

A background image of a construction site at dusk or dawn. A worker in an orange safety vest and blue jeans is walking on a rebar grid. The scene is filled with construction materials and structures under development.

FY20 MODERN SLAVERY STATEMENT

OUR COMMITMENT



At Transurban, our values underpin the way we go about our work, how we treat each other and the people that we come in to contact with. These values—integrity, respect, accountability, collaboration and ingenuity—are at the core of how we manage our operations and interact with our suppliers.

By working together, we can look for ways to do things better, to manage risk and ultimately create better social and environmental outcomes. This year we have continued to work with suppliers to identify and address possible exposures to human rights risks (including modern slavery) in our supply chains.

It is estimated that 40 million people globally remain victims of modern slavery, and we are committed to playing our role in helping eradicate activities that exploit human beings.

This is our first Modern Slavery Statement and it outlines how we work to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chains. While we did not identify any instances of modern slavery in our operations or supply chains in FY20, we acknowledge that we must remain vigilant in monitoring and addressing these risks.

Transurban's purpose is to strengthen communities through transport, which will underpin our efforts to support economic recovery, job creation and address the impacts of the COVID-19 pandemic.

We recognise that the ongoing global pandemic may also increase the risk of exploitation for those most vulnerable, which is why we have taken significant steps to support our employees, contractors, customers and suppliers.

We look forward to expanding on the work we have done so far, while also raising awareness and sharing knowledge among our industry partners to protect human rights.

A handwritten signature in black ink, appearing to read 'Scott Charlton', written over a white background.

Scott Charlton
Chief Executive Officer

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Our broader sustainability efforts

Further information on our broader approach to our community and sustainability is available on transurban.com

This includes the Transurban:

- [FY20 Corporate Report](#)
- [FY20 Corporate Governance Statement](#)
- [FY20 Sustainability Supplement](#)
- [Innovate Reconciliation Action Plan](#)
- [Financial Inclusion Action Plan](#)

Transurban reporting entities under the Act

This statement is prepared for the purposes of the *Modern Slavery Act 2018* (Cth) (Act). This is a joint statement by each of the reporting entities under the Act within the Transurban Parent Group, Transurban Queensland Group and Airport Motorway Group as defined in Appendix A.

For the purposes of this statement, 'Transurban' collectively refers to Transurban Parent Group, Transurban Queensland Group and the Airport Motorway Group, as defined in Appendix A. Details regarding the reporting entities which are members of each of these groups are set out in Appendix A.

The WestConnex Group and NorthWestern Roads Group (both of which Transurban holds an interest in) will each be lodging their own separate modern slavery statements under the Act. In FY20, the Transurban Sustainable Procurement Program (the Program) was deployed across the WestConnex Group, and is being managed by the Transurban-led Procurement team. As a result, there is a substantial amount of overlap across each of these statements. Statistics and data presented in this statement include those businesses, unless otherwise stated.

Integrating Sydney's M5 West

In FY20, Transurban increased its ownership of the M5 West in Sydney to 100%. An operational integration program is now under way with full deployment of our systems and processes planned for FY21. As part of the integration program, our Procurement team has commenced an initial review of spending on this asset.

The team is also focused on implementing our assessment processes to the M5 West. We are in the process of completing a full risk mapping process for the M5 West. There is significant overlap in the categories procured for Transurban and M5 West, which assists in the assessment of the modern slavery risks relevant to the M5 West.

- In FY20, Transurban did not identify any instances of modern slavery in our operations or supply chains, although we also acknowledge that this does not mean modern slavery was not present
- More than 99% of our direct spend with Tier 1 suppliers is located in the countries where our operations are based—Australia, Canada and the United States
- Most of our direct Tier 1 procurement spend is on services not goods
- We are increasingly integrating sustainability into all aspects of our business strategy, planning, operations and supply chain management activities and are committed to making meaningful contributions to the UN Sustainable Development Goals

FY20 IN REVIEW

Modern slavery, involves the exploitation of human beings, and is completely unacceptable. Transurban recognises that we have a responsibility to improve our understanding and mitigate the risks of it occurring within our operations and supply chains.

During FY20, Transurban progressed a number of initiatives to address human rights risks, including modern slavery, within our operations and supply chain. These initiatives support our broader approach to managing sustainability, which is aligned to the UN Sustainable Development Goals (SDGs).

This is our first Modern Slavery Statement to be issued in accordance with the Act. A solid foundation has been set during FY20, and we look forward to enhancing our actions over time and reporting on them into the future.

Key activities for FY20 included:

Policies and procedures

- Reviewed, refreshed and strengthened key policies and procedures such as our Supplier Sustainability Code of Practice and Supply Chain Modern Slavery Remediation Guidelines (see pages 11 & 13)

Contractual terms

- Commenced inserting strengthened contractual protections and requirements relating to modern slavery for a new generation of standard clauses on supply contracts, which are classified as higher risk for modern slavery (see page 12)

Risk identification

- Continued to evolve the way we identify and assess risks by considering a broader human rights view. For example, by looking at key commodities, sectors, industries, geographical

areas and specific organisations, we have drawn upon numerous external resources to better explore our potential supply chain risks (see page 9)

- Set the foundation to further develop our operational risk assessment capabilities across our assets over the longer term (see page 9)

Reporting processes

- Updated our independent whistleblower service, which can be accessed to make complaints around modern slavery. This service is available to anyone including employees, customers, suppliers and workers in our supply chain (see page 13)
- Established a dedicated, monitored internal communication channel for all employees to raise issues or general queries about modern slavery (in addition to our independent whistleblower service)

Training and awareness raising

- Achieved a 100% training completion rate for employees with material procurement responsibilities to improve their ability to identify and respond to modern slavery risks
- Held detailed workshops with all Procurement sourcing employees and a number of key suppliers (see page 14)

Industry collaboration

- Actively participated in numerous multi-stakeholder forums with suppliers as well as other industry leaders to share learnings and knowledge
- Undertook joint industry-based initiatives to avoid taking a fragmented approach in our Sustainable Procurement Program (see page 21)

PROGRAM TIMELINE

FY18

Transurban Sustainable Procurement Program established and aligned to ISO 20400:2017

Commenced working with our suppliers in anticipation of the *Modern Slavery Act* being passed through Parliament

FY19

Joined the UN Global Compact Network Australia's Modern Slavery Community of Practice

Partnered with the Infrastructure Sustainability Council of Australia to establish the Modern Slavery Road Construction Industry Coalition

FY20

Established a leadership role dedicated to Sustainable Procurement

Implemented new policies, procedures and contractual terms to better address our risks

Our people and supplier partners engaged in modern slavery awareness training and workshops



ABOUT TRANSURBAN

Transurban in numbers

20 operating assets

7 projects scheduled for completion by FY24

Over 1,600 direct employees

Listed on the Australian Securities Exchange (ASX) since 1996

8.8 million customers and road users globally

ESG leader in global sustainability benchmarks¹

Transurban is one of the world's largest toll-road developers and operators. Our business is to keep cities moving and get people where they want go as quickly and safely as possible. We operate toll roads in Melbourne, Sydney and Brisbane, as well as in the Greater Washington area in the United States and Montreal in Canada. Transurban Group is publicly listed on the ASX, with a market capitalisation of A\$38.7 billion as at 30 June 2020.

Our purpose—to strengthen communities through transport—underpins all that we do, from designing and building new roads to supporting community initiatives in the neighbourhoods where we operate.

We continually challenge ourselves in the way we respond to social and environmental issues, and invest in both to create social inclusion and manage our environmental impacts.

The way we go about our work, how we treat each other and all of the people we come into contact with, reflect our values of integrity, respect, accountability, collaboration and ingenuity.

We operate under a stapled structure and our triple-stapled securities trade on the ASX under the code "TCL". Each of our stapled securities comprise a share in THL, a unit in THT and a share in TIL. Each of THL's and TIL's shares and the unit in THT are quoted and trade as a single security on the ASX and cannot be traded separately. THL, THT and TIL are governed by boards that have common membership and are managed by the same senior management team. Controlled entities within Transurban include a number of corporate entities domiciled and incorporated in Australia, the United States of America and Canada.

Further details about Transurban, including details about its executive team and its assets can be found in the [FY20 Corporate Report](#) at [transurban.com](https://www.transurban.com)

This statement covers the following groups:

Transurban Parent Group

For the purposes of this FY20 Modern Slavery Statement, ‘Transurban Parent Group’, refers to the parent entity, THL, and the stapled entities TIL and TIML as the responsible entity of THT, as well as the following subsidiaries: CityLink Melbourne Limited; The Hills Motorway Limited; and Interlink Roads Pty Limited.

See Appendix A for further details regarding the reporting entities held by the Transurban Parent Group and reported against in this statement.

Transurban Queensland Group

Transurban Queensland Group forms part of the wider Transurban corporate group and operates toll roads in Queensland, Australia. Transurban Queensland Group is owned by a consortium comprising Transurban (62.5 per cent), AustralianSuper (25 per cent) and Tawreed Investments, a wholly owned subsidiary of the Abu Dhabi Investment Authority (12.5 per cent).

See Appendix A for further details regarding the reporting entities held by Transurban Queensland Group and reported against in this statement.

Airport Motorway Group

Airport Motorway Group includes Airport Motorway Limited, the owner and operator of the Eastern Distributor Motorway in Sydney. Airport Motorway Group is a joint venture between Transurban (75.1 per cent), IFM Investors (14.37 per cent) and UniSuper (10.53 per cent).

See Appendix A for further details regarding the reporting entities held by Airport Motorway Group and reported against in this statement.

Our values

Our values set the agenda for the way we work and how we interact with all of our stakeholders.

These values are:



Integrity



Collaboration



Ingenuity



Accountability



Respect



OUR STRUCTURE AND OPERATIONS

 Project

 Click the location names for detailed maps and information.





OUR STRUCTURE AND OPERATIONS

(CONTINUED)

Transurban's workforce is made up of over 1,600 direct employees across Australia and North America. Our people are involved in a broad range of activities including toll road operations and maintenance, major road project delivery, customer service as well as head office functions including Technology, Finance, Corporate Affairs and People and Culture.

Further details of Transurban, including our roads and projects are set out in our [FY20 Corporate Report](#).

The processes and practices that Transurban applies with respect to managing modern slavery risks in our workforce form part of our overarching risk management program and are subject to the oversight of the Transurban Parent Group Board and its Committees. Transurban Queensland Group and Airport Motorway Group are additionally subject to the oversight of their relevant group boards.

Our Code of Conduct and values articulate the behaviour expected of Transurban's Directors, Senior Executives and employees. It also covers suppliers engaged to provide a service. The Code and policies, such as Ethical Business Practices, set out clear expectations with respect to human rights. These policies are supported by documented processes for the management of complaints and grievances and we have an independent whistleblower service if employees wish to report policy breaches confidentially. These policies and procedures are reviewed regularly and material breaches of policy are reported to the relevant group board for the business.³

In Australia, employment conditions are covered by the National Employment Standards (NES) which set out the 10 minimum employment entitlements that have to be provided to all employees.

In addition, 38% of our employees are covered by Modern Awards or internal Enterprise Agreements, which set minimum pay and conditions for specific categories of workers. The remainder of our employees have individual employment contracts, which provide additional conditions for an individual employee, but cannot reduce or remove the minimum entitlements prescribed under the NES.

We undertake annual reviews of the Modern Awards and employment contracts to ensure our workers' entitlements are being met. We also undertake regular internal and external audits of payroll to ensure our workers are being paid correctly.

Transurban does not engage in external lending activities. It does, however, have minority investments in non-core road operating assets, which were assessed as part of our overall risk assessment as set out in 'Risk assessment process' on page 9.

³ Airport Motorway Group management are subject to the policies and procedures as approved by Transurban.

OUR SUPPLY CHAIN

Over \$1.5b in annual managed spend and 1,900+ direct suppliers⁴

With 20 assets and seven projects scheduled for completion by FY24, Transurban is in a strong position to make long-term improvements to the way we design, construct, operate and maintain our roads. To do this, we rely on a diverse range of suppliers, from large global multinational construction contractors to small local businesses.

Major project construction, incident response and maintenance and facilities management for our offices are among services that are outsourced on long-term contracts with critical supply chain partners. Our Tier 1 supply chain profile is heavily weighted towards the purchase of services, rather than direct goods or materials, which then form part of our extended supply chain.

Our top supplier categories for FY20, which constituted over 80% of our total spend were⁵:

- **major project construction services**—design and construction of new or enhanced roads to improve connections within cities and to help people get where they need to be
- **general consulting services**—provision of a variety of corporate management consulting services, which are predominantly desktop based
- **operations and maintenance services**—provision of ongoing works on our road assets to ensure that safety and operating standards are maintained in line with regulations and our concession deed requirements.

Our Procurement team

The Procurement team is charged with wide-ranging responsibilities under Transurban's Procurement Policy including category management, strategic sourcing, procurement operations, our Sustainable Procurement Program and contract management framework, as well as supporting strategic corporate supplier relationships. This team is located across all operating regions servicing our operations, corporate functions and suppliers. To ensure consistency of approach, the team reports into a central management team based in our headquarters in Melbourne, Australia.

Sustainable Procurement Program

The Sustainable Procurement Program was formally established in FY18 and focuses on the economic, social and environmental lifecycle impacts of our supply chain, including human rights issues.

This Program is aligned to the International Guidance Standard on Sustainable Procurement (ISO 20400:2017) and Transurban's sustainability approach, which aligns with the UN SDGs. This Program is managed by a dedicated Sustainable Procurement Manager, which was a new role created in FY20. Further information on the governance of this program is contained in the 'Our approach' section of the Statement on page 11.

⁴ For purposes of clarity, this spend analysis excludes the WestConnex group.

⁵ For purposes of clarity, this spend analysis excludes the WestConnex group and M5 West.

MODERN SLAVERY RISKS

We recognise that we have a responsibility to identify the risk of modern slavery within our operations and supply chain. While we continue to develop and refine the way we identify these risks, we have implemented a consistent set of due diligence processes across Transurban.⁶

Risk assessment

Our risk assessment processes align with Transurban's enterprise risk management framework and the ISO 20400 guidelines. However, we also recognise the need for a broader view when assessing human rights and modern slavery risks, and have considered the continuum of conduct approach outlined in the UN Guiding Principles on Business and Human Rights as suggested by the *Guidance for Reporting Entities* issued by the Federal Government for the Act. This continuum of conduct approach explains how a company may cause, contribute to or be directly linked to modern slavery.

We have assessed our direct workforce as being of low risk to modern slavery, and believe our People and Culture policies and practices further mitigate this risk. Accordingly, we consider that our greatest risk of involvement in modern slavery is being directly linked to it through our supplier relationships. Therefore our Program has focused on our supply chain.

We have put in place various policies and processes (see 'Our approach' section on page 11) to mitigate this risk. This includes a cross-regional operations working group, which seeks to identify risks such as the broader potential for modern slavery to occur within our operations (for example, the risk that human traffickers may use our toll roads as part of their wider operations).

Given the size and complexity of our supply chain, our focus in FY20 has been on direct Tier 1 suppliers. However, we will continue to expand our approach, with the longer-term aim to better identify and act upon risks and opportunities deeper within our supply chain.

In FY20, we further developed our understanding of the risks surrounding modern slavery, including with reference to the information contained within the *Guidance for Reporting Entities* issued by the Federal Government.

We have drawn upon a combination of the following external resources to better explore our potential supply chain risks by looking at key commodities, sectors, industries, geographical areas and specific organisations. These include:

- [Global Slavery Index 2018](#)
- [U.S. Department of Labor's 2018 List of Goods produced by Child Labor or Forced Labor](#)
- [Baptist World Aid Australia 2016 Electronic Industry Trends](#)
- [Responsible Construction Leadership Group Modern Slavery in Construction report](#)
- [Modern Slavery registry](#) (to view certain supplier submissions online)
- Various public articles, including media
- Any relevant information submitted from our independent whistleblower service

Information submitted from suppliers in line with standard response schedules issued by Transurban Procurement during sourcing events was also used. This included a review of annual spend against each commodity and supplier to better assess our ability to leverage and influence changes in the market with these categories.

Identification process

We assess these risks through a series of workshops with participants from across the business. This workshop-style assessment has been running since FY18, and was also undertaken in FY20.

⁶ For purposes of clarity, this statement excludes the M5 West.

The following indicators were the primary source used to identify and assess actual and potential supplier risk.

Risk indicators

Country profile

We recognise that certain countries or sectors have a higher risk of modern slavery practices, but also that no country or industry is completely free of these practices.

The geographical location of a particular commodity can be an important indicator of risk based upon the vulnerability of the population and associated government response. More than 99% of our annual spend sits with suppliers whose direct trading site or headquarters is located in either Australia, USA or Canada.

Sector, industry and supplier profile

As part of our risk assessment process which was refreshed in FY20, we determined that 17 categories ranging across areas linked to technology, infrastructure, major project construction and corporate services, were of higher risk.

As a result of the risk assessment processes highlighted above, the following categories were prioritised for review during FY20:

- onsite cleaning services
- major project construction materials
- promotional items

These areas lay the groundwork for future expansion of our efforts on other categories as part of our continuous improvement approach.

In FY20, Transurban did not identify any instances of modern slavery in our operations or supply chains, although we also acknowledge that this does not mean modern slavery was not present.

Case Study

VALUE OF PARTNERSHIPS

In November 2019, we established a Joint Sustainability Governance Group with Ventia, one of the largest infrastructure service providers in Australia and New Zealand and major supplier of our incident response and maintenance services, to identify initiatives to improve our social and environmental practices.

One of the group's key focus areas was to create a collaborative approach to address modern slavery risks in the supply chain and for Transurban to help support Ventia to develop their approach to addressing these risks based on our lessons learned. As such, our approach to identifying and managing human rights risk impacts has been instrumental to the development of Ventia's own human rights risk management framework.

"Our collaboration with Transurban on sustainability is already generating some great ideas that we believe will deliver enduring and positive outcomes to our communities and the environment" said David Moffatt, Executive Chairman and CEO of Ventia.

OUR APPROACH



Governance



Due diligence
processes



Remediation
processes



Training and
capacity building

Governance

As part of our established Governance protocol, each of the Transurban Parent Group, Transurban Queensland Group and Airport Motorways Group (as defined in Appendix A) are overseen by a Board of Directors with direct responsibility for the relevant reporting entities. The Transurban Parent Group Board is also responsible for overseeing Transurban overall. The Transurban Procurement team is responsible for operational management of the Sustainable Procurement Program. During FY20, each relevant group board and the Transurban Executive Committee received regular progress updates on the Program.

We have also established an internal working group to support and expand this Program with senior representatives from departments including Procurement, Sustainability, Corporate Affairs, Risk and Legal.

Policy foundation

Consistent application of policies and procedures across our operations and supply chains is also key in our approach to managing the risks of modern slavery.

Transurban policies, and the standards applicable to our employees, contractors and suppliers, are set centrally to create a common baseline for expectations and consistency across the group. Where businesses outside Australia are subject to specific local law requirements requiring them to adopt their own policies, they must ensure that those policies are aligned to the extent possible with the approach taken by Transurban Parent Group.

Our employee [Code of Conduct](#) establishes not only base principles linked to our core values, but also encourages our people to seek continuous improvement and challenge themselves to find better ways of working. Our aim is to create an environment where everyone is treated respectfully and encouraged to fulfil their potential. Transurban has introduced a 'continuous listening' platform and approach, which enables management to engage more regularly with their staff to better understand what is important to them.

In addition to the [Code of Conduct](#), the following policies and codes set our clear expectations to respect human rights, including in relation to modern slavery:

- [Diversity Policy](#)
- [Privacy Policy](#)
- [Ethical Business Practices Policy](#)—see page 12
- [Sustainability commitments](#)
- [Supplier Sustainability Code of Practice](#)—applies to all new and existing suppliers, outlines both our minimum and leadership standards (including human rights), and encourages suppliers to go beyond legal compliance in order to advance their social and environmental responsibility
- [Whistleblower Policy](#)—see page 13
- Employee Policy Handbook (USA and Canada only)
- Procurement Policy (internal only)—this policy commits the company to advance alignment with ISO20400, and to include sustainability considerations in the sourcing process (including human rights)

We also have a number of other avenues to gather further information and document our decision-making processes, especially with regards to supply chain sourcing decisions (see 'Due Diligence processes' section on the next page).

Due diligence processes

Our due diligence processes assess and respond to human rights risks including in relation to modern slavery. With the newly created role of a dedicated Sustainable Procurement Manager, our aim is to bring consistency to our approach when assessing these risks and developing an appropriate response. Our key due diligence activities are listed below:

Sourcing toolkit and assessment

Sustainable Procurement practices are built into our standard approach for every event where a sourcing lead from the Procurement team is involved. Considerations such as human rights risk, including modern slavery, form part of our business process from inception of our sourcing strategy through to execution of final contracts. For example, the sourcing team will typically get involved with sourcing transactions with a spend over a certain threshold, and issue the tenderers with a self-assessment questionnaire, which will include sections covering Sustainable Procurement. The response tabled by the tenderer will form part of the evaluation process, and the sourcing lead can also engage with the Sustainable Procurement Manager to ensure that a consistent approach is followed.

Where a particular commodity or supplier is determined to be high risk, additional assessment and supplier engagement will be carried as an effective way of further understanding our risks and driving positive change through our supply chain (see IVE case study on page 20).

Contractual clauses

We have updated our standard contractual clauses to be used in new supplier contracts in Australia and the United States, for categories classified as higher risk for modern slavery (as identified through our risk assessment processes outlined on page 9). These clauses clearly set out our expectations for the supplier to use all reasonable endeavours to prevent and respond to modern slavery in its own supply chain and activities. Continued engagement with our suppliers is also acknowledged as being important to learn more about their practices to meaningfully address their modern slavery risks.

Ethical business practices

We recognise that modern slavery can include a range of exploitative human rights practices, and that it may also be connected to other serious criminal activity such as fraud, bribery and corruption. Transurban has an Ethical Business Practices Policy that supports its governance and integrity framework. This policy defines the standard required from employees and third parties when working with Transurban and highlights the processes for prevention, detection and the investigation of reports of fraudulent or corrupt conduct (including those related to modern slavery). The policy and related frameworks are supported and reinforced by formal training and awareness programs across the business and proportionate disciplinary action if breached. All material breaches of this policy, are reported to the relevant group board for that business.

In addition, we identified certain areas for potential improvement in our risk assessment and due diligence processes in FY20, including with respect to our approach to supplier diligence and management, as well as the thresholds we apply for analysing spend. We will keep these items under review for future periods in line with our continuous improvement approach.

Remediation processes

We recognise the importance of remediation or our contribution towards remediation, in line with UN Guiding Principles on Business and Human Rights. Key processes to support remediation activity in FY20 include:

Independent mechanism for reporting potential issues

Our independent external whistleblowing hotline service was fully transitioned to a new provider in FY20, and is available for anyone to use, including employees, customers and members of our supply chain to raise issues including those related to fraud, conflicts of interest, bribery, corruption and modern slavery. It can be accessed via email, a toll-free hotline telephone number, online or by web-based access, post or fax.

Remediation guidelines

During FY20, a set of remediation guidelines were developed, to be used in the event that modern slavery practices are identified in our supply chain. We recognise that these issues can be complex and sensitive to navigate, so these guidelines are designed to prioritise the protection and support of identified victims. The guidelines include making sure that we clearly log the issue, allocate responsibility for investigations with appropriate timelines and define protocols for handling business relationships with suppliers in accordance with our contractual rights, up to and including the complete termination of the relationship and referral to the appropriate authorities. The guidelines are available on our intranet for all employees and are intended to be improved and developed as required.



Training and capacity building

Awareness raising, training and capacity building are important for both our employees and our supplier partners to be better equipped to identify and respond to modern slavery risks. During FY20, all Transurban employees completed mandatory online training on our Ethical Business Practices and Whistleblower policies. We also recognised that the specific risks surrounding modern slavery were not well understood, and as such deployed further mandatory training to all employees with material procurement responsibilities (including corporate credit card purchases). This additional training covered:

- key risks surrounding modern slavery
- stories from survivors of modern slavery
- information on how modern slavery can be embedded deep within the extended supply chain
- key policies governing our approach to these risks
- signs to watch out for that may indicate the presence of modern slavery
- who to contact for further assistance via a dedicated and monitored internal communication channel (in addition to our independent whistleblower service).

We had a 100% completion rate for all nominated employees, and plan to expand our training and capability development efforts to a wider cross section of our employees in FY21.

Detailed training workshops on modern slavery, and key requirements under the Act were also held for all Procurement sourcing employees as part of our wider Program.

In addition, the Sustainable Procurement Manager held workshops with key representatives from across our supplier base (and wider industry groups), to build our respective working knowledge and capacity to address modern slavery risks. We believe that a key aspect of any successful approach requires us to work closely with like-minded industry partners to avoid taking a fragmented approach to the market (see multi-stakeholder engagement on page 21).





Case Study

RESPONSE TO COVID-19

Like most businesses, Transurban was impacted by the COVID-19 pandemic in FY20. As a long-term operator of critical road infrastructure, Transurban continued to operate all of its road networks and major projects through the period and in accordance with government-mandated restrictions and implemented new initiatives to manage the safety of employees and contractors who were required for operations. Our focus on flexible working for office-based employees, underpinned by a significant investment in technology, enabled us to rapidly shift to remote working arrangements. A number of our planned modern slavery workshops and working group sessions were converted from face-to-face meetings into online forums using our existing collaboration systems.

Transurban has also been working closely with our existing suppliers to manage potential supply chain risks with the aim of maintaining our human rights requirements through our Supplier Sustainability Code of Practice and contract clauses. We recognised the significant financial impact to our small business suppliers across both our Australian and North American markets and, from March 2020, we instigated a temporary program to expedite payments to our small business suppliers and reduced our standard payment terms from 30 to 14 days.

During FY20, we had also planned to post details (such as physical posters) of our whistleblower service across all Transurban offices (it is important to note that these details are still available on Transurban's intranet and external website). However, due to government mandated restrictions as a result of the COVID-19 pandemic, the majority of our offices were closed for an extended period. This activity is now planned to occur in FY21.

MEASURING EFFECTIVENESS

Transurban regularly assess the effectiveness of our actions to address modern slavery and uses feedback to refine our Program. We seek and receive feedback from both internal and external sources including employees, suppliers, investors, industry groups, external specialist consultants and NGOs.

Some examples of the actions during FY20 include:

Internal governance and Program management

Procurement:

- Created a dedicated role to lead the Program across Transurban, and to ensure that we achieve tangible and consistent outcomes throughout all of our operating regions
- Performance based KPIs to emphasise the importance of delivering against the Program objectives prescribed for Procurement management (including Transurban CFO), as well as each sourcing lead
- Ongoing refinement of our Supplier Sustainability Code of Practice and sourcing toolkit to improve clarity around our expectations on human rights practices across our supply chain
- Established Sustainable Procurement as a dedicated agenda item at all group sourcing team meetings

Governance:

- Initiated a formal governance structure, and established a cross-functional working group for the Program to provide regular engagement and feedback

Internal audit and monitoring:

- Commenced a regular tracking report of key activities, with formal status updates being distributed to all Transurban Executive Committee members on a regular basis
- Completed a major update on our Program risk-mapping process, to capture the latest information available around human rights practices. Yearly updates are planned

- Ongoing monitoring of our independent whistleblower service
- Initiated a two-phase internal audit process on our Program, and our preparedness to report against the Act. The review was led by the Head of Internal Audit, with additional technical support provided by an external human rights and social impact specialist. Phase one was completed midway through FY20, and the resulting report was presented to the relevant group boards for each of the Transurban Parent Group, Airport Motorway Group and Transurban Queensland Group. The report identified six findings for FY20 that were reviewed and fully actioned by management
- Embedded modern slavery risks within the Transurban corporate risk registers

Training:

- Rolled out new modern slavery training to employees with material procurement responsibilities—see page 14
- Completed detailed training for all Procurement sourcing personnel

External collaboration**Industry groups and investor rating agencies:**

- Responded to the Dow Jones Sustainability Index, Global Real Estate Sustainability Benchmark, and reported in accordance with the Global Reporting Initiative
- Actively participated in numerous industry dialogues and collaboration events, which helped to further develop and refine the overall approach of the Program

Suppliers and investors:

- Delivered modern slavery presentations and responded to high level Program queries to the environmental, social and governance (ESG) teams of several major institutional investors, which supported the further development of our approach to risk assessment
- Held workshops with key executive representatives from 14 supplier organisations, to raise awareness of the Act and track their progress

We plan to continue to evolve and mature our processes to measure the impact and effectiveness of our efforts, and explore further outcome-focused metrics.

Case study

INDUSTRY WORKING TOGETHER TO ADDRESS MODERN SLAVERY

During FY20, a nation-wide coalition of key roads sector organisations has worked together to drive a consistent and collaborative response to preventing and addressing modern slavery risks within our industry. The Coalition is being led by the Infrastructure Sustainability Council of Australia (ISCA), with membership from the Australian Constructors Association, Downer, Fulton Hogan, John Holland Group, Main Roads WA, McConnell Dowell, Lendlease, Transurban and VicRoads.

The Coalition aims to work together to equip members to respond better to the legislation, and ultimately, minimise the risk of modern slavery occurring in project operations and supply chains. Vanessa Zimmerman, CEO of Pillar Two, a business and human rights advisory firm has been appointed as the Independent Chair of the Coalition.

“The Coalition is exploring what tools we can create to support organisations to minimise modern slavery risks such as developing common questions to ask suppliers around modern slavery, creating tools for internal and external awareness- raising, and guiding organisations in prioritising their suppliers for assessment and mitigation measures” said ISCA CEO Ainsley Simpson.

“It is the right time for the road infrastructure industry to be proactive as well as look for collaborative solutions. With significant growth in the Australian road infrastructure sector, the recent modern slavery legislation as well as increasing expectations from external stakeholders—including investors, customers and civil society—companies in the road sector need to be able to know and show that they are managing their modern slavery risks” said Independent Chair Vanessa Zimmerman.

Case study

SUSTAINABLE SUPPLY CHAINS



“We are committed to maintaining a sustainable supply chain and aspire to be a positive contributor to our communities, people and the environment. We recognise that our performance depends on our dedicated staff and our supply chain; therefore, we aim to work in partnership and collaboration to deliver value and work towards our vision to create and build solutions for a sustainable future.”

—Cliff Brigstocke CEO, IVE Production and Distribution

As part of our risk-mapping process, our working group identified promotional items as a low value but high risk commodity for human rights issues (including modern slavery). These items typically cover a range of low-cost branded goods that are given away to employees or customers to promote the organisation. Previously, the suppliers for these items had been selected without support from the sourcing team due to the low value of a typical transaction. To better address this risk, we instigated a study to gain a greater understanding on which items are purchased regularly, the internal stakeholder groups that require these items, and which suppliers provided these items. Detailed questionnaires were issued to the market and discussions held to better understand supplier processes and their commitment for improvement against their human rights practices.

As a result, IVE Group was selected as our national supplier in Australia, with internal procedures changed to ensure that IVE would be Transurban’s preferred supplier for promotional items. IVE is a member of SEDEX (one of the world’s leading ethical trade service providers), and it is ISO9001 and ISO14001 certified. IVE’s suppliers comply with SA 8000 (or equivalent) certification and it conducts regular factory audits (both with internal and external resources). To further build awareness of our partnership, we invited a manager from the IVE Group to present at a Transurban event (with more than 100 attendees) to share their experiences on addressing modern slavery within their supply chain.

Case Study

SHARING LESSONS WITH MIRVAC

Learning and sharing information with like-minded industry partners is an important activity for us. During the year, we have worked closely with representatives from the Mirvac property group to learn more about their practices in managing modern slavery risks within their supply chain, especially relating to onsite cleaning services, which we have identified as a high-risk area.

The Procurement and Facilities Management teams from both organisations have held a number of sessions to share experiences and details about our approach. In particular, discussions have centred around key risks surrounding labour and human rights in the supply chain. This experience has been invaluable in helping our team better craft and design our own approach for the provision on onsite facilities management services across our operational sites.

“Working to strengthen human rights in business is not something about which we should get competitive. Mirvac recognises how much we can learn, and how much we can contribute, by sharing openly with other organisations in and beyond our industry to help eradicate exploitation and modern slavery in Australian supply chains” said Sarah Clarke, General Manager Sustainability at Mirvac.

MULTI-STAKEHOLDER ENGAGEMENT

Transurban is committed to playing an important role in contributing to the development of policy and collaboration activities in this field.⁷

During FY20 Transurban representatives regularly participated in industry initiatives to share knowledge and learn from each other. We also undertook joint initiatives with industry groups to drive stronger and more coordinated outcomes across the community.

Key initiatives progressed during FY20 include:

- Actively participated in multi-stakeholder sessions to discuss human rights issues, including modern slavery, such as:
 - [UN Global Compact Network Australia’s \(GCNA\) Modern Slavery Community of Practice](#). In FY20, the UN GCNA was also announced as one of five key peak bodies that will permanently sit on the Federal Government’s newly established Modern Slavery Expert Advisory Group
 - [2019 Australian Dialogue on Business and Human Rights](#)
 - Modern Slavery roundtable hosted by State of Flux
 - Modern Slavery consultation and interactive session hosted by the Catholic Archdiocese of Sydney (CAS)
- Actively presented and shared our experiences on our work to address modern slavery at industry events such as the:
 - Modern Slavery Act workshop hosted by the Australian Border Force in Melbourne
 - Modern Slavery Act workshop hosted by the Supply Chain School and the Infrastructure Sustainability Council of Australia (ISCA)
- Engaged with two NGOs (one Australian and one overseas) to gather feedback which supported the development of our remediation guidelines
- Partnered with ISCA to continue the Modern Slavery Road Construction Industry Coalition. Although the construction industry has been impacted by government mandated restrictions in response to the COVID-19 pandemic, the Coalition has continued to meet regularly throughout this period (see ISCA coalition case study on page 19).

⁷ All external engagement initiatives are conducted having regard to applicable laws, including the Competition and Consumer Act 2010 (Cth).

APPROVAL

Consultation

Transurban operates as an integrated group of companies with overarching policies, systems and approaches that are designed to be consistently applied across each of the entities comprising Transurban. The entities comprising Transurban also have a common Procurement management team.

In preparing this Modern Slavery Statement, Transurban has communicated with relevant entities across the group to frame expectations, increase awareness, inform our disclosure in this Statement and strengthen our approach to addressing modern slavery risks. This has included seeking input from our ongoing working groups for modern slavery risk management, which include representatives from across a broad range of functions (such as Operations, Sustainability, Corporate Affairs, Risk and Legal).⁸

During FY20, the Procurement management team also presented to each of the Boards of Transurban Parent Group, Transurban Queensland Group and Airport Motorway Group on the status of relevant Procurement practices and the preparation of this Statement under the Act.

This Modern Slavery Statement has also been reviewed by the Executive Committee of Transurban, and executive representatives from the Transurban Queensland Group and Airport Motorway Group, prior to being put to each relevant group boards for review and final approval.

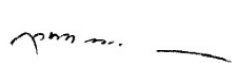
⁸ As outlined above, M5 West (Interlink Roads Pty Ltd as the owner of the M5 Motorway) is in the process of integration and it is expected that M5 West will be aligned with Transurban's policies and practices in FY21.

⁹ The "Board of Transurban Group" means each of the Boards of Transurban Holdings Limited, Transurban International Limited and Transurban Infrastructure Management Limited as the responsible entity of Transurban Holding Trust.

¹⁰ The "Board of Transurban Queensland" means each of the Boards of Transurban Queensland Holdings 1 Pty Ltd and Transurban Queensland Holdings 2 Pty Ltd. Transurban Queensland Holdings 2 Pty Ltd is not a reporting entity for the purposes of this statement.

This joint Modern Slavery Statement was approved by the following Boards of Directors (as the 'higher entity' for the reporting entities within each business group within the meaning of the Act):

- The Board of Transurban Group⁹ for the Transurban Parent Group on 30th November 2020,
- The Board of Transurban Queensland¹⁰ for the Transurban Queensland Group on 9th December 2020, and
- The Board of Airport Motorway Limited for the Airport Motorway Group on 4th December 2020.



Lindsay Maxsted
Chairman, Transurban Group



Scott Charlton
Chief Executive Officer, Transurban Group

As representatives of the Transurban Parent Group



John Massey
Chairman, Transurban Queensland

As a representative of the Transurban Queensland Group



Raymond Golzar
Chairman, Airport Motorway Limited

As a representative of Airport Motorway Group

APPENDIX A

Reporting entities

This Modern Slavery Statement has been prepared as a joint statement on behalf of the following reporting entities:

- Transurban Holdings Limited ACN 098 143 429 ('THL');
- Transurban International Limited ACN 121 746 825 ('TIL'); and
- Transurban Infrastructure Management Limited ACN 098 147 678 ('TIML') as the responsible entity of Transurban Holding Trust (ARSN 098 807 419) ('THT') and the Trustee for the City Link Trust (ARSN 096 270 085);
- CityLink Melbourne Limited ACN 070 810 678;
- Interlink Roads Pty Limited ACN 003 845 430;
- M5 Holdings Pty Limited ACN 073 922 620;
- Sydney Roads Limited ACN 119 323 901;
- The Hills Motorway Limited ACN 062 329 828;
- Transurban International Holdings Pty Ltd ACN 155 004 121;
- Transurban Sun Holdings Pty Limited ACN 169 039 776, and
- Transurban WGT Co Pty Ltd ACN 617 420 023,

(together, referred to as the 'Transurban Parent Group')

- Transurban Queensland Holdings 1 Pty Ltd ACN 169 090 804;
- APL Co Pty Limited ACN 609 262 615;
- APL Hold Co Pty Limited ACN 609 262 624,
- Gateway Motorway Pty Limited ACN 010 127 303;
- Logan Motorways Pty Limited ACN 010 704 300;
- QML Hold Co Pty Limited ACN 165 802 004;
- Queensland Motorway Holdings Pty Limited ACN 150 265 197; and
- Queensland Motorways Pty Limited ACN 067 242 513,

(together, referred to as the 'Transurban Queensland Group'), and

- Airport Motorway Holdings Limited ACN 078 322 531; and
- Airport Motorway Limited ACN 057 283 093,

(together, referred to as the 'Airport Motorway Group').

Further details on Transurban roads and projects managed by the reporting entities outlined above are covered in the [FY20 Corporate Report](#), which can be located at [transurban.com](https://www.transurban.com).

APPENDIX B

The table below outlines how this Statement aligns to the mandatory reporting criterion under the Act:

Mandatory Reporting Criterion	Reference in this Statement
Identify the reporting entity	<ul style="list-style-type: none"> • Transurban reporting entities under the Act—see page iii • Appendix A—see page 23
Describe the reporting entity's structure, operations and supply chains	<ul style="list-style-type: none"> • About Transurban—see page 3 • Our structure and operations—see pages 5–7 • Our supply chain—see page 8
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	<ul style="list-style-type: none"> • Modern slavery risks—see pages 9, 10
Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	<ul style="list-style-type: none"> • Integrating Sydney's M5 West—see page iii • Our approach—see pages 11–14 • Multi-stakeholder engagement—see page 21 • Measuring effectiveness—see page 17
Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	<ul style="list-style-type: none"> • Measuring effectiveness—see pages 17, 18
Describe the process of consultation with: (i) any entities that the reporting entity owns or controls; and (ii) in the case of a reporting entity covered by a joint statement, the entity giving the statement	<ul style="list-style-type: none"> • Consultation—see page 22 • Approval—see page 22
Include any other information that the reporting entity, or the entity giving the statement, considers relevant	<ul style="list-style-type: none"> • Our broader sustainability efforts—see page iii • Multi-stakeholder engagement—see page 21

