code of Conduct that addresses modern slavery and human rights concerns and refers to our Whistle-blower Policy;
    - assigning modern slavery responsibilities within the organisation;
    - updating our standard contract terms to include provisions regarding modern slavery and human rights; and
    - incorporating modern slavery clauses into new supplier contracts.
  - Stakeholder engagement:
    - engaging with the NWRG leadership team;
    - conducting staff training on modern slavery awareness; and
    - engaging with NWRG shareholders.
  - Supplier engagement:
    - changing branded merchandise provider to an ethical supplier that has been vetted for modern slavery and human rights compliance by our direct supplier; and
    - liaising on an ongoing basis with key service providers regarding modern slavery risks.

## NWRG's Commitment

NWRG supports the goals and intent of the Act and is committed to identifying and addressing any risks or impacts of modern slavery in our operations and supply chains. We recognise our role in respecting and promoting the fundamental human rights of our employees, suppliers and customers. We have committed, through our Sustainability Policy, to work with our partners to advance our procurement practices to align with the International Guideline for Sustainable Procurement (ISO 20400) and relevant local and international regulations pertaining to human rights practices including modern slavery.

We are committed to continuous improvement of our identification of modern slavery risks and reporting program.

We look forward to continuing to work with our employees, contractors, partners and suppliers over the next reporting period to further enhance our systems and controls to effectively identify and manage modern slavery risks within our business operations and supply chains.

## Our joint reporting entities under the Act

This joint statement is made on behalf of the following entities within NWRG which are reporting entities for the purposes of the Act, as they are companies that carry on business in Australia (see section 21 of the *Corporations Act 2001 (Cth)*) with a consolidated revenue of over \$A100 million, during the reporting period:

- NorthWestern Roads Group Pty Ltd (ACN 169 328 330);



- NorthConnex Company Pty Ltd (ACN 602 719 513) (Referenced henceforth as 'NorthConnex Tunnel');
- NorthWestern Roads Group Nominees Pty Ltd as trustee for the NorthWestern Roads Group Trust (ACN 169 328 287);
- Westlink Motorway Group (with the deemed parent WSO Co Pty Ltd ACN 102 757 924). (Referenced henceforth as 'Westlink Motorway')

For the purposes of this statement, '**NWRG**' refers to all entities within the Group, and "**reporting entities**" refers to the entities listed above.

## NWRG's structure, operations and supply chain

### Structure and Operations

NWRG operates the Westlink Motorway in western Sydney and the Northconnex Tunnel in the north west of Sydney. More information on each motorway can be found at [www.westlinkM7.com.au](http://www.westlinkM7.com.au) and [www.northconnex.com.au](http://www.northconnex.com.au).

NWRG does not employ staff. It has a Management Services Agreement with NorthWestern Roads Management Services Company Pty. Ltd. (**NWR**). NWR employs 23 Australian-based professional staff who manage the two toll roads on behalf of NWRG through the oversight of contractors who perform operations and maintenance services for the Westlink Motorway and project delivery services overseeing construction for the Northconnex Tunnel (until October 2020 and then operations from 31 October 2020).

### Supply chain

NWRG has a limited supply chain, dominated by agreements with Tier 1 suppliers who are well-established, large companies, many of whom are ASX-listed. This is summarised below.

#### **Supply chain for Westlink Motorway**

The following providers represent the overwhelming majority of NWRG's total spend in operating the Westlink Motorway:

- Operations and Maintenance Contractor (reports separately under the Act);
- Tolling and Customer Management Services Contractor (reports separately under the Act);
- Roadside Tolling Equipment and Services Contractor; and
- Operational Management and Control Systems (**OMCS**) Provider (reports separately under the Act),

Three of the four Key Westlink Motorway suppliers listed above are themselves reporting entities under the Act and so will be undertaking their own assessment of their modern slavery risks and reporting as required by the Act. The remainder of NWRG's supply chain, which makes up a small proportion of its overall spend, consists of professional services within Australia and office technology and supplies.

#### **Supply chain for Northconnex Tunnel**

In FY20 the Northconnex Tunnel project was under construction. Construction was delivered through a design and construction contract with two Australian-based companies (one also being a supplier for the Westlink Motorway) . One of the companies is itself required to report under the Act.

In operations, a single head contractor will operate and maintain the Northconnex Tunnel for NWRG.

## Risks of modern slavery in NWRG's operations and supply chain

### Actions taken by NWRG to assess modern slavery risks

NWRG engaged a specialist consultancy company with expertise in mapping human rights risks to assist with assessing and documenting supply chain human rights risks, including modern slavery, within NWRG in its first reporting period. Since, as discussed above, NWRG employs a small number of professional employees in Australia, an internal assessment was made that the direct risk of modern slavery within NWR's own operations is very low. The assessment was thus focused solely on our supply chains.

A comprehensive risk assessment was conducted by:

- Mapping key products and services across NWRG supply chains;
- Designing a supply chain risk assessment methodology in line with AS ISO 20400: 2018 - Sustainable Procurement – Guidance and the UN Guiding Principles on Business and Human Rights;
- Undertaking some preliminary research and assign a draft risk scoring for each product / service in scope; and
- Conducting a workshop to assess modern slavery risks across these products and services, involving key staff from across functional areas including operations, technology, finance, risk and safety.

The assessment weighed risks associated with the country or region from which the goods or services were sourced), risks associated with the industry in question, and risks associated with a particular buyer or supplier. It examined the following portfolios within NWRG's business:

- construction;
- corporate and customer services;
- operations and maintenance; and
- technology.

On the basis of the risk assessment, a human rights "heat map" was prepared identifying the levels of risk in NWRG's supply chains.

Given that its primary suppliers are large organisations providing skilled labour within Australia, the risk of modern slavery in NWRG's supply chain is generally low, though at this stage NWR has not conducted detailed audits of its Tier 1 suppliers as it relates to modern slavery. NWRG seeks to address its supply chain risks by seeking detailed information from key suppliers.

### Description of modern slavery risks

A moderate risk of modern slavery (the highest level of risk identified in the assessment) was identified within certain products and services within NWRG's extended supply chain:

#### **Key categories of risk in the supply chain included:**

- Merchandise;
- Design & Construction activities associated with the NorthConnex tunnel construction;
- Merchandise purchasing;
- Tolling system equipment supply;

- Customer care services provision from the overseas (relatively higher risk country); and
- OMCS system supply.

Key drivers of risk identified include the following:

**Long or complex supply chains:** some raw materials and equipment within NWRG's design and construction function, tolling and OMCS systems, and even merchandise and office supplies have long downstream supply chains which make it difficult for NWRG to ensure transparency. However, NWRG has engaged with key suppliers from whom it sources many of these products to confirm that due diligence measures and controls are in place to ensure ethical sourcing. As discussed further below, in this reporting period NWRG has taken a risk-based approach regarding its supplier engagement and has focused on the two suppliers which we consider higher-risk and where we have some ability to influence behaviour. Further, NWRG has acted to minimise risks associated with the transparency of its merchandise supply chain by switching to a preferred supplier who has a commitment to addressing modern slavery within its supply chain. The preferred supplier for such items is ISO9001 and ISO14001 certified and maintains SA 8000 (or equivalent) certification. They also conduct regular factory audits.

**Production in low-cost countries:** while NWRG's direct operations are performed in Australia, some equipment and materials used by NWRG are supplied or manufactured in low-cost countries which may carry higher risks of modern slavery. This includes supplies used in NWRG's tolling and OMCS systems as well as low-spend items such as branded merchandise and office supplies. Customer care services are based in the Philippines, which is a higher-risk jurisdiction according to the global slavery index. However, we have engaged with the head contractor who provides these services, who has carried out due diligence into this provider and (as it is a reporting entity) is implementing a modern slavery risk mitigation program of work to further improve its processes to mitigate any modern slavery risks associated with this supplier. This supplier also has a demonstrable continuous improvement process.

**Low-skilled workforce:** construction and maintenance activities are generally lower-risk, as they involve mainly high-skilled labour and are conducted in Australia, in accordance with all applicable legislation and collective bargaining agreements. However, manufacture of tolling and OCMS equipment (as well as merchandise and office supplies) is likely to involve labour performed by a workforce outside of Australia with a higher modern slavery risk. Further some stages of design and construction in Australia involve significant resources and labour sourced from overseas.

**Impact of COVID-19 pandemic:** while the risk of modern slavery in NWRG's Australian operations has not been substantially impacted by the COVID-19 pandemic, we acknowledge that the enormous social and economic disruption of this year has created new human rights risks, including modern slavery risks, which are relevant to our supply chain. These include concerns about workplace safety, and layoffs of migrant workers and workers in low-skilled industries. Regarding NWRG's key suppliers, NWRG has used virtual meetings, virtual safety walks and other technological solutions to maintain a normal level of engagement with and oversight of suppliers and their subcontractors generally.

## NWRG's actions to reduce modern slavery risks

On the basis of the risk assessment detailed above, NWRG created an action plan to address identified risks of modern slavery in its supply chain.

### Policy and Governance

NWRG's Board has also developed and strengthened its policy framework to directly inform our approach to modern slavery and limit future risks, by adopting a Supplier Code of Conduct in FY20.

This complements existing policies including:

- **Sustainability Policy:** our sustainability policy explicitly addresses modern slavery (added in FY19);
- **Code of Conduct:** our code of conduct now defines our approach to lawful, ethical and socially responsible business practices (added in FY19); and
- **Whistle-blower Policy:** our whistle-blower policy is supported by an external and independent third party provider. This Policy is referred to in the Supplier Code of Conduct and our internal Code of Conduct, in order that both employees and third parties can report any modern slavery breaches or concerns; (service scope inclusive of human rights in FY20).

### Stakeholder engagement

NWRG has engaged with key stakeholders to understand their approach to and understanding of human rights risks including modern slavery.

This has included:

- Engagement with shareholder representatives;
- Information and awareness for NWRG staff; and
- Leadership team identifying modern slavery as a strategic risk within the NWRG risk process.

### Supplier engagement

NWRG maintains regular engagement with its Tier 1 suppliers on the Westlink Motorway and Northconnex projects. Engagement involves both informal discussions and formal audit and assurance programs across a range of risks, including subcontractor and supply chain management.

**Westlink Motorway** NWRG has liaised closely with our two main suppliers, the Operations and Maintenance Contractor and the Technology and Customer Management Services Contractor, in relation to their modern slavery practices. We have had detailed engagement with these entities, who have established supplier codes of conduct, and they inform us that they are performing careful due diligence regarding their modern slavery risks, and have a strong commitment to address any modern slavery risks in their operations and supply chains. Similar consultations with our two other Key Westlink Motorway Suppliers will occur in the next reporting period.

The Tolling Services Provider employs Australian-based staff who perform technical services for the motorway. As set out further below, most of these services are professional in nature and we are informed that all are provided in compliance with applicable workplace and labour laws such that NWRG understands there to be a low risk of modern slavery associated with this supplier.

Given that NWRG's spend on suppliers of professional services and office supplies make up only a small proportion of its overall spend, NWRG has focused in this reporting period on its Key Westlink Suppliers.

**Northconnex:** NWRG has liaised with its Northconnex design and construction contractor, the Australian arm of which is also required to report under the Act, to gain an understanding of the approach the company is taking to addressing modern slavery. NWRG understands from detailed engagement with this entity that it is performing careful due diligence and has a strong commitment to address any modern slavery risks in its operations and supply chains. NWRG will continue to liaise closely with its Northconnex design and construction contractor on its approach to modern slavery.

NWRG will also partner with the head contractor to seek to address and mitigate modern slavery risk within the delivery of operations and tunnel maintenance services.

Given NWRG's role as an asset owner, our approach to addressing modern slavery risks focuses on proactively liaising with our partner organisations and obtaining an understanding of the processes they have in place to address modern slavery risks in their operations and supply chains.

#### **Case Study: successful collaboration with suppliers and shareholders**

In this reporting period, NWRG has worked with its key suppliers and major shareholders to reduce modern slavery risk. For example:

- NWRG switched to a new merchandise supplier recommended by a shareholder (also a reporting entity under the Act) on the basis of a positive due diligence report conducted by that shareholder.
- NWRG reviewed the draft Modern Slavery Statement of one of its key suppliers to enable transparency around its supplier's program and modern slavery risks.

#### **Future actions**

We recognise the need for the NWRG to continually improve its approach to addressing modern slavery risks in its operations and supply chain. To that end, we will seek to continually improve our approach and learn from our industry peers and partners by collaborating on leading practice.

Actions planned for the next reporting period includes:

- Reviewing the modern slavery statements of our suppliers who are reporting entities under the Act to understand their assessment of their risks and their approach to mitigating those risks;
- Continuing periodic staff training and awareness raising of the risks of modern slavery;
- Continuing collaboration with its key suppliers and head contractor to seek evidence that they have put in place their own policies and procedures to address modern slavery risks;
- Rolling out our Supplier Code of Conduct for new and renewed contracts
- Developing a formal remediation process;
- Use of revised contracts inclusive of human rights and modern slavery terms and conditions; and
- Aligning and benchmarking our modern slavery work plan against our industry partners, seeking to improve our processes and procedures.

## How we assess our effectiveness

NWRG recognises the importance of evaluating the effectiveness of actions taken to combat modern slavery during each reporting period. In this reporting period we have focused on our risk assessment (using a specialist third-party provider) and taking immediate steps to mitigate risks with key suppliers. This has also included Senior Management in the risk assessment process, placing all staff through awareness training and formally including modern slavery within our risk assessment framework.

In our next reporting period, we will work on developing a plan to assess the effectiveness of its modern slavery risk management, including developing a modern slavery workplan and tracking activities against this workplan in order to understand the progress of our work.

In order to assess the effectiveness of our modern slavery program and systems, NWRG will monitor our organisation's modern slavery risk profile to identify whether this risk has altered as a result of our modern slavery program of work. The human rights and modern slavery "heat map" prepared in this reporting period will be updated periodically by NWRG and circulated to the Boards of all NWRG entities so that there is ongoing awareness and transparency regarding NWRG's risks in this respect.

We will monitor the number of new or renewed contracts which incorporate modern slavery clauses and / or the Supplier Code, and likewise the implementation by our key suppliers of such mechanisms in their contracts.

All NWRG staff have received modern slavery training in this reporting period in order to increase awareness and the team's ability to identify modern slavery risks in the community generally and in our operations and supply chains. We will assess the effectiveness of this training by monitoring staff engagement with and feedback on the Sustainability Policy and Whistle-blower Policy, as well as any use of the Whistle-blower hotline to flag modern slavery concerns. We will continue to conduct further training on modern slavery awareness and NWRG's policies in future reporting periods.

## Consultations with reporting entities

NWRG is committed to ensuring that all entities within its group are aware of their modern slavery obligations and to developing and maintaining a robust NWRG-wide response to modern slavery. To this end, the Safety, Environment and Stakeholder Manager for NWRG was responsible for co-ordinating the assessment of risks across the four reporting entities within NWRG and understanding the modern slavery obligations and risks associated with each entity. This involved the Safety, Environment and Stakeholder Manager engaging with the NWRG's shareholders and the board of directors of each entity to explain our approach to conducting a group-wide risk assessment of NWRG's operations and supply chains. The respective Boards have had the opportunity to input into this Statement before its finalisation and have approved this Statement.

## Disclaimer and approval

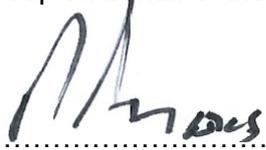
The purpose of this Statement is to provide general information only as required by the Act and is correct as at the date of publication.

NorthWestern Roads Group Pty Ltd and NorthWestern Roads Group Nominees Pty Ltd (as trustee for the NorthWestern Group Trust) are the parent companies of the reporting entities within NWRG (including, for the avoidance of doubt, all reporting entities listed in this

statement). This Statement was approved by the Boards of the NorthWestern Roads Group, on behalf of each of the reporting entities, on 26 February 2021.

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I, Robin Aldis, approve this Statement in my capacity as Chairman of NorthWestern Roads Group on behalf of the reporting entities listed in this Statement.

A handwritten signature in black ink, appearing to read 'Robin Aldis', is written over a dotted line.

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Date: 5 March 2021