



MODERN SLAVERY STATEMENT

Netflow OSARS (Western) Partnership | FY2020





INTRODUCTION

What is modern slavery?

The term “modern slavery” describes situations in which coercion, threats or deception are used to exploit victims and undermine their freedom. Modern slavery takes many forms including slavery, servitude, forced labour, debt bondage, deceptive recruiting for labour or services, the worst forms of child labour (where children are exploited through slavery like practices or exposed to hazardous work) and forced marriage.

Based on the Global Slavery Index¹, an estimated 40.3 million people are trapped in slavery worldwide, with women and girls disproportionately affected. In 2016, it was estimated that around 16 million people were involved in forced labour situations in the private sector.²

Our vision

The Western Roads Upgrade (WRU) project helps to support the rapid population growth in Melbourne’s west, creates jobs for local workers, and provides less congestion on the roads. The WRU Project has a local economic impact and has created sustainable employment opportunities for priority job seekers, and has supported the development of subcontractors to employ underrepresented job seekers. The Netflow OSARS entities, hereafter referred to as (“WRU”) are committed to conducting their business in accordance with high levels of ethical and professional standards and are committed to recognising and respecting human rights.

WRU recognises that the nature of our business means there is a chance that we might be exposed to instances of modern slavery in our supply chains.

We are committed to ongoing engagement with our stakeholders to better collaborate in respecting human rights. We are also committed to undertaking further work to identify and take steps to prevent modern slavery.

Reporting entities

For the purposes of this joint Modern Slavery Statement the reporting entities are the Netflow OSARS (Western) Partnership and its constituent partners (together, “WRU”).

This Modern Slavery Statement covers WRU’s reporting period of 1 January 2020 to 31 December 2020.

¹ Global Slavery Index 2018. <https://www.globalslaveryindex.org/>

² ILO and Walk Free. Global estimates of modern slavery: Forced labour and forced marriage, 10.

OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Structure

WRU is a special purpose vehicle (SPV) incorporated specifically for the Western Roads Upgrade project to finance, design, build and maintain the project for 23 years.

The Netflow OSARs (Western) Partnership is a partnership of Netflow OSARS (Western) Pty Ltd as trustee for Netflow OSARS (Western) Unit Trust and Cintra OSARS (Western) Pty Ltd.

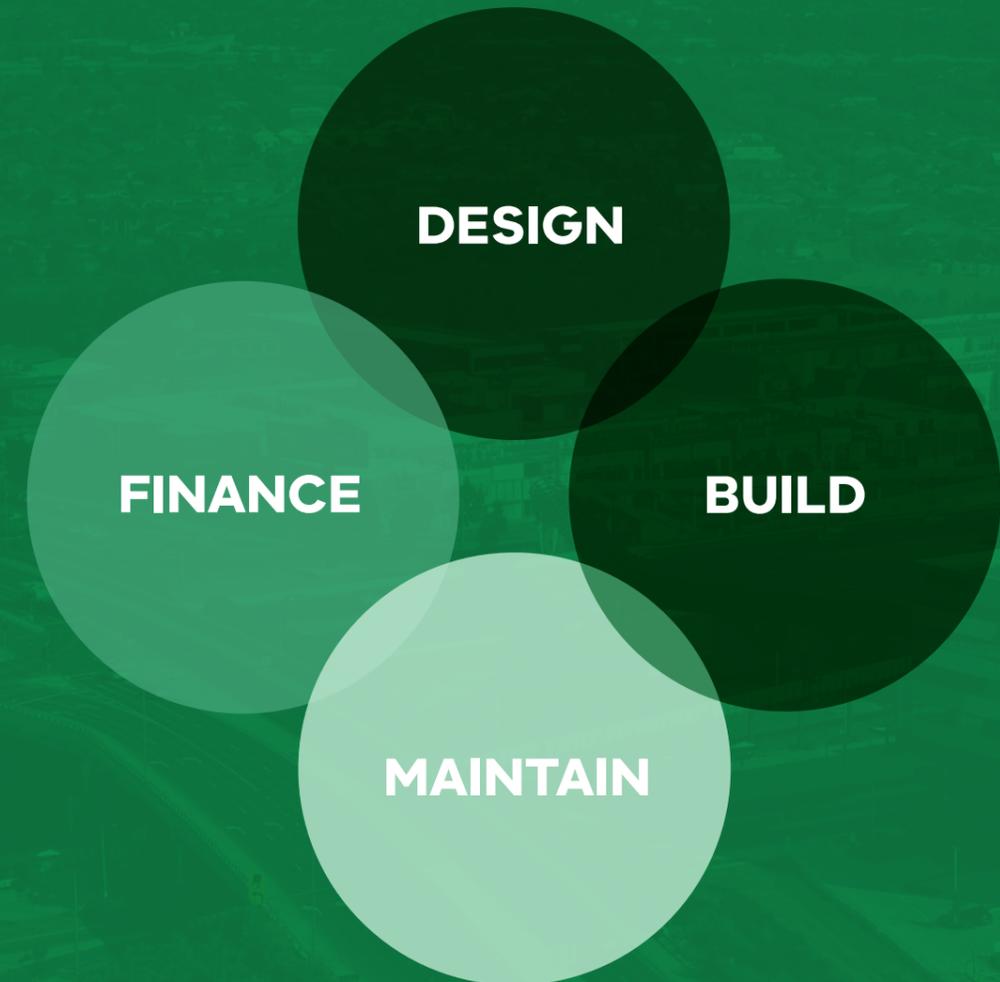
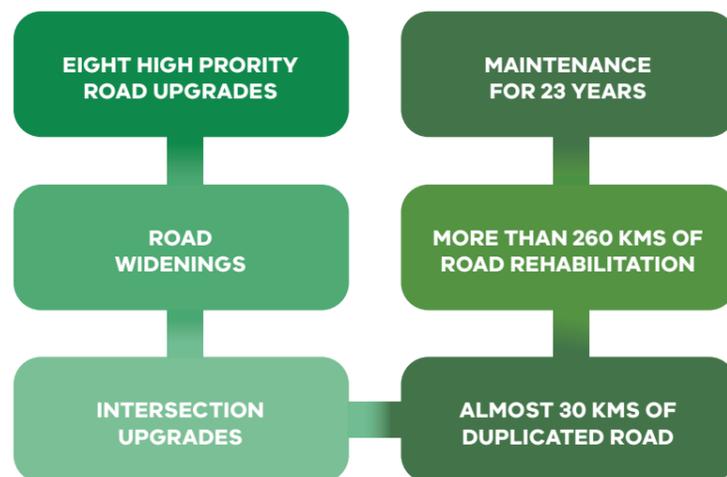
Operations

The \$1.8b WRU Project is an availability-style public-private partnership, including eight high-priority road upgrades (Project 1 to Project 8), road widenings, intersection upgrades, almost 30 kilometres of duplicated road and more than 260 kilometres of road rehabilitation and maintenance for 23 years across

Melbourne's west. The Netflow consortium has been contracted by the Victorian Government to finance, design, build and maintain the project for 23 years.

The Netflow consortium comprises of Cintra and Plenary as project sponsor, WBHO Infrastructure as design and construction lead; and the Amey and Broadspectrum joint venture as services contractor. Ventia has acquired Broadspectrum on 30 June 2020 and the Amey and Ventia joint venture are the services contractor for the WRU project from July 2020.

WRU has a management team of 7 people dedicated to the management of the WRU Project.



In pursuing our business objectives and strategies, WRU engages with a multitude of stakeholders, clients and partners from a diverse range of sectors. We build long-term

relationships with our stakeholders built on a foundation of trust and fairness, delivering outstanding results for clients, partners and communities.

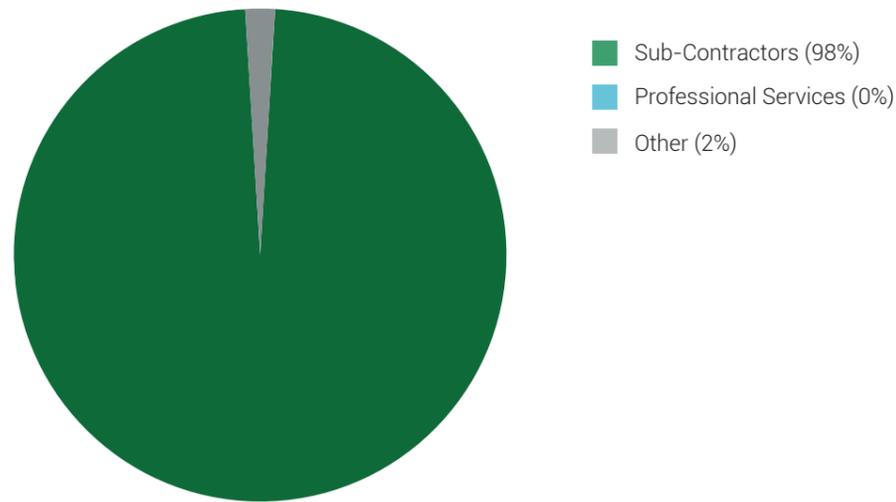
Supply Chains

In the 2020 financial year the WRU partnership spent approximately \$334 m with 35 suppliers.

The main areas of supplier spend were:

- Subcontractors: for example, costs for the design and construction lead and the services contractor.
- Professional Services: including expenses for auditors, the Independent Reviewer (responsible for verifying the services that need to be delivered under the Project Deed, issuing certificate of commercial acceptance or certificate of milestone completion, etc.), consultants, brokers and advisory costs.
- Other: IT services, management services, donations, etc.

Supplier spend

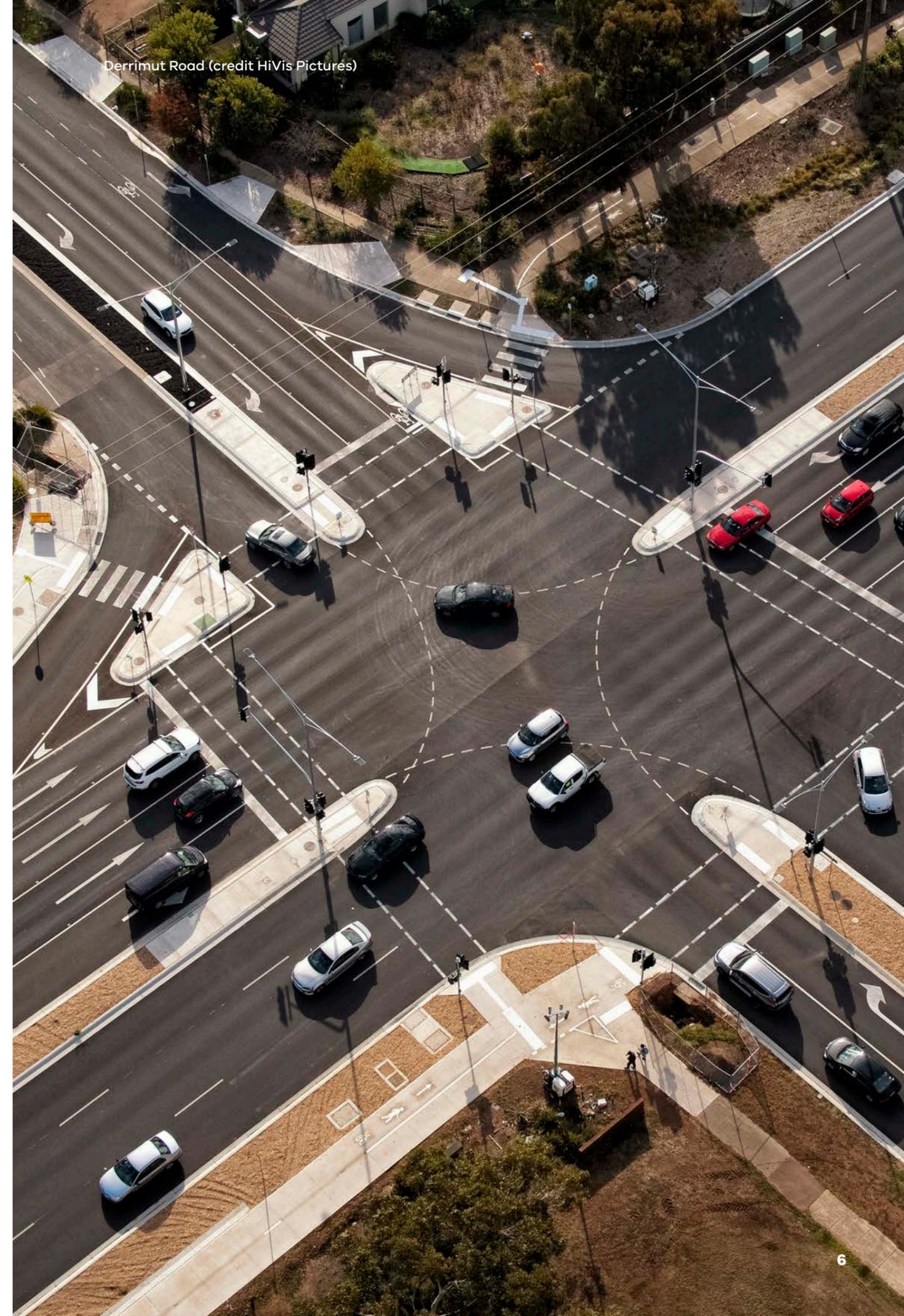


The major direct (tier 1) suppliers to WRU are:

- WBHO Infrastructure Pty Ltd;
- Amey Consulting Australia Pty Ltd and Broadspectrum (Australia) Pty Ltd (jointly the Services Contractor), with Broadspectrum (Australia) Pty Ltd being Ventia Australia Pty Ltd since 30 June 2020.

Close to 100% of the spend is paid to Australian suppliers, with only a minimal percentage of geographical supplier spend spent in Spain and the United States of America.

Derrimut Road (credit HiVis Pictures)



RISK OF MODERN SLAVERY PRACTICES IN OUR OPERATIONS AND SUPPLY CHAINS

Guidance on how to identify risks of modern slavery in our operations and supply chains was sought from publicly available resources and external advisers to build an understanding of the potential risk sectors and geographies.

While conducting our initial analysis we referred to resources such as the Global Slavery Index 2018, the Australian Council of Superannuation Investors' Modern Slavery Report Guide for Investors and materials and information on risks of modern slavery produced by the International Labour Organization.

We have considered relevant risks of modern slavery practices by reference to a range of intersecting factors such as business activities, labour force structure, sector and social, political and environmental conditions in the countries in which our suppliers operate.

Operations

In 2020 the bulk of WRU's operations involved delivery activities, consisting of initial capital works on the 8 Projects requiring high priority road upgrades and initial rehabilitation works as well as maintenance works on the road networks (addressing road hazards and defects, such as e.g. vegetation management, road furniture, pavement, etc.). Both the D&C subcontractor and the services maintenance contractor are Australian based entities. WRU considers the risk of modern slavery across its operations to be low, given these subcontractors have an obligation to comply with all relevant Australian legislation, which ensures a safe working environment for staff working on the WRU Project.

Supply chains

In preparing this statement we focused on our suppliers with whom we have a direct contractual relationship (i.e. tier 1 suppliers). However, we acknowledge that incidences of modern slavery can exist throughout supply chains at any level and we are committed to assessing and reporting on these risks further in future years and statements as part of our process for continuous improvement.

Our initial risk assessment consisted of a desktop review of our tier 1 suppliers and review of what peers and competitors have undertaken in this space. This assessment indicated that there are certain risk factors present in our supply chains which may increase the potential for risks of modern slavery practices occurring in them.

The risk factors which we have identified in our supply chains are:

- Construction sector: this sector presents elevated risks of modern slavery as a result of factors such as potentially unsafe conditions, use of low-skilled labour, long and complex supply chains and tight project deadlines. WRU has partnered with an Australian based D&C contractor, who has sub-contracted part of this work to Australian sub-contractors. There is a risk that somewhere in the supply chains of our contractors and sub-contractors there might be instances or risks of modern slavery practices, for example in relation to the procuring of raw materials or in relation to the manufacture of products necessary to deliver the design or construction of a project.
- Services procurement (such as pavement works, responding to defects and hazards, etc.). Although WRU recognises that these can be potential high risk areas, the majority of such services which WRU procures are from Australian based contractors who comply with applicable Australian laws. WRU seeks to ensure that the values and ethics of these contractors reflect those of WRU wherever possible.

Despite the existence of these risk factors in our supply chains we are not aware of any reported instances of modern slavery which have occurred with any of our tier 1 suppliers. However, as part of our continuous improvement program we are committed to further examining and assessing our supply chains. We recognise the potential for instances of modern slavery practices occurring further down our supply chains and we will strive to analyse and report on lower levels of our supply chains (i.e. beyond tier 1) in our next modern slavery statement.

ACTIONS TAKEN BY WRU TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

Actions

In FY 2020 WRU has taken steps to assess and address the risks of modern slavery practices occurring in our operations and supply chains including:

- The adoption of a specific modern slavery policy which applies to and has been communicated to all directors and officers of WRU and which makes clear that WRU adopts a zero tolerance approach to all forms of modern slavery.
- The mapping of our supply chain, initially at tier 1 level, and assessment of the risk factors present in those supply chains. The compliance, risk, legal and finance teams worked together to conduct a desktop analysis of available information to get an initial view of our supply chains.
- The implementation of a modern slavery questionnaire to be rolled out to all suppliers and contractors to assist in assessing modern slavery risk factors. The questionnaire contains various questions, the answers to which help us assess the risks of modern slavery occurring in our supply chains. For example, the questionnaire includes questions about and requests for information on:
 - the structure of the supplier's business;
 - the geographical locations from which raw materials or components for products are sourced;
 - whether any work is outsourced;
 - whether any contract workers/seasonal workers are used;
 - details of the supplier's suppliers and contractors including indications of which suppliers/contractors are critical to the supplier's business; who within the supplier is responsible for those relationships; and whether human rights and labour standards are part of the supplier's due diligence processes;
 - the frequency with which the supplier reviews its relationships with its suppliers and contractors;
 - confirmation that the supplier will comply with our modern slavery policy;
 - a request to be provided with any modern slavery related policies, codes or procedure documents which the supplier has adopted or follows;
 - details about any reported incidents of modern slavery in the supplier's operations or supply chains; and
 - whether the supplier conducts audits of its operations and supply chains.



Dunnings and Palmers Road (credit HiVis Pictures)

It was intended that this questionnaire be rolled out to all suppliers during 2020, however the roll-out has been deferred to 2021 due to the Covid-19 pandemic and the change in control of one of our key contractors (see further details to follow).

Remediation processes

WRU is committed to investigating any reports of potential incidences of modern slavery occurring anywhere in our operations or supply chains.

In line with our commitment to conducting our business in accordance with high levels of ethical and professional standards we confirm that we would take all appropriate steps to rectify any confirmed

incidences of modern slavery in our operations or supply chains. WRU would work collaboratively with its suppliers and, if necessary, their suppliers, to achieve these goals. If, for any reason, progress in this regard was not possible, WRU would take steps to sever its connections to the offending supplier or sub-supplier.

Assessing the effectiveness of actions taken to assess and address modern slavery risks

WRU will review its modern slavery policy and modern slavery questionnaire in its next reporting period (and on an annual basis) to ensure that they remain accurate, up to date and effective.

WRU aims to set up processes to discuss and review engagement and feedback between key areas of its business in relation to modern slavery.

Consultation

WRU's structure is set out earlier in this Statement.

The relevant WRU entities are integrated and form part of the WRU Project and have the same Company Secretary. Their legal, finance and communications functions have all been involved in the preparation of this Modern Slavery Statement and have provided relevant information which is included in this Statement.

Additional information

WRU is committed to working to improve its assessment and addressing of modern slavery risks and as such is committed to implementing the following measures in FY 2021:

- conducting an information session on our first modern slavery statement to staff;
- the roll out of our modern slavery questionnaire to major tier 1 suppliers; and
- communication and engagement with current stakeholders on our modern slavery policy.

After implementation of the above measures WRU will be better placed to assess and address:

- further supply chain risks based on the findings from the previously implemented measures;
- potential internal audits;
- the possibility of partnering with industry groups; and
- potential inclusion of modern slavery clauses in new contracts with relevant stakeholders to ensure WRU has sufficient leverage to influence stakeholders to change their practices where necessary.

Impact of Covid 19

The Covid-19 pandemic has forced WRU, like many other businesses, to work remotely and conduct the majority of its business online. This new environment and the second lockdown in Victoria were factors which influenced our decision to delay the roll out of our modern slavery questionnaire as mentioned earlier in this statement.

As restrictions have eased and businesses have become accustomed to the new working environment, we will be better placed to focus on the roll out of the modern slavery questionnaire in 2021.

Approval

This joint Modern Slavery Statement is made in accordance with section 13 of the Modern Slavery Act 2018 (Cth).

This statement was prepared by Netflow OSARS (Western) Pty Ltd (as trustee of the Netflow OSARS (Western) Unit Trust) and the Netflow OSARS (Western) Partnership, being a partnership of Netflow OSARS (Western) Pty Ltd as trustee for Netflow OSARS (Western) Unit Trust and Cintra OSARS (Western) Pty Ltd.

This statement has been approved by the Boards of Directors of both Netflow OSARS (Western) Pty Ltd and the Netflow OSARS (Western) Partnership.

Signed for and on behalf of Netflow OSARS (Western) Unit Trust



Glenn Hay
Director,
Netflow OSARS (Western) Pty Ltd

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Signed for and on behalf of Cintra OSARS (Western) Unit Trust



Jose Tamariz
Director,
Cintra OSARS (Western) Pty Ltd

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Signed for and on behalf of the Netflow OSARs (Western) Partnership



Glenn Hay
Director,
Netflow OSARS (Western) Partnership

Derrimut Road (credit HiVis Pictures)

