



# Modern Slavery Statement 2020



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# Introduction

LINX Cargo Care Group (**LINX CCG**) values human rights and is committed to ensuring that all business is conducted according to ethical, professional, and legal standards in a fair, honest and open manner.

The *LINX CCG Anti-Slavery and Human Trafficking Policy*, applies to all directors, officers and employees, forming the foundation of our approach to manage human rights risk. The policy details our commitment to respect the internationally recognised human rights of our employees, the communities in which we operate, those who may be impacted by our activities and those within our supply chain. It sets out a clear statement of our prohibition of the use of all forms of slavery, child or forced labour within our operations and the operations of our suppliers. The policy also includes specific commitments and ongoing actions to identify, prevent and mitigate any adverse impacts of our activities and provides access to remedy through effective grievance mechanisms.

The *Commonwealth Modern Slavery Act 2018 (the Act)* establishes Australia's national modern slavery reporting requirement. Under the reporting requirement, commercial and not-for-profit entities with annual consolidated revenue of at least AUD \$100M, must publish annual Modern Slavery Statements describing their actions to assess and address modern slavery risks.

As an Australian organisation with entities generating revenue beyond that threshold, LINX CCG has prepared its first Modern Slavery Statement in accordance with the requirements of the Act and the FY20 reporting requirements.

# What is modern slavery?

In LINX CCG's Modern Slavery Statement, we refer to the following terms:

- **Modern slavery** refers to situations of serious exploitation in which coercion, threats or deception are used to exploit victims and deprive them of their freedoms (including, amongst others, exploitative practices such as human trafficking, slavery, forced labour, debt bondage, forced marriages and child labour); and
- **Modern slavery risk** refers to the prospect of a practice involving modern slavery occurring in a business' operations and/or supply chain.

# LINX Cargo Care Group

LINX CCG is a diversified logistics provider, offering a range of services including rail and road haulage, warehousing, stevedoring, forestry related logistics services and finished vehicle processing, storage and transportation. The Group comprises five businesses LINX, Autocare Services<sup>1</sup>, C3, Pedersen Group and GeelongPort (50% owned).

Our Group brings together the capabilities of five market-leading operations built on more than 100 years of ports and logistics experience. Together LINX, Autocare Services, C3, Pedersen Group and GeelongPort employ more than 3,000 people across Australia and New Zealand. LINX CCG is owned by a consortium of shareholders, with Brookfield Infrastructure Partners, the majority shareholder.

## **Our vision, mission and values**

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Our **Group's Vision** is

*Delivering a connected supply chain, one move at a time.*

Our Vision is the aspiration of what we want to achieve in the future, what our customers expect from us, and the role each of our people play to deliver integrated supply chain and logistics solutions.

The people at LINX Cargo Care Group play an important role in delivering a connected supply chain for our customers, communities and themselves. A connected supply chain is what our customers and industry desire, to seamlessly and efficiently deliver goods and we achieve this together – one move at a time.

Our **Group's Mission** is

*Safely working together to keep the supply chain moving for our customers and communities.*

Our Mission is what we achieve every day – what we do and how we do it. There is nothing more important than our people going home safely every day. Working together safely to deliver to our customers and communities is not negotiable.

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<sup>1</sup> At the date of filing this statement, Autocare Services Pty Ltd is in voluntary administration with Christopher Hill, Joseph Hansell and Ross Blakely of FTI Consulting jointly and severally appointed as administrators.

## Our **Group's Values**



### Be Brave, Be Bold

Reach further, think bigger, dive in and shake things up.  
We challenge ourselves and we challenge each other to do better.



### We Are One

We are stronger when we work together. We leverage our collective strengths to achieve and deliver more for our customers, and each other.



### Home Safely, Every Day

Be Safe, Be Aware, Speak Up, Live and Breathe it. No excuses. We don't compromise on Health and Safety.



### Act Like You Own It

Driven to get the best results for our customers and our business. We step up, Take ownership, and deliver on what we promise, and we're proud of it.



### Powered By People

Respected, Valued and Inspired. We invest in our People and our Communities for the future.

## Reporting Entity Structure

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BAPSH Pty Ltd (**BAPSH**) is the principal governing body (as that term is defined in the Act) within the LINX CCG corporate structure whose primary activity is that of a holding company. BAPSH makes this statement for and on behalf of the reporting entities (as that term is defined in the Act) within the LINX CCG<sup>2</sup>. As a holding company, BAPSH does not manage supply chains or procure any goods or services.

For consultation purposes, the LINX CCG reporting entities have the same company secretary and there are some common directorships across reporting entities. This statement has been reviewed and approved by the directors of each reporting entity.

Whilst there are several reporting entities for which this statement is required in accordance with the Act, this statement sets out how we manage modern slavery risks across the whole of the LINX CCG.

## Our operations

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Our operational footprint includes more than 60 corporate and operational sites situated in the majority of Australia and New Zealand's capital cities, plus other regional areas.



LINX's combined capabilities across rail and transport logistics and stevedoring enable the provision of flexible, customer-focused supply chain solutions. LINX employs more than 1,000 people around Australia. LINX employees comprise stevedores, truck drivers, tradespeople (e.g. mechanics, electricians), machinery operators (e.g. forklift), crane operators, warehouse operators, yards people, administrators and operations managers.



Autocare Services is a national service provider in the automotive industry. Autocare operates off-wharf facilities and delivers IT solutions, transport and storage services for vehicles nationally. Autocare employs more than 450 people around Australia. Autocare Services employees comprise truck drivers, vehicle processors, planners, tradespeople, fleet builders, yards people, administrators, and operations managers.

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<sup>2</sup> The reporting entities within the LINX CCG include Autocare Services Pty Ltd (in administration), LINX Port Services Pty Ltd, LINX Care Group Holdings No.2 Pty Ltd and BAPSH Pty Ltd are each holding companies. The BAPSH Directors are not involved in the day-to-day operations of LINX Cargo Care.



For more than 65 years, C3 has been New Zealand's largest on-port services provider and has established operations in Australia specialising in forestry-aligned logistics. C3 is a leading provider in product handling solutions, on wharf and beyond, working in partnership with exporters, importers and shipping lines across New Zealand and Australia.

Our services include log harvesting, haulage, log marshalling and log stevedoring, as well as general cargo handling, warehousing, container consolidation and transportation. C3 employs more than 1,400 employees across Australia and New Zealand. C3 employees comprise truck drivers, machine operators, tradespeople (e.g. mechanics, fitters), log scalers, log marshallers, yards people, administrators and operations managers.



Pedersen Group is a market leading specialist provider of wood chipping and woodyard management services to pulp and paper mills in Australia and New Zealand. Pederson employs more than 130 people across three operating sites, handling millions of tonnes of fibre annually for major global forestry organisations. Pedersen Group employees comprise machine operators (mobile plant and fixed plant), truck drivers, tradespeople (e.g. mechanics, fitters), log scalers, administrators, co-ordinators, supervisors and managers.



GeelongPort is Victoria's premier regional gateway and second largest port. It handles more than 600 vessel visits every year and in excess of 10.5 million tonnes of product annually.

GeelongPort is a major driver of Victoria's economy managing some \$7 billion of trade and generating over 1,800 jobs across the state. It is a 50/50 joint venture between LINX CCG and SAS Trustee Corporation. GeelongPort employees comprise engineers, tradespeople (e.g. electricians), maintenance workers, administrators and managers.

Additionally, each operation is supported by dedicated and/or LINX Cargo Care Group resources which provide functional support across IT, Finance, Risk, Procurement, HR, HSE, Legal, Commercial, Business Development and Payroll.

## Our supply chain

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Our suppliers are predominantly Australian and New Zealand based companies although some of the goods supplied originate from other countries. Less than one per cent of our suppliers are based outside of Australia and New Zealand and these suppliers are predominantly located in Europe,

Asia and North America. The LINX CCG spend is distributed across approximately 5,000 (as of 2020) active vendors and a range of goods and services are sourced across multiple supply categories. Key categories include: fuel and lubricants, plant and vehicles, property repairs and maintenance, transport subcontracting, business services and consultants, electricity and utilities, and IT and telecoms.



# Modern slavery risk assessment and action

All of our employees are based in Australia and New Zealand.

We have a number of policies, procedures and processes in place which ensure that our people are working of their own free will, in a positive work environment, free from discrimination, violence and harassment. A large part of the frontline workforce is unionised with employment terms governed by Enterprise Agreements. Accordingly, we consider there is a low risk of modern slavery amongst our employee population.

Corporate governance and ethics begin with our senior executive leaders and then filters through to the entire Group. We believe that strong governance is essential to sustainable business operations, and we strive to conduct business to the highest ethical and legal standards. This commitment to conducting business ethically and responsibly across the Group is embedded in our enterprise management risk program. In this approach, we incorporate aspects of modern slavery risks and the prevention of modern slavery, prioritise safety and ensure the active management of all material strategic, financial and operational risks, including Environmental Social Governance risks. Modern slavery risks and the prevention of modern slavery are also incorporated as part of our policies, procedures and Code of Conduct.

We have conducted a supplier risk-based assessment. The assessment analysed the inherent modern slavery risk across our procurement categories and considered information on the prevalence of issues within each of these categories including: child labour, forced labour, wage assessment, excessive working time, exploitation of migrant labour, freedom of association, gender equality, legal systems, and corruption.

We understand all our suppliers have their own supply chains and our assessment included this risk to the extent possible, noting that generally, we have limited visibility of these extended supply chains. Due to the scale and complexity of our wider supply chain network, we acknowledge there is a potential risk that modern slavery may be occurring within our suppliers' wider supply chains which we cannot control.

## LINX CCG policy framework

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We strive to embed the protection of human rights throughout our core business activities, through training, communications, contracts, and due diligence processes as appropriate. These practices extend to our interactions with our key suppliers and other business partners.

We have a comprehensive framework of policies and approaches to consistently communicate our expectations surrounding the prohibition of child and other forced labour. These policies describe the principles and requirements with which our employees, suppliers and third parties must adhere. These include:

### ✓ LINX CCG Anti-Slavery and Human Rights Policy

This policy applies to all of our employees. We have a zero-tolerance approach to all forms of modern slavery within our business and supply chain. We are committed to acting ethically and with integrity in all our business dealings and relationships, and to implementing and enforcing effective systems and controls to ensure modern slavery and human trafficking is not taking place in our business or supply chains. The policy outlines our actions to address modern slavery risks, details of our risk assessment approach, related policies and procedures and the approach for communication, training, reporting and continuous improvement.

### ✓ Code of Conduct and Business Ethics

Our *Code of Conduct and Business Ethics* applies to all officers, employees, and temporary workers. It clearly states our commitment to, and expectations of, conducting business in an ethical and responsible manner and prohibiting child and other forced labour.

### ✓ Procurement Policy and Processes

The *Procurement Policy and Processes* describe the approach for sourcing, exercising due diligence and monitoring new and existing suppliers with the intention of managing risks including modern slavery. It applies to all of our employees.

This policy also provides the framework to ensure the sourcing of goods and services includes addressing of inherit modern slavery risk. This is a key element especially within the competitive tender processes and ensuring it forms part of the overall evaluation criteria.

### ✓ Vendor Management Framework

The procedures included in the Vendor Risk Management Framework provide the foundation for both the onboarding and ongoing monitoring of suppliers across multiple risk categories including, modern slavery. The procedures must be followed when purchasing goods or services for, or on behalf of LINX CCG. This includes a defined approach for the assessment, review and remediation of any identified risks. The framework includes avoiding, causing, or contributing to adverse human rights impacts.

## **Mitigating and remediating modern slavery**

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We are committed to conducting business in an ethical and responsible manner, including carrying out activities in a manner that respects and supports human rights and the elimination of modern slavery.

We have implemented the framework noted above to ensure the mitigation of modern slavery risk and remediation of any identified occurrences of modern slavery.

As we assess and address modern slavery risks within our direct operations and supply chain, our approach is to ensure ongoing awareness so that any actual or suspected incidents of modern slavery are immediately reported or any change in circumstances, which may result in a materially increased risk of modern slavery occurring, are closely monitored.



## LINX CCG high-risk modern slavery categories

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We have undertaken a detailed review and subsequently determined the following as high-risk modern slavery categories that will continue to be reviewed as our modern slavery approach evolves:



Banking and corporate expenses



Office supplies and furniture



Equipment and assets: repair and maintenance – tyres



Operational consumables – including dunnage, packaging, and general consumables



Freight and courier charges



Uniforms, Personal Protective Equipment (PPE) and safety equipment



Transport sub-contracting



Fuel and lubricants



Property – new site development and upgrades and ongoing maintenance and repair costs



Human Resources expenses including temporary labour hire



Facilities management, cleaning and janitorial



IT hardware and network infrastructure



Security services



Marketing, advertising and promotional items



Meetings, conferencing, travel and events

## Modern slavery risk management and due diligence

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The Vendor Risk Management Framework details a process for the identification and appropriate due diligence of vendors based on the assessed modern slavery risk, providing an initial outcome for a vendor as either low or high risk. This assessment includes consideration of potential modern slavery risks linked to the supply category they fall into (which is determined using a multiple of published supply category data) and country of operation risk.

Identified high-risk vendors must complete and satisfy a modern slavery screening questionnaire as part of their ongoing ability to provide services to LINX CCG. This screening is undertaken through an analytics software application using an algorithm. The software assesses the risk of the named supplier, its directors, and affiliated companies against specific criteria and international and government databases for environment, social, human rights and governance related violations. The assessment includes an evaluation of the entity's risk profile based on the country in which they are located, as well as consideration of the Global Slavery Index 2018 data, published by Walk Free.

Each survey is reviewed by a member of the procurement and risk teams as part of the approval process. Following this second level assessment, all approved vendors receive a final risk rating against an established criterion which determines ongoing performance management and due diligence.

If a new risk or issue is identified during this monitoring process, we may seek additional information from suppliers, call for corrective actions, and in cases where actions to address issues are inadequate, terminate our agreement with the supplier.

This process is currently being rolled out for all existing vendors and will form part of the onboarding process for all new vendors.

## **Vendor mitigation strategies**

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Following the modern slavery questionnaire review, we develop mitigation strategies for high-risk vendors on an individualised basis, such as targeted contract clauses in the legal agreements requesting the vendor to provide their modern slavery statement and evidence of their modern slavery mitigation strategies. The strategies may also include audits of a vendor's internal processes and policies and establishing grounds for spot audits. All our vendors are subject to ongoing monitoring. All our vendors' risk ratings and their compliance with these mitigation strategies is reviewed at least once annually.

## **Training and education**

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To support the roll out of our updated *Code of Conduct and Business Ethics* and ensure that the principle of protecting human rights and preventing modern slavery is known and understood, we have rolled out initial training to all key employees. The training includes why modern slavery is an important issue for LINX CCG and its employees including detail in respect of the relevance of this issue to the LINX CCG operations and supply chains, citing specific examples of where in the business this could occur.

We recognise the importance of all our people understanding and managing modern slavery risk and ensuring that they are equipped and confident to talk to vendors about these issues.

## Grievances and remediation

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An anonymous Ethics Hotline is available for LINX CCG employees, vendors and any other interested parties to anonymously report any matters relating to unethical business conduct or violations of laws including modern slavery. The Ethics Hotline is available toll-free, 24 hours a day, seven days a week and may be accessed by phone or by internet.

The Ethics Hotline is managed by an independent third party and allows anyone to call anonymously to report in English and other languages. Hotline details are included in Master Service Agreements and communicated to all our vendors.

Remediation of any reported instance of modern slavery is approached on a case-by-case basis with a fundamental principle of ensuring that in the first instance, any victim is protected from further harm. Our plan for remediation follows the process and principles of observation, information, notification, and continuation at all times. We will review ongoing trading with a vendor who has failed to comply with the Act and LINX CCG's applicable policies and procedures.

In accordance with our Code of *Conduct and Business Ethics* and Procurement Policy and Processes, the vendor risk framework is applied and desktop due diligence is performed for high-risk vendors as a part of our vendor onboarding process. Our standard contracts also include standard clauses and compliance statements and Right to Audit clauses.

Mitigation strategies for high-risk vendors vary on an individual basis however we are developing standard monitoring practices such as collecting Modern Slavery Questionnaires and reviewing third parties that we engage for anti-bribery and corruption risk.



# Effectiveness assessment

We continue to focus on evolving our approach to modern slavery to ensure that we are able to identify and address all inherent risks within our supply chain. This includes an ongoing focus to ensure a comprehensive understanding of the *Act's* requirements are conveyed to our employees, contractors, and suppliers.

We acknowledge that our approach to addressing modern slavery risks in our supply chain must continue to evolve and develop. This will be undertaken through:

- Ongoing engagement with internal stakeholders and departments including legal, insurance and risk, procurement, and the Senior Leadership Team;
- Key risks, including modern slavery, steps identified to mitigate those risks and the progress is reported to the Senior Leadership Team and Directors;
- Ongoing review of the effectiveness of the current policies and procedures by the LINX CCG Procurement team through the frequent review of identified supply chain risks;
- Further strengthening of supplier evaluation criteria around modern slavery risk and the embedding of additional modern slavery risk management tools within the tender process;
- Additional engagement across LINX CCG to assist in eliminating requirements for goods or services sourced where there is a heightened risk for modern slavery. For example, ensuring that PPE safety items are scoped to minimise the modern slavery risk in the goods' manufacture and/or distribution.

All reports to the Ethics Hotline are handled by an independent third party and are investigated by the Internal Audit team. Trends in reporting are assessed, including modern slavery risk (if present).

# How this statement was prepared

This statement was prepared by the LINX CCG Procurement, Finance, Risk and Legal teams through a consultation process run by a Modern Slavery working group ('working group'). The working group consisted of individuals from Brookfield Infrastructure Australia (LINX CCG's majority shareholder) and representatives from the entities owned by Brookfield Infrastructure Australia. Key members of the Brookfield Infrastructure Australia Legal, Finance and Strategic Sourcing teams participated in the working group and undertook a detailed consultation process to inform relevant entities of their Modern Slavery Framework, vendor risk assessment process and provided the working group participants with input, information and confirmation of compliance to our Modern Slavery framework and due diligence process, to address Modern Slavery risks.

At each step of the statement drafting process engagement and review has been held with different teams within the LINX Group from Legal, Procurement, Finance and Risk. The process, policy and statement has been presented to the Group Senior Leadership team.

This LINX CCG Modern Slavery Statement has been approved by the LINX CCG Chief Executive Officer and Board.



**Anthony Jones**  
LINX Cargo Care Group CEO

29 June 2021



**Jonathon Sellar**  
Chairman – BAPSH Pty Ltd

29 June 2021

