

Modern Slavery

Approver: Northrop Board of Directors

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Introduction

NC Limited (Northrop) is a multi-disciplinary consulting engineering practice, owned, governed, and managed by our people.

As an Australian-based business, we take our responsibilities regarding the prevention and countering of modern slavery very seriously. Northrop will not tolerate modern slavery in our operations and supply chain and regards them as a serious abuse of a person's freedoms and rights.

We are committed to developing our policies and practices to ensure a strong position according to our risk profile and industry with a proactive focus.

This is the Modern Slavery Statement ('the Statement') of NC Limited and its subsidiaries (Northrop) for the financial year ending 30 June 2023.

Northrop's Consultation process

Northrop is a group of companies governed by the parent company NC Limited. NC Limited sets and approves the Statement for the Group each financial year.

The Statement is led by the Policy and Practice Advisor with an overview from Quality, Systems and Integration, reviewed by the Executive Leadership Team and approved by the board of directors of the Northrop Group. The Statement will be reviewed and updated each year before approval by the board of directors and is communicated to and formally adopted by the board of directors of every going interest subsidiary within the Group.

Northrop's structure, operations and supply chains

Northrop is a group of companies governed by the parent company NC Limited. Northrop provides professional services in the Australian building and construction industry as engineers, consultants, drafters and advisors with technical specialisations to a diverse range of private and public sector clients.

Northrop has approximately 550 people based in ten offices across Victoria, New South Wales, ACT and Queensland with the majority of our work performed within these four states.

Northrop entities contract with clients to provide consulting services and advice. As such, the supply chain of our business involves minimal procurement of goods and equipment for projects. In addition, Northrop entities typically operate only within Australia.

The supply chain does involve procurement of sub-consultants and intangible services – namely computer software and IP licenses – for the delivery of services. This includes the procurement of services overseas. In addition, Northrop contracts with corporate suppliers for the procurement of office-related goods, equipment and services.

Northrop policies related to modern slavery

Northrop has a number of policies and procedures governing the appointment of people and working conditions at Northrop to ensure compliance with Australian legislation. Building on our existing policies ensuring the prevention of modern slavery within our operations, Northrop is developing the framework and policy addressing modern slavery risks within our supply chain. The Modern Slavery

policy confirms our commitment to working with clients and suppliers to ensure modern slavery does not exist within our supply chain and sets the expectations and standards required from our people and partners.

Our modern slavery policy also sets out our commitment to continual development, including an annual review of our policy and framework.

Modern slavery risks in operations and supply chain

Northrop's risk of breaches of modern slavery regulations arising from Northrop's project and design consultancy-related services have been assessed as low risk when completed in-house. This is due to our staff being employed directly by Northrop and engaged under contracts compliant with all applicable Australian legislation.

While most of Northrop's suppliers are based in Australia (a Tier 1 country per the [Modern Slavery Risk Map](#)) the procurement of engineering and drafting services from overseas suppliers presents a high risk of modern slavery within our supply chain. As it is difficult to gain oversight of our international suppliers, we are actively restructuring how we deliver our projects to reduce our dependence on overseas suppliers.

There is a potential risk of a breach of modern slavery regulatory requirements with suppliers of goods and services for our offices. This includes our branded products, personal protective equipment, office supplies including furniture and equipment, cleaning, maintenance and catering activities.

Acknowledging that this is our first reporting year, and our framework to address concerns within our supply chain is in development, Northrop aims to strengthen our contractual terms to require compliance with Modern Slavery legislation.

Remediation

We use our relationships with suppliers to support effective remedies for workers and other persons who have experienced human rights harm, such as modern slavery.

Suppliers are expected to comply with the legal requirements of the countries in which they operate.

All Australian suppliers must comply with all Australian laws and regulations regarding labour (inc. child labour and forced/bonded labour), wages and benefits, as well as health, safety (inc. psychosocial safety), anti-discrimination, sex-based misconduct and the environment.

Northrop's due diligence processes in relation to modern slavery

Northrop is establishing a framework to apply due diligence screening to our suppliers of goods and services. This includes:

- the development of the Modern Slavery Questionnaire which will be required to be submitted by all sub-consultants, sub-contractors and suppliers with whom Northrop contracts;
- the use of Northrop's Sub-consultancy Agreement with all sub-consultants which includes clauses to control the reporting of, and responding to any non-compliances in regard to modern slavery legislation;
- maintenance and review of our sub-consultants register and automating renewed reporting requirements; and
- training for all procurement-related staff at Northrop regarding modern slavery.

Once the framework is implemented, automated due diligence will be increasingly utilised in accordance with Northrop's commitment to continuous improvement in this area.

Modern slavery awareness training

A training module to raise awareness regarding modern slavery is in development and will be rolled out as a mandatory item in Northrop's onboarding training for all procurement-related staff.

The online modern slavery module provides introductory information to all staff about what modern slavery is, how it might exist both in the workplace and in domestic 'outside of the office' environments and how to keep your eyes open for it. It also covers actions Northrop will be undertaking to ensure that our supply chain is free from modern slavery. The module encourages and demonstrates the pathway for staff to respond to and report a suspected instance of modern slavery. This module will be accessible to all staff, and all will be encouraged to complete it.

As our policies and procedures develop further, our training program will also be developed to reflect this.

Northrop's assessment of effectiveness

While acknowledging the difficulties that professional services firms face in this space, Northrop has yet to develop measurable metrics to evaluate our risk management effectiveness strategies. In the coming year, Northrop will seek to introduce:

- learning and development training registers for all staff completion of the Modern Slavery Online Training module
- monitoring and reviewing the actions and awareness of staff with procurement-related roles.

Grievance mechanisms and confidential reporting

Northrop has two reporting mechanisms for any suspected or potential instances of breach. Suspected incidents can be reported to our nominated persons, as outlined in our Modern Slavery policy. Alternatively, suspected incidents can be raised anonymously via our feedback form accessed via Nexus. Reports and concerns can be raised in confidence and all genuine allegations will be investigated taking all due diligence.

Staff have unfettered access to these reporting mechanisms.

Next steps

Northrop is proudly committed to continuing growth and development in contributing to the ending of Modern Slavery in the supply chains of our industry. We anticipate further development in this area in the coming year in the form of:

- Due diligence screening applied to our suppliers of office goods and services.
- Due diligence screening applied to our major subconsultants and subcontractors.
- Workshops for procurement-related staff regarding Modern Slavery risk management;
- Improved mechanisms for increased reporting and feedback regarding organisational awareness of modern slavery;
- Ongoing evaluation mechanisms of staff performance in relation to reporting and responding to alerts in this area.

This statement has been prepared in accordance with the *Modern Slavery Act 2018 (Cth)* and was approved by the Board of Directors of Northrop on 20 December 2023.



David Field
Board Chair