

SLAVERY AND HUMAN TRAFFICKING STATEMENT

Financial year 2020/2021

July 2021



A U S T R A L I A

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IDENTIFICATION OF REPORTING ENTITY AND PURPOSE



This statement (the “**Statement**”) is made on behalf of Bouygues Construction Australia Pty Ltd (ABN 37 144 013 801) of Level 2, 77 Pacific Highway, North Sydney, 2060 (**BYCA**) pursuant to section 13 of the Modern Slavery Act 2018 (Cth) (the **Act**).

BYCA takes its obligations in relation to the identification, prevention and reporting of modern slavery and human trafficking seriously. It is working hard to identify and reduce the risk of modern slavery and human trafficking in its supply chains or in any part of its business and aims to have a zero-tolerance approach to managing the risk of modern slavery. Its anti-slavery policy reflects its commitment to acting ethically and with integrity in all its business relationships. BYCA adheres to a worldwide group Code of Ethics personally supported by Martin Bouygues, Chairman and CEO of Bouygues SA and pursuant to this undertakes to comply with the strictest legal and moral standards in the conduct of its operations.

The Statement sets out what BYCA has done in the financial year 2020/2021 to work towards ensuring that slavery and human trafficking is not taking place in any part of its businesses or supply chains.



BYCA'S STRUCTURE, OPERATIONS AND SUPPLY CHAIN



BYCA is a private limited company that provides civil engineering and construction services in Australia to both public and private sector clients. It is incorporated in Australia and has its headquarters in North Sydney. It has around 626 direct employees in Australia. BYCA does not own or control any other entities. BYCA is part of a group of companies worldwide which have Bouygues SA, a CAC 40 company listed on the Paris Euronext, as their ultimate parent. The Bouygues group has over 115,000 employees worldwide and operates in approximately 80 countries.

As a leading engineering and construction contractor, BYCA has a complex supply chain model that both supports its core businesses and maintains its office and technology infrastructure. BYCA's supply chains relate mainly to the following activities:

Subcontracting – the specialist contractors necessary to deliver certain construction and engineering operations on BYCA construction sites, including hiring specialist equipment and the use of labour hire companies;

Supply and Transport of specialist equipment, products and materials – the purchasing and transportation of the specialist equipment, products and materials it uses in its civil engineering, construction and solar projects. In this context, BYCA's supply chains include overseas factories in China, U.S.A. and Europe where products such as solar panels, trackers, axial fans, dampers, HV switchgear, tunnel lighting and attenuators are made. These products are then imported into Australia and subsequently distributed to BYCA's sites.

Consultancy - professional and consultancy services from design professionals in various fields, including, without limitation, architecture, engineering (such as structural, civil, façade and mechanical and electrical) lighting, landscape design, sustainability, project management, cost consultancy and surveying;

Business services – a wide range of products and services necessary to maintain normal day to day operations in its offices and support its core business functions such as cleaning, catering, security, IT support and print services;

Professional services – professional services such as external training, audit services and advisory services in areas such as tax, regulation, insurance and law.

Real estate – the purchase or leasing of office space to accommodate staff and operate its business;

Technology – the systems, software and equipment that are necessary to maintain the technology infrastructure that supports BYCA's core business; and

Travel – BYCA works with a number of travel providers such as hotels and airlines.

Generally, the relationships with our suppliers are often short term and changeable.

In addition to supply relationships, BYCA also has business relationships with joint venture partners, including:

- Lendlease Melbourne Metro Pty Ltd (ACN 639 377 030) and John Holland Pty Ltd (ABN 11 004 282 268) in relation to the Melbourne Metro Tunnels and Stations PPP project where the JV is D&C Contractor to the Client, Rail Projects Victoria;
- Acciona CEI Australia Holdings Pty Ltd (ABN 50 147 880 966) and Samsung C&T Corporation (ABN 49 160 079 470) in relation to the West Connex M4-M5 Link project where the JV is D&C Contractor carrying out main tunnel works for the Client, the NSW Government; and
- Lendlease Building Pty Ltd (ACN 000 098 162) in relation to the North Connex tunnel works for the Client, the NSW Government.



RISKS OF MODERN SLAVERY IN BYCA'S SUPPLY CHAIN



BYCA considers that it is unlikely that BYCA would directly cause modern slavery practices, but realises that it may inadvertently contribute to them. Risks have been identified in the following areas of our supply chain:

- > Engaging labour hire companies for execution of BYCA's projects. We are aware that labour hire companies have been highlighted as a high-risk area for potential exploitation of migrant workers;
- > Procuring equipment and specialist machinery from overseas supplier factories for our solar and civils business. Some of these companies, such as those manufacturing solar panels/cables, HV switchgear and some tunnel boring machines parts, are in countries reported to have a high prevalence of modern slavery by international organisations or NGOs e.g. China.
- > Procuring materials, such as cladding, for our tunnel projects. In most cases we endeavour to purchase from Australian suppliers, but if necessary in order to meet a large or urgent order deadline we will procure from overseas suppliers, again usually in China where we do not have direct insight into labour practices used by material suppliers.
- > Procuring staff uniforms and PPE for site workers. We are aware that textiles and clothing is high risk sector. We purchase uniforms branded with the company/JV logo and PPE from Australia based companies, but do not yet have insight into the working conditions of the various countries the items of clothing and PPE are manufactured in.

ACTIONS TAKEN BY BYCA TO ADDRESS MODERN SLAVERY RISKS



4.1 Policies in relation to modern slavery and human trafficking

BYCA has a number of policies and procedures which are relevant to preventing instances of modern slavery from occurring in its business or its supply chains, including having a dedicated compliance officer to whom breaches of any of the following policies can be notified. In particular, the following policies are directly relevant to the subject matter of this Statement:

Code of Ethics – this requires employees to comply with the principles of the United Nations Universal Declarations of Human Rights, the fundamental conventions of the International Labour Organisation, in particular, concerning forced child labour and the principles of the United Nations Global Compact;

Bouygues Construction division Corporate Social Responsibility policy – this policy specifically discourages the use of child labour;

Whistleblowing procedure – this policy encourages employees to bring any bad practice they become aware of to the attention of senior management without fear of repercussions for doing so;

Health & Safety policy – this policy sets out BYCA’s commitment and approach to ensuring it provides a healthy, safe working environment for its own staff and contractors that work on-site;

Harassment & Bullying policy – this policy sets out BYCA’s approach to preventing the occurrence of discrimination, harassment, bullying or victimisation in the work place;

Delegations Authority and contract signing procedure – this policy sets out BYCA’s internal control and governance procedures with regards to approving financial transactions and signing contracts with suppliers. This procedure ensures that contracts cannot be entered into without an appropriate level of review and authorisation by a suitably senior and qualified member of staff;

Anti-slavery policy – this policy specifically addresses the subject matter of the Act recognising and preventing trafficked, forced, bonded and child labour; and

CSR Charter for Suppliers and Subcontractors – this charter sets out the standards the Bouygues Group expects from its supply chain in several areas, including compliance with labour standards.

4.2 Due diligence processes

BYCA and its suppliers are expected to live up to and adhere to the principles set out in the anti-slavery policy which endeavours to reflect UN Guiding Principles 15 and 17 and demonstrate progress towards the standards set out in it.

BYCA's procurement practices require that all new suppliers are subject to an appropriate level of screening for modern slavery risks. BYCA's parent company, Bouygues Construction S.A, has a framework agreement with an external provider who can perform on-site CSR performance evaluation of BYCA's supply chain for high risk items or high-risk countries. The scope of the screening BYCA or the external provider performs depends on the nature of the goods or services being procured, but can include financial checks, data security assessments, reference checks, obtaining copies of relevant supplier's policies and procedures and on-site inspections including interviews with a supplier's employees.

Our standard form Subcontractor Pre-Contract Interview and Invitation to Tender includes questions about adherence with the Act and commitment to addressing modern slavery and human trafficking and requires any labour hire companies that BYCA engage to provide their licence pursuant to any applicable Labour Hire Licensing Scheme. Any supply chain applicant (to which the Act applies) which has not published its required modern slavery statement, will not pre-qualify for our supply chain as a result. BYCA also undertakes an internal audit of our supplier screening every 6 months.



4.3 Risk assessment, management and remediation

Section 3 above sets out the areas of BYCA's procurement activity where there could be a higher risk of slavery or human trafficking taking place.

BYCA has a central procurement function in Head Office and for each major JV project that assesses and manages the procurement of high value and/or high-risk goods and services in accordance with BYCA's procurement practices and formal tendering procedures.

BYCA also employs a team of lawyers and has a compliance officer to ensure compliance with its legal and ethical obligations.

BYCA has in place appropriate processes for reporting concerns with the business, including a whistleblowing procedure and a designated compliance officer. A statement has been made by our CEO asking all staff to be vigilant in our workplaces in respect of potential labour exploitation and to report anything giving rise to a suspicion in this area.

BYCA has produced a new contract suite that includes clauses requiring compliance with the Act and any applicable Labour Hire Licensing Scheme in all of its contracts with suppliers, subcontractors and service providers. These template contracts permit BYCA to terminate for non-remediation of a breach of these anti-slavery clauses by a supply chain member.

BYCA is putting risk mapping of its supply chain into place. It has created a risk mapping methodology and is able to reach out to its parent and sister companies within the wider Bouygues Group for their risk mapping reports in order to start piecing together a global picture of modern slavery risks within the supply chain.

BYCA is keeping a blacklist of any members of its supply chain that do not comply with anti-slavery practices to ensure they are not used again.



4.4 Training in relation to slavery and human trafficking

BYCA has provided slavery and human trafficking awareness training for key individuals (executive leadership team and key figures from the procurement, finance and HR department) in its business.

In order to raise awareness of the risks of modern slavery, BYCA has made available on its internal network the film “Concrete” (produced by Stronger2gether and the Chartered Institute of Building) that all BYCA staff are encouraged to watch. BYCA also plans to show the video to all new joiners of the company as part of their induction day.

4.5 Evaluating effectiveness of actions taken by BYCA

BYCA recognises that some areas of its operations and supply chain are exposed to parts of the industry that could be considered high risk and is committed to undertaking further due diligence of its supply chain over the coming year. To date, Bouygues has not found any evidence of practices that violate its Anti-Slavery Policy.

BYCA is going to assess the effectiveness of its actions by:

- > Including a section on modern slavery responses in the Senior Management Review meeting that is held once a year;
- > Checking our procurement procedure is being consistently followed every 6 months. If BYCA commences new operations in a high-risk country or region, BYCA will identify and assess any new modern slavery risks that may result;
- > Gathering feedback from procurement, legal and HR teams so that we can holistically consider trends in anti-slavery cases reported through the grievance/ whistleblowing/ anti-slavery policy reporting mechanisms;
- > Developing KPIs covering the implementation of modern slavery policies or processes. These will include specific KPIs on the number of modern slavery training sessions and awareness raising slots in staff inductions delivered, the number of contracts entered into that include modern slavery clauses and the number of modern slavery complaints or tip-offs resolved by a grievance/whistleblowing/anti-slavery policy reporting mechanism.

IMPACT OF COVID-19

COVID-19 had limited impact on BYCA's capacity to identify and mitigate its modern slavery risks. In particular, on projects such as WestConnex 3A, Melbourne Metro (where we are a joint venture partner) and Suntop solar farm project, the procurement of critical plant, equipment and materials only experienced minor disruption as a consequence of COVID-19.

On the whole, BYCA's supply chain remained unchanged during the reporting period with existing relationships maintained. However, BYCA anticipates that events stemming from COVID-19 at a sub-supplier level, such as factory shutdowns, changes to supply chain structuring and workforce reductions may have increased the vulnerability of workers in our global supply chain. BYCA has circulated questions to its existing suppliers prompting procurement teams to consider COVID-19 related risks in supplier assessments (such as whether suppliers require workers to work excessive overtime to cover capacity gaps and increased demand in goods/services due to supply chain shortages and what the supplier has done to mitigate the impact of COVID-19 on its workforce). The results of these questions revealed that COVID-19 has not had a major impact on our supply chain.

During the reporting period, BYCA and each JV project placed emphasis on implementing COVID-safe practices on sites and within Head Office, inclusive of measures in accordance with the Australian and State Government Public Health Advisories. These measures included sourcing additional safety critical equipment, which is where BYCA experienced the greatest impact and disruption, particularly with the procurement of P2 Respirators (required for use in tunnels), surgical masks for staff in an office environment/ site locations and alcohol based hand sanitiser. This disruption was attributed to the increased demand for these provisions world-wide and the overwhelming shortage of supply. To effectively mitigate this risk and ensure continuity of our project operations, BYCA procured these provisions through the Bouygues Construction international procurement desk (DCW based in Hong Kong), who facilitated this procurement for all subsidiaries within the Bouygues Group. BYCA did not have any direct contact with these suppliers as they were centrally managed by DCW in accordance with BYCN Purchasing Policy. BYCA is aware that this lack of visibility into what and how its agent in Hong Kong procured the equipment is, on the face of it, a potential modern slavery risk. However, DCW, as with all Bouygues Group entities complies with the Bouygues Group Code of Ethics and has a similar anti-slavery ethos to BYCA.

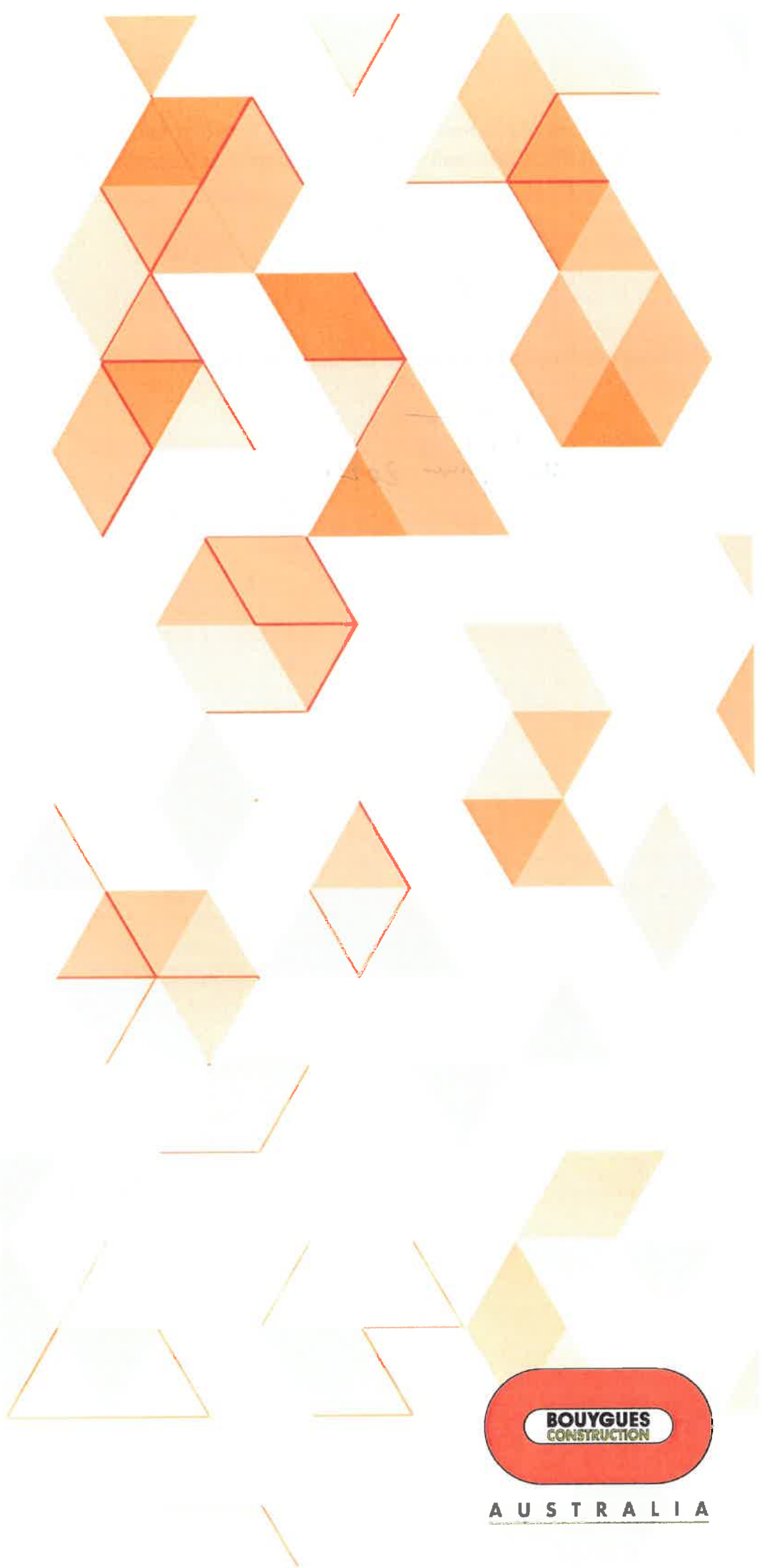
BYCA is aware that the restriction on travel has led to some audits being carried out without on-site inspection. This has inevitably limited the depth of assessment reports produced and therefore BYCA's ability to assess the effectiveness of our actions to combat modern slavery.

This Statement has been approved by the Board of Bouygues Construction Australia Pty Ltd on behalf of BYCA, who will review and update it as necessary on an annual basis.

Seved Robin, Chief Executive Officer of Bouygues Construction Australia Pty Ltd

Signed 

Date 22 June 2021



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