

GEN-10-1

Modern Slavery Statement

1. Introduction

This statement covers the activities of Bitumen Importers Australia Pty Ltd (BIA), ACN 141 170 658, as informed by the Commonwealth Modern Slavery Act 2018.

Modern Slavery describes the forms of exploitation that constitute serious violations of human rights including human trafficking and forced / child labour.

BIA is committed to preventing slavery and human trafficking in its own activities and in its supply chain and encourages its business partners to develop and implement programs and standards that are aligned with BIA's to eliminate all forms of Modern Slavery.

2. About Bitumen Importers Australia (BIA)

Bitumen Importers Australia Pty Ltd is a Joint Venture between Downer EDI Works Pty Ltd (ACN 008 709 608) and Boral Construction Materials Limited (ACN 000 614 826) with each Partner holding an equal number of shares in BIA.

BIA is the Trustee for Bitumen Importers Australia Unit Trust (ABN 99 339 343 031) and is responsible for ensuring that the business is managed to maximise the most efficient economic return for the Partners by leveraging business skills, experience and expertise to enable it to secure a reliable supply of bituminous products for the Partners.

BIA comprises one employee with a Board comprising two Directors from each of the Joint Venture Partners and an independent Chairman.

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BIA provides surety of supply to its Partners out of two locations in Australia: Sydney (New South Wales) and Geelong (Victoria).

BIA seeks and arranges for the importation of bitumen compliant to the Australian Specification from global markets, in particular Asian based Refineries, via chartered heated tankships into leased tankage at Geelong.

Terminals Pty Ltd (ABN 87 000 348 407, trading as Quantem Bulk Liquid Storage and Handling) operates the Geelong facility, providing terminalling and storage services to BIA. Bitumen is loaded into Partner and third-party customer road tankers at the gantry located on the Geelong site.

BIA coordinates the supply of bituminous products for its Partners in Sydney through competitive tendering of the Partner supply demand amongst bitumen importers located at Botany, New South Wales.

3. Risk

As with all businesses undertaking international shipping, BIA is aware of the risk of human trafficking aboard chartered tankships. BIA requires that all tankships chartered on its behalf are compliant with the Maritime Labour Convention 2006 and are regularly inspected and audited by appropriate Maritime Authorities.

The standard model supply contract used in procurement requires BIA's agents and suppliers to respect internationally recognised human rights including those related to modern slavery. As BIA has a small regular supplier source, it has the ability to have detailed discussions with regard to the manner in which BIA's suppliers address their own modern slavery risks.

Sourcing product within the Asian region has been identified as a source of risk for BIA as the region is considered a high-risk geography. BIA believes that its current supply chain is unlikely to create opportunities for the abuse of human rights and modern slavery to develop as its suppliers in the region have sound reputations and business practices utilising highly skilled employees.

BIA's risk assessment process in engaging with new suppliers considers country / geography risk and supplier risk as identified in BIA's internal supplier selection processes. As part of this process, BIA has incorporated a questionnaire for modern slavery and will roll this questionnaire out to all existing approved suppliers.

This process gives preference to suppliers and sources having their own human rights policies or, in their absence, those that support BIA's principle of eliminating modern slavery. BIA recognises that seeking to prevent or mitigate the risks of modern slavery at all levels of its supply chain, particularly beyond direct suppliers, is a demanding and ongoing process.

BIA leverages access to the Australia Supply Chain Sustainability School through its JV parent: Downer who is a founding member of the School to obtain information on sustainable procurement topics and best practice.

4. Managing Risk

The BIA Board is responsible for the production of the annual Modern Slavery Statement at the end of each financial year (July to June) in Australia.

BIA completes and reports to the Board a biannual Financial and Corporate Governance Self-Assessment questionnaire, developed by one its JV Partners, which determines the compliance with financial and corporate governance policies and includes questions related to modern slavery and bribery. BIA can also raise concerns about modern slavery through its Partners formal 'whistleblower' processes.

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Additionally, over FY21, BIA has been updating procedure templates to reflect modern slavery requirements in its standard terms and conditions for all supply agreements and contracts.

To further understand the risk of overseas sourcing and shape ongoing strategy, BIA plans, in FY22 to:

- Develop a deeper understanding of the associated processes and controls relating to international shipping;
- Identify and assess the design of key controls implemented to address risks associated with modern slavery and highlighting any control weaknesses found; and
- Conduct testing of management of risks associated with international procurement including the risk of non-compliance with anti-bribery, corruption and modern slavery legislation.

Tankships arriving at Geelong bearing BIA cargoes are audited by the Australian Maritime Safety Authority (AMSA) as part of the port control inspection process. Additionally, representatives of the Construction Forestry Maritime Mining and Energy Union and Mission to Seafarers are available to the crew onboard to report any issues; grievances; concerns, or to be made aware of confidential reporting avenues available to the crew.

The application of the Maritime Labour Convention (2006), supported by Marine Order 11 (Living and Working Conditions on Vessels) and AMSA's approach to on board compliance has fostered a strong reporting culture. This increased involvement by AMSA has led to better outcomes for the maritime industry.

All modern slavery risks are assessed, considered and managed through BIA's risk framework. This involves objective evaluation and reporting on the existence and effectiveness of internal controls and is reviewed annually by the BIA Audit and Risk Committee. All substantiated incidents of modern slavery will be formally documented, investigated and reported to the Audit and Risk Committee and at least annually to Board.

In FY20, BIA did not receive any reported concerns of modern slavery practices, nor were any instances of modern slavery identified in our operation, supply chain or through third party reporting channels such as AMSA reporting.

5. Effectiveness

Everyone working on behalf of BIA is required to report any human rights abuse in either BIA's operations or those of its suppliers, contractors and other business partners.

BIA expects contractors, communities and other third parties should be encouraged to speak up if they see something they think could be unsafe or unethical. In addition, BIA expects and encourages its business partners to develop and implement similar processes.

BIA does not undertake specific training to recognise the risks of Modern Slavery in its business, but this is under review as the requirements of the Act are implemented in Australia and further training is made available.

The Maritime Labour Convention (2006) requires vessels to have on-board procedures for seafarers to lodge complaints, including an internal reporting mechanism and the right to complain to external authorities. Cargoes delivered to BIA are under the jurisdiction of the Australian Maritime Safety Authority (AMSA), which is empowered to take steps to verify grievances, including detaining and inspecting vessels, and can take regulatory action to protect the safety and wellbeing of seafarers. AMSA has demonstrated an ability to respond effectively and quickly to seafarers' grievances.

BIA's ability to respond to seafarers' grievances is limited by the requirements of maritime law and its indirect relationship with seafarers. This makes it particularly important for seafarers to be able to access complaints and grievance mechanisms, such as by contacting AMSA.

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BIA will monitor its effectiveness of its actions to remove the risk of modern slavery from its operations and supply chain by:

- continuing to evaluate its approach in light of evolving best practices; and
- engaging with stakeholders such as shipping agents, suppliers, refineries, brokers and third-party auditors on modern slavery issues or concerns

In FY20 / FY21 BIA was unable to implement audits and face to face inspection and review of its Asian supply sources due to restrictions associated with CoVid 19.

6. Consultation

BIA recognises the importance of stakeholder collaboration and peer learning as it seeks to strengthen its ability to assess and address modern slavery risks in its supply chain. Over the coming year, BIA will review relevant aspects of its Partners Standards of Business Conduct and available training.

BIA will review and commit to:

- Reviewing and where applicable, encourage the adoption the Sustainable Shipping Initiative (SSI) Code of Conduct for charterers;
- Completing the full mapping of BIA's supply chain;
- Completing the implementation of including modern slavery clauses and assessments into BIA's policies and procedures; and
- Undertaking an assessment of supplier / refiner approaches to identifying and mitigating human rights risks and defining a set of minimum requirements for suppliers.

BIA has consulted with its Joint Venture Partners to gain further and detailed understanding of their approach to, and implementation of, practices and procedures related to eliminating modern slavery and human trafficking and how their risks and actions can inform BIA's approach.

This statement was approved by the Board of Bitumen Importers Australia Pty Ltd on 11 March, 2021



Barry Neil
Chairman