



# NRW HOLDINGS PTY LTD MODERN SLAVERY STATEMENT

UNDER THE MODERN SLAVERY ACT 2018 (CTH)

## OUR COMMITMENT & GUIDING PRINCIPLES

As a leading contractor within the Australian resources and construction industries, NRW Holdings Limited (**NRW**) acknowledges that with the industry benefits generated by globalisation comes an inherent responsibility to act ethically and responsibly.

The NRW Group seeks to integrate respect for human rights into the way we operate to continuously improve our business and the way we deliver work.

We are committed to improving our understanding of modern slavery risks in our operations and supply chains. We are also committed to raising awareness of the issue throughout our operations and supply chains and thereby support efforts to combat it by tracing, monitoring and addressing the risk of modern slavery practices.

The 'risks of modern slavery practices' means the potential for an entity to cause, contribute to, or be directly linked to modern slavery through its operations and supply chains – in other words the risks that an entity may be involved in modern slavery:

- Risks that an entity may **cause** modern slavery practices: This means the risks that an entity's operations may directly result in modern slavery practices;
- Risks that an entity may **contribute** to modern slavery practices: This means the risks that an entity's operations and/or actions in its supply chains may contribute to modern slavery. This includes acts or omissions that may facilitate or incentivise modern slavery; and
- Risks that an entity may be **directly linked to** modern slavery practices: This means the risks that an entity's operations, products or services (including financial products and services) may be connected to modern slavery through the activities of another entity which an entity has a business relationship with. An entity's business relationships include all of the entities in its supply chain, including entities it does not have a direct contractual relationship with.

## JOINT STATEMENT

This joint statement (**Statement**) outlines the steps the NRW Group has taken to trace, monitor and address modern slavery risks in our operations and supply chains.

This Statement covers the financial year ending 30 June 2020 (**FY20**) and was prepared having regard to the requirements of the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**) and to the 'Commonwealth Modern Slavery Act 2018 – Guidance for Reporting Entities' as well as the Australian Border Force's 'Modern Slavery Act: Information for reporting entities about the impacts of COVID-19'.

In this Statement, references to "we", "our", "us", "NRW" and "the Group" are to NRW Holdings Limited and its wholly-owned subsidiaries and references to a "year" or "FY" are to an Australian financial year, unless otherwise stated or required by the context.

This Statement was approved by NRW's Board of Directors on 9 December 2020. It will be available on NRW's website until the publication of our next modern slavery statement.



## OUR GROUP



### STRUCTURE

NRW Holdings Limited ACN 118 300 217 (**NRW Holdings**) is an entity incorporated in Western Australia, with its registered office at 181 Great Eastern Highway, Belmont WA 6104, and is listed on the Australian Securities Exchange. The NRW Group consists of a group of companies, each operating as a separate legal entity.

The NRW Group's active trading entities include:

Entity	ACN	Registered office address
<b>NRW Pty Ltd atf the NRW Unit Trust</b> (trading as NRW Civil & Mining)	067 272 119	152-158 St Georges Terrace, PERTH WA 6000
<b>NRW Contracting Pty Ltd</b>	008 766 407	181 Great Eastern Highway, BELMONT WA 6104
<b>Action Drill and Blast Pty Ltd</b>	144 682 413	152-158 St Georges Terrace, PERTH WA 6000
<b>Actionblast Pty Ltd</b> (trading as AES Equipment Solutions)	058 473 331	152-158 St Georges Terrace, PERTH WA 6000
<b>DIAB Engineering Pty Ltd</b>	611 036 689	181 Great Eastern Highway, BELMONT WA 6104
<b>Golding Contractors Pty Ltd</b>	009 734 794	Level 2, 40 McDougall Street, MILTON QLD 4064
<b>RCR Heat Treatment Pty Ltd</b>	631 155 032	152-158 St Georges Terrace, PERTH WA 6000
<b>RCR Mining Technologies Pty Ltd</b>	107 724 274	152-158 St Georges Terrace, PERTH WA 6000

These entities are wholly-owned subsidiaries of NRW Holdings (either directly or indirectly), and are incorporated in Australia.

NRW Holdings, NRW Pty Ltd, NRW Contracting Pty Ltd, Action Drill and Blast Pty Ltd, Golding Contractors Pty Ltd and RCR Mining Technologies Pty Ltd are reporting entities for the purposes of the Modern Slavery Act.

# OUR GROUP CONTINUED

## OPERATIONS



Our business is broadly comprised of civil, mining, drill & blast and mining and energy technologies operations. We provide diversified services to the mining, energy, civil infrastructure, utilities, property, urban development and transport sectors. These services are delivered by NRW Holdings' wholly-owned subsidiaries.

More specifically:

- our civil services include bulk earthworks and infrastructure development including roads, rail embankments, bridges, wharves and dams;
- our urban services (a subset of our civil offerings) include earthworks, drainage and the development of roads and water infrastructure at residential, industrial and commercial property developments;
- our mining services include mine planning and development, topsoil removal, excavator/truck and dragline waste removal, extraction and recovery of coal and ore, load and haul, processing, stockpiling and rehabilitation. They also include our equipment solution manufacturing and maintenance services such as mechanical and electrical repairs, WA quarantine cleaning services, sandblast and paint, boilermaker services, emergency field service and long-term maintenance solutions, asset refurbishment and manufacturing of specialised and custom-designed water trucks and service support vehicles;
- our drill & blast services specialise in all aspects of production drilling, blasting, explosive supply and management across a range of commodities including iron ore, gold, coal and lithium;
- our mining and energy technologies services include design for materials handling and processing equipment manufacture and turnkey delivery across all minerals from coal, iron ore, gold and mineral sands to diamond recovery;
- our heat treatment services include stress relieving, normalising, annealing & solutionising, carburising & controlled atmosphere hardening, induction hardening, water quenching, ageing & tempering, cryogenic heat treatment and NATA accredited testing; and
- our engineering services such as industrial maintenance and fabrication services to the mining industry.

At the end of FY20, the Group had a total workforce of approximately 7,000 (including approximately 4,400 employees).

We operate in Australia, mainly in the states of Western Australia, Queensland, New South Wales, South Australia, Victoria and Northern Territory.

We have a subsidiary incorporated in Guinea, West Africa and a subsidiary incorporated in Papua New Guinea. Both are inactive legacy entities.

In FY20, we achieved an annual consolidated revenue of approximately \$2 billion.

## OUR GROUP CONTINUED

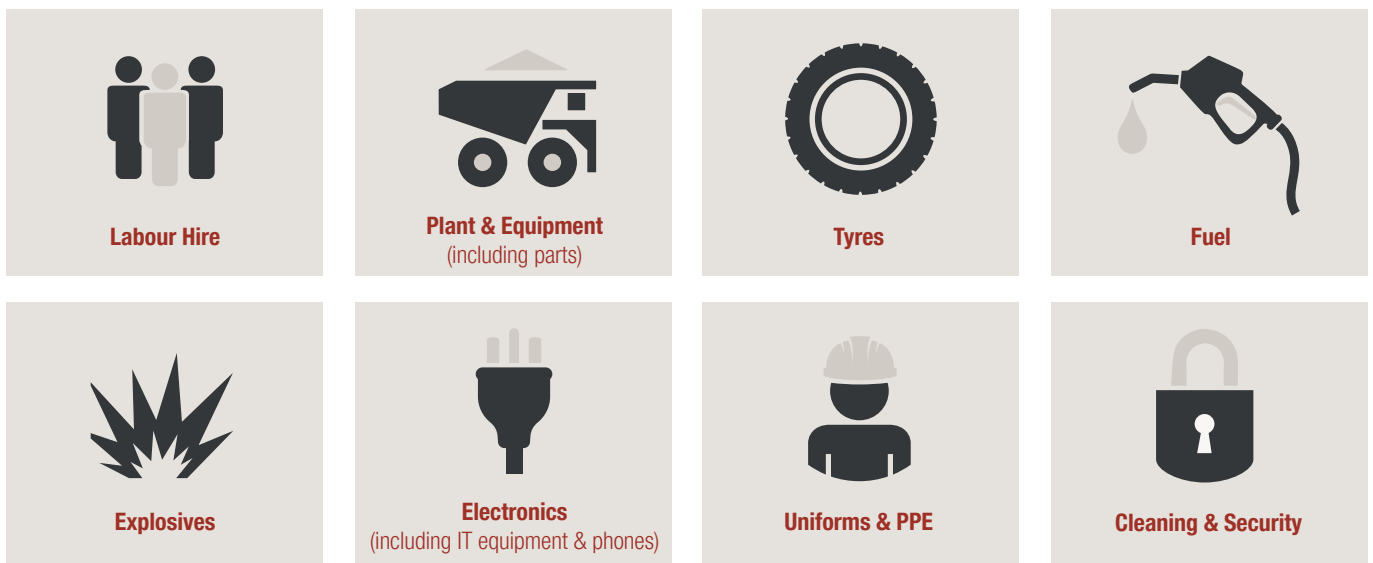
### SUPPLY CHAINS

The Group has diverse supply chains involving a large number of entities. Set out below are examples of the extent of our supply chains.

- NRW Civil & Mining, NRW Contracting and Golding's supply chains include primarily labour hire, plant and equipment (including parts), concrete, quarry, asphalt, fuel, OTR tyres and steel reinforcement.
- Action Drill & Blast's supply chains include primarily drill rigs and associated drill bits, steel rods, bulk explosives, detonators and accessories.
- RCR Mining Technologies' supply chains include primarily fabricated steel, apron feeder, conveyor components and ground engaging tools.
- RCR Heat Treatment's supply chains include primarily gas for furnace workshops, nitrogen gas for material hardening process and equipment hire.
- DIAB Engineering's supply chains include primarily plant, equipment, tools, conveyors and scaffolding.
- AES Equipment Solutions' supply chains include primarily service and water truck fabricated bodies and associated components, industrial plant and sand for sandblasting.

The Group's supply chains also include professional services (auditors, consultancy and finance providers), transportation and logistics, building leasing, building maintenance, cleaning services, uniforms and personal protective equipment, catering and goods usually purchased for offices (e.g. IT equipment, stationery, milk, coffee and tea).

In FY20 the Group directly engaged approximately 4,100 suppliers (**Tier 1**), with a total spend of more than \$1.066 billion across a range of categories below.



Most of our total procurement spend on Tier 1 suppliers was paid to Australian-based entities.

Our contractual arrangements with suppliers vary. We have one-off transactional purchase orders governed by our standard terms, project-specific supply agreements and long-term master agreements both at a Group level and for specific entities within the Group.



## RISKS OF MODERN SLAVERY PRACTICES

The potential for modern slavery in our operations is minimal as all our operations during FY20 were based in Australia. According to the Global Slavery Index 2018 (GSI), Australia has a low prevalence of modern slavery and a strong rule of law. The industries we operate in are also heavily regulated.

The potential for modern slavery exists mainly in our supply chains, including through forced labour, child labour and debt bondage.

Based on the GSI, the International Labour Organisation & Walk Free Foundation's Global Estimates of Modern Slavery (2017) and the Modern Slavery Resources (refer to page 6), we identified certain categories of goods and services within our supply chains where there may be potential for modern slavery practices to exist (which we are not aware of, and we have not caused or directly contributed to). These include:

- in Australia, labour hire, transportation services, and cleaning and security services at our project sites and provided in the offices we lease; and
- the goods below which are either procured or include raw material procured from geographies identified as having either one or a combination of the following: a high prevalence of modern slavery under the GSI, high prevalence of migrations flows, widespread poverty, a weak rule of law or poor governance.



Based on GSI ranking to the extent our supply chains extend to Asia it is possible they may be particularly susceptible to the risk of modern slavery practices. These supply chains are complex and visibility beyond our Tier 1 suppliers is a challenge.

## ACTIONS TAKEN DURING FY20 TO ASSESS & ADDRESS MODERN SLAVERY RISKS

### WORKING GROUP

In FY20, we convened a modern slavery working group to:

- assist the Group meet its modern slavery reporting obligations;
- help the Group identify (and to the extent reasonable possibly, minimise or avoid) modern slavery risks in the Group's supply chains; and
- raise awareness within the Group and suppliers regarding the issue of modern slavery.

The working group members are from a multi-disciplinary background and there are members who are part of the senior leadership or are involved in the operations and supply chains of Group entities.

Members of the working group completed tailored training offered by external lawyers, and where possible, have attended other continuous professional development seminars on modern slavery during FY20, which are described on the following page.

# ACTIONS TAKEN DURING FY20 TO ASSESS & ADDRESS MODERN SLAVERY RISKS CONTINUED

## GAP ANALYSIS & ACTION PLAN

During FY20, NRW completed an initial internal gap analysis which provided insight into its governance maturity in respect of modern slavery and human rights more broadly. Throughout this process, NRW also identified gaps and opportunities to improve its management of the risk of modern slavery practices.

Based on this analysis, we developed a plan of actions for FY20 and aspirational actions commencing FY21. The development of the plan was informed by several Modern Slavery Resources (**Modern Slavery Resources**) including:

- the UN Guiding Principles, recognised as the global standard for preventing and addressing business-related human rights harm;
- the ‘Human Rights Due Diligence Framework’, produced by the Ethical Trading Initiative;
- the ‘Investor Toolkit: Human Rights with a Focus on Supply Chains’, produced by the Responsible Investment Association Australasia;
- the ‘Modern Slavery Risks, Rights & Responsibilities: A Guide for Companies and Investors’, commissioned by the Australian Council of Superannuation Investors;
- the ‘Toolkit on Modern Slavery – What Business Needs to Know’, produced by the Walk Free Foundation (now Minderoo Foundation) and the University of Nottingham; and
- material provided by the Supply Chain Sustainability School of Australia.

The plan served as an internal guidance document for the working group as NRW strives to enhance its monitoring and management of potential modern slavery risks that may affect its supply chain.

## POLICIES ON MODERN SLAVERY

NRW Holdings’ *Code of Conduct* reflects our respect for human rights and ethics in dealing with all of our stakeholders and our commitment to complying with all applicable laws. We updated the Code of Conduct to include an express commitment regarding the Modern Slavery Act. The Code of Conduct applies to our subsidiaries.

## TRAINING

To ensure a high level of understanding of the risks of modern slavery in our operations and our supply chains, we organised tailored training by external lawyers for key personnel in the following departments on behalf of the Group.



We also developed a basic training module which can be used to familiarise our employees with the issue of modern slavery globally and in Australia, and why it is relevant to our business. We commenced the basic training program in FY20.



## **ACTIONS TAKEN DURING FY20 TO ASSESS & ADDRESS MODERN SLAVERY RISKS CONTINUED**

### **EMPLOYMENT & OPERATIONAL PRACTICES**

We have well established recruitment processes and practices which continue to uphold ethical and non-discriminatory engagement of potential employees. Such processes include the requirement for all potential employees to possess and demonstrate their right to work lawfully in Australia. Where required, international recruitment is supported by external registered migration agents.

In accordance with best practice, we have written contracts in plain English for our employees. All employees receive pay slips that clearly outline any deductions that are made (i.e. tax and salary sacrifices).

On our project sites, hours worked are monitored. Where we provide accommodation, it is safe and meets industry standards.

### **SUPPLY CHAIN DUE DILIGENCE FOR MODERN SLAVERY RISKS**

As part of our initiative to identify modern slavery and mitigate associated risks in our supply chains, we have undertaken the actions below in respect of most of the Group's trading entities.

#### *Risk matrix*

We developed a methodology for due diligence into our supply chains, including a basic supplier risk assessment matrix.

The matrix is based on international and domestic guidelines and indexes and serves as a desktop analysis tool to rate suppliers against four risks: geographic risk, sector and industry risk, goods and services risk and supplier risk.

This matrix was made available to the Group's trading entities to assist the identification of suppliers at a higher risk of contributing to or being directly linked to modern slavery practices.

In FY20 each of our trading entities undertook a due diligence of its top 20 suppliers by invoiced amount during a set period. While lower spend suppliers may also present modern slavery risks, we have not focused on them in this first reporting year.

#### *Supplier questionnaire*

We also developed a questionnaire for suppliers. It asks suppliers about their corporate policies, the location of their businesses and operations (including if they are present in geographies that are considered extreme risk for modern slavery), their supply chains, how they identify and address the risks of modern slavery in their operations and supply chains and what grievance mechanisms they have in place.

The questionnaire is a key component of our modern slavery due diligence into our supply chains. It was distributed to the suppliers we identified as higher risk based on the application of the risk matrix and to the majority of our labour hire providers. We chose to distribute the questionnaire to labour hire providers regardless of expenditure because, based on the report '*Hidden in Plain Sight: An inquiry into Establishing a Modern Slavery Act in Australia*' by the Joint Standing Committee on Foreign Affairs, Defence and Trade, labour hire in Australia is considered a high risk sector.

We plan to assess the responses to the questionnaire in FY21. Based on our assessment, we will seek to develop a plan to engage with and/or monitor, any immediately identified concerns with any of the suppliers.

#### *Distribution of educational resources*

To assist in the education of our supply chains, we distributed the following material together with the questionnaire:

- Department of Home Affairs - Fact Sheet on Modern Slavery Reporting Requirements; and
- Walk Free Foundation (now Minderoo Foundation) and University of Nottingham - Toolkit on Modern Slavery: What Business Needs to Know.



## **ACTIONS TAKEN DURING FY20 TO ASSESS & ADDRESS MODERN SLAVERY RISKS CONTINUED**

### *Prequalification and supply terms*

We updated the prequalification documents we require for new suppliers for most of the Group's trading entities. The revised documents include questions to understand suppliers' past performance, policies and procedures they have in place, and the suppliers' agreement to comply with modern slavery laws and our policies and procedures and to notify us of any event of actual or suspected breach of modern slavery laws. These documents will be adopted in FY21.

We also updated our template contracts (including our purchase order terms) to include provisions containing requirements regarding compliance with modern slavery and anti-bribery and corruption laws. While the provision varies slightly between the Group entities, in general we opted not to include automatic termination rights for failure to comply with the modern slavery requirements as we believe that assisting, working with and continuing to monitor such suppliers is the appropriate way to reduce modern slavery practices.

Where existing contracts were varied during FY20, we endeavoured to amend them when possible to include these provisions.

## **GRIEVANCE MECHANISMS & SYSTEMS**

We have in place systems to protect whistleblowers. In FY20, we adopted a new Whistleblowing Policy and set up an external whistleblower service with YourCall. YourCall reporting options include:

- a hotline from 9am to midnight Monday to Friday (AEST), except national public holidays - the hotline uses a 1300 number that is free of charge and calls are taken by trained officers; and
- an online portal (available 24/7, 365 days of the year).

These options combined ensure the system is accessible and enable reports to be made outside working hours.

Reports may be made anonymously by employees and stakeholders, including suppliers.

Our Whistleblowing Policy, including details of the YourCall service, is publicly available online.

We anticipate the way we respond to modern slavery risks and/or to instances of modern slavery will depend on several factors, including the severity of the risks (i.e. those that would cause the greatest harm to people); whether we caused, contributed to or are directly linked to the risk or the occurrence; and our leverage with other entities involved.

## **EFFECTIVENESS IN COMBATING SLAVERY**

FY20 was the Group's first reporting year under the Modern Slavery Act. Our focus was on understanding our obligations under the Modern Slavery Act, and mapping and undertaking a preliminary assessment of our operations and supply chains for potential modern slavery risks.

In the following years, we intend to review the effectiveness of the steps we have taken in FY20 to map our supply chains and train our staff with the ultimate goal of mitigating the risk of modern slavery in our supply chains.



## PROCESS OF CONSULTATION WITH GROUP ENTITIES

In developing the action plan and preparing this Statement, we consulted with our wholly-owned subsidiaries. The consultation was done primarily through members of the working group whose shared services roles include certain responsibilities with respect to the wholly-owned subsidiaries. The Executive General Manager of each wholly-owned subsidiary reviewed this Statement to the extent of their operations and supply chains.

## OTHER RELEVANT INFORMATION

### MODERN SLAVERY RISKS DURING THE COVID-19 PANDEMIC

The COVID-19 pandemic disrupted our operations and supply chains. In particular, the pandemic increased the financial pressure on businesses, including the businesses of our suppliers. To alleviate this pressure and to mitigate risks related to modern slavery practices, where possible, we worked collaboratively with suppliers who requested assistance to address cashflow challenges they faced. During the COVID-19 pandemic we also avoided asking suppliers for additional discounts.

### EVENTS & CIRCUMSTANCES IMPACTING OUR EFFORTS

Despite our best endeavours, the following impacted the execution of our action plan for FY20:

- the COVID-19 pandemic which required significant attention from our corporate resources to ensure the safety of our people and the continuity of our operations; and
- the integration of the DIAB Engineering and BGC Contracting business into the Group's operations, following their acquisition by NRW Holdings.

### NEXT STEPS

Priorities for FY21 include:

- complete roll out of basic modern slavery training for all Group entities;
- develop and roll out specific training for employees involved with procurement activities;
- assess higher risk suppliers' responses to the questionnaire distributed in FY20 and, based on their responses, engage with suppliers as needed to better understand their operations and supply chains;
- extend the application of the supplier questionnaire to other goods and services deemed higher risk for modern slavery, regardless of spend (i.e. uniforms, PPE, cleaning and security); and
- investigate options for the supply of Fair Trade (or equivalent) milk, coffee and tea for our offices and project sites.

This modern slavery statement is made on behalf of the Group for the financial year ending 30 June 2020.

This Statement was approved by NRW Holdings Limited's Board of Directors on 9 December 2020.



**Jules Pemberton**  
CEO & Managing Director, NRW Holdings

Date: 18 March 2021

