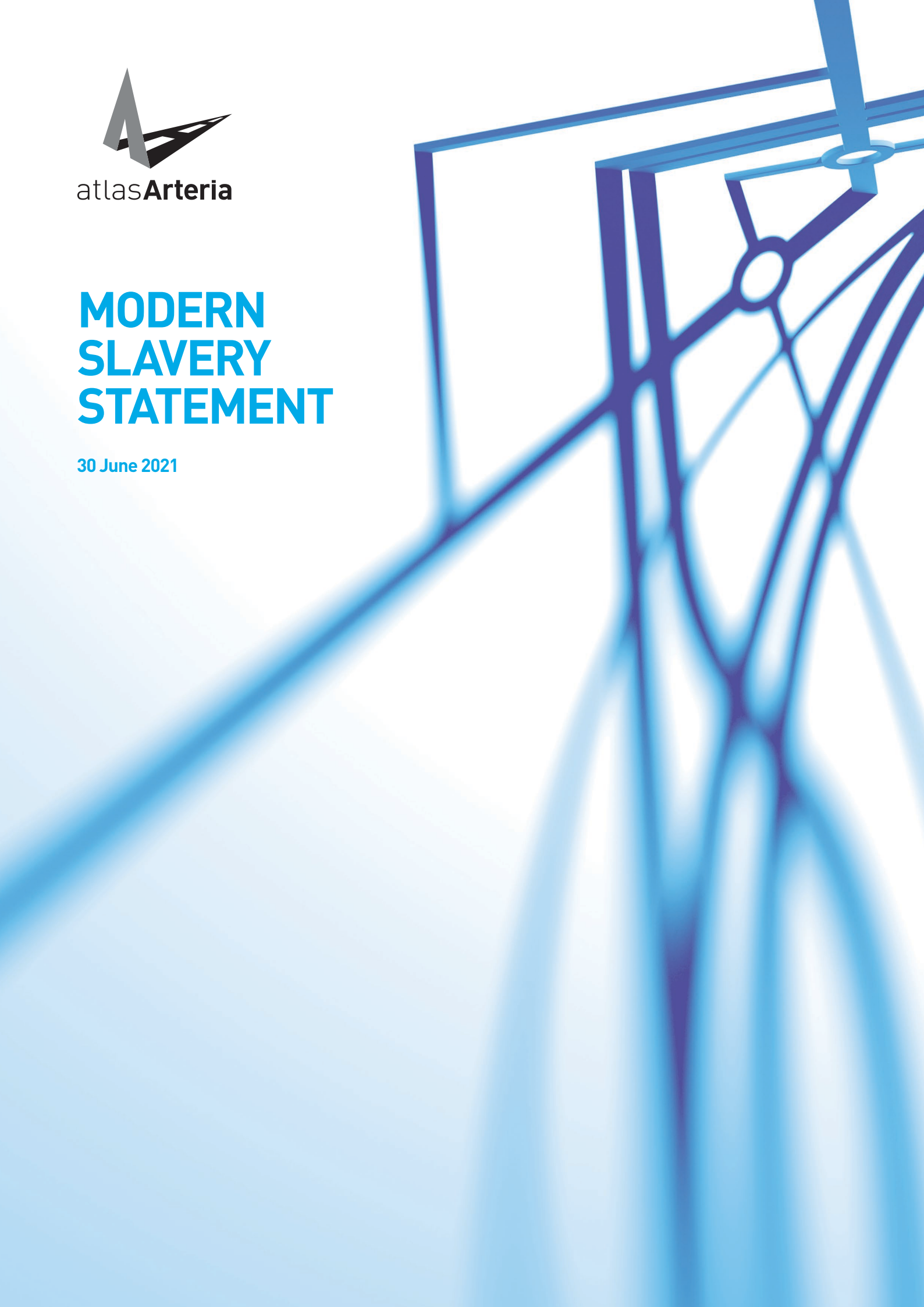




atlas**Arteria**

# MODERN SLAVERY STATEMENT

30 June 2021



AT ATLAS ARTERIA, WE LIVE BY OUR VISION AND VALUES. OUR VALUES GUIDE THE DECISIONS WE MAKE AND THE WAY WE BEHAVE AS WE WORK TOGETHER TOWARDS OUR VISION. TO US, GREAT PERFORMANCE IS AS MUCH ABOUT THE WAY WE GET THERE AS IT IS ABOUT THE RESULT.



#### **SAFETY IS AT OUR HEART**

We are always focused on delivering safe outcomes for our employees, contractors, customers and visitors to our offices and roads; because nothing is so important that we cannot take the time to do it safely.



#### **TRANSPARENCY IN ALL WE DO**

We are honest about what we do and how we do it. We are accountable for our actions. If we make a mistake, we will be open about it, learn and improve from it.



#### **ENGAGE FOR BETTER OUTCOMES**

We engage with one another and our stakeholders with a spirit of curiosity and with a learning mindset. We seek to understand people's needs so we can deliver better outcomes. We are open and adaptable to change and committed to continuous improvement.



#### **ENVIRONMENTALLY AND SOCIALLY RESPONSIBLE**

We care for our communities and the environment. We are committed to enhancing our communities and are proactive in reducing environmental impacts by embedding responsible and sustainable business practices.



#### **RESPECT IN EVERY INTERACTION**

We are respectful of everyone in every situation. We celebrate diversity. We know that a culture of inclusion and diversity breeds success. We respect the rules and the spirit of the law and will always act ethically, lawfully and responsibly.



# ATLAS ARTERIA: POSITION ON MODERN SLAVERY

The Modern Slavery Act 2018 (Cth) (the “Act”) defines “modern slavery” as including: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and the worst forms of child labour. We strongly support the principles that the Act embodies. While Atlas Arteria is not a reporting entity within the meaning of the Act, this statement sets out the steps Atlas Arteria has taken and the work it will continue to do, to ensure that its business does not inadvertently support, nor contribute to, modern slavery.

## Who is “Atlas Arteria”

Atlas Arteria is a global owner, operator and developer of toll roads. Our vision is to benefit the communities in which we operate through reduced travel time, greater time certainty, reduced fuel consumption and carbon emissions and to provide an enjoyable travel experience.

Today the Atlas Arteria Group consists of four businesses. We currently own a 31.14% interest in the APRR toll road group in France. Adjacent to the APRR business is the smaller ADELAC business which connects to APRR in south-east France. Together APRR and ADELAC comprise a 2,318km motorway network located in the east and south east of France. In the US, we have 100% of the economic interest in the Dulles Greenway, a 22km toll road in the Commonwealth of Virginia. In Germany, we own 100% of the Warnow Tunnel in the north-east city of Rostock. We also have corporate offices in Australia, Luxembourg, the United States and Bermuda.

As at 30 June 2021, Atlas Arteria employed 44 people as direct employees or contractors in its global corporate offices. A further 38 people were employed directly at the Warnow Tunnel and 14 people were employed directly and 24 as contractors through a labour hire supplier at the Dulles Greenway.

Further information about Atlas Arteria and its underlying businesses can be found at [atlasarteria.com](https://atlasarteria.com).



# OUR OPERATIONS AND SUPPLY CHAINS

Atlas Arteria oversees its businesses and manages its investments in non-controlled businesses through its corporate offices. Its operations at the Warnow Tunnel and the Dulles Greenway are conducted by local management teams.

A range of typical activities at Atlas Arteria, Dulles Greenway and Warnow Tunnel and the types of goods and services it acquires, include those outlined in the table below.

	Operations	Supply Chains
<b>Corporate Offices</b>	<ul style="list-style-type: none"> <li>– Finance</li> <li>– Accounting</li> <li>– Legal</li> <li>– Human Resources</li> <li>– Operations</li> <li>– Business Development</li> <li>– Traffic Forecast</li> <li>– Risk Management</li> <li>– Investor Relations</li> <li>– Communications</li> </ul>	<ul style="list-style-type: none"> <li>– Professional advisers and consultants (lawyers, accountants investment banks)</li> <li>– Finance and insurance providers (banks, insurers)</li> <li>– Technical consultants (traffic, construction)</li> <li>– Technology Services (hardware, software and cloud services)</li> <li>– Office suppliers</li> <li>– Office consumables</li> <li>– Cleaning services</li> <li>– Staffing agencies</li> <li>– Travel providers</li> <li>– Energy providers</li> </ul>
<b>Warnow Tunnel</b>	<ul style="list-style-type: none"> <li>– Road and structures repair</li> <li>– Construction</li> <li>– Maintenance services</li> <li>– Toll collection and Traffic monitoring support</li> <li>– Electronic tolling services</li> <li>– Local management, including accounting, business oversight etc.</li> <li>– Community engagement</li> </ul>	<ul style="list-style-type: none"> <li>– Technology Services (maintenance of the toll system, programming, support)</li> <li>– Professional advisers and consultants (lawyers, accountants, communication consultants)</li> <li>– Finance and insurance providers</li> <li>– Utilities, including energy</li> <li>– Maintenance and operations services</li> <li>– Cleaning services</li> <li>– Labour hire</li> </ul>
<b>Dulles Greenway</b>	<ul style="list-style-type: none"> <li>– Road and structures repair</li> <li>– Construction</li> <li>– Maintenance services</li> <li>– Toll collection and Traffic monitoring support</li> <li>– Electronic tolling services</li> <li>– Debt recovery services</li> <li>– Local management, including accounting, business oversight etc.</li> <li>– Community engagement</li> </ul>	<ul style="list-style-type: none"> <li>– Technology Services (maintenance of the toll system, programming, support)</li> <li>– Professional advisers and consultants (lawyers, accountants, communication consultants)</li> <li>– Finance and insurance providers</li> <li>– Utilities, including energy</li> <li>– Construction service providers</li> <li>– Road signs and equipment retailers</li> <li>– Landscapers</li> <li>– Office supplier</li> <li>– Labour hire for maintenance and operations services</li> <li>– Cleaning services</li> </ul>

Generally Atlas Arteria's supply chains are short, consisting largely of goods and services acquired locally within the country of operation or from large multinational professional services firms.

While Atlas Arteria has a strategic, non-controlling interest in APRR (including ADELAC), it maintains a close working relationship with Eiffage S.A. and appoints Board representatives to relevant operating entities, who promote and support the implementation of good governance practices (see above and [APRR \(atlasarteria.com\)](https://atlasarteria.com/); [ADELAC \(atlasarteria.com\)](https://atlasarteria.com/) for further detail).

Eiffage S.A., the majority shareholder of these businesses, is listed on the French stock exchange. Eiffage S.A., together with its subsidiaries (including APRR and ADELAC) are subject to reporting requirements under robust French laws, concerning a range of environmental, social and governance requirements, including human rights, fundamental freedoms, health and safety. The relevant law requires that corporate groups headquartered in France, with more than 5,000 employees, report on a "whole of group" basis. Eiffage S.A. is required to establish mechanisms to prevent human rights violations (including modern slavery) in their own operations and supply chains and report on these each year. That report, the "Plan de vigilance" includes information flowing from APRR and ADELAC.



# MODERN SLAVERY: RISKS ASSESSMENT

## Our Operations

Atlas Arteria continues to develop its risk management framework, as detailed in our recent Annual Report. Governance risks, including risk of modern slavery, are noted and tracked and we are working to ensure that our governance processes (including regulatory compliance), align with the principles set out in the framework.

From July 2019, we have developed and implemented a program for assessing, managing and mitigating our modern slavery risk. We have followed the approach suggested by the Guidance for Reporting Entities issued by the Australian Federal Government in conjunction with the Act.

Atlas Arteria assesses the risk of modern slavery within its business as low, on the basis that:

- its operations are conducted in countries where robust systems of well observed laws protect employees' rights and set minimum standards for wages, health and safety, working hours and leave;
- our Vision and Values are strongly ingrained in our on-boarding, ongoing training and key messaging to employees, including via our [Code of Conduct](#). Our employees are encouraged to speak up about matters they consider may be at odds with our values; and
- our teams are small and our people leaders are easily accessible. Our employees have ample opportunity to speak up, via direct conversation with their managers, colleagues or through our whistleblower service (see our [Whistleblowing Policy](#) for further information).

To verify this assessment, in 2020 we undertook a review of our direct hiring practices throughout our business. No issues were noted.

In light of the low risk of modern slavery in our operations, we have focused our risk assessment efforts on Atlas Arteria's supply chains.

## Our Supply Chains

We have conducted a detailed assessment of suppliers to Atlas Arteria with annual spend in excess of A\$10,000. A supplier's modern slavery risk was assessed on a combination of contributing factors, including industry, product offering and geographic risk. Through this process each supplier was given a high, medium or low "risk rating".

The majority of our suppliers were ranked low (reflecting our relatively short supply chains). A small number of our suppliers were identified as being of medium or high risk, primarily as a result of either the industry or broader international locations in which they operate. Further "desktop" due diligence is being performed on each supplier ranked "medium" or "high", including a review of publicly available information concerning its approach to modern slavery, its human rights practices and its reputation. In instances where we are still not satisfied, we request the supplier to complete a detailed questionnaire on their policies and processes, with supporting evidence for their answers (this process is currently underway). Where we are unable to achieve a satisfactory level of assurance that a supplier's approach to modern slavery is aligned with our own, we intend to terminate the arrangement or for example, where there is only a short period of time before contract expiry, allow the expiry of the arrangements with that supplier.

Atlas Arteria's suppliers include some labour hire organisations, largely to supply toll booth operational staff at the Dulles Greenway (these staff are directly employed at Warnow Tunnel). Given the inherently elevated risk associated with using a third-party labour supplier for low or unskilled labour, we have taken additional steps to ensure that their approach to employment, compliance with minimum condition and wages laws, discrimination, child labour, forced labour and other human rights issues is aligned with our requirements. This has involved issuing our labour hire suppliers with a detailed questionnaire and/or stepping them through it, to ascertain their hiring and employment practices and the measures they are taking to prevent modern slavery in their businesses. While this process is ongoing, no issues have been noted to date.

Our work to date has focussed on our own operations and direct suppliers to Atlas Arteria. We have not taken the further step of investigating our suppliers' supply chains, however we do undertake due diligence on all new suppliers, to satisfy ourselves that our suppliers take adequate measures in relation to preventing modern slavery in their supply chains.

# MODERN SLAVERY MITIGATION AND PREVENTION: OUR FRAMEWORK

Atlas Arteria has developed a framework to address modern slavery and human rights risks in our business and supply chains. This framework is founded on a robust set of policies and procedures that embodies our [Vision and Values](#) and underpins the way we operate as a firm and as individuals. It includes training specific to modern slavery risks for all employees and more generally on their obligation to conduct themselves in an ethical manner, due diligence requirements for new suppliers and in relation to proposed new investments. It is supported by our independently managed whistleblowing service, risk governance reviews and monitored through reporting to the Boards, and to our investors, via our [Corporate Governance Statement 2020](#).

## Policy Framework

Policies relevant to our framework for preventing modern slavery include our:

- [Code of Conduct](#) setting out the high levels of personal and professional conduct we expect from our staff and directors in the discharge of their duties for Atlas Arteria;
- [Diversity and Inclusion Policy](#), detailing our commitment to having a workplace culture where everybody feels respected and safe;
- [Supplier Code of Conduct](#) describing the standards to which we hold ourselves accountable and to which we expect all our suppliers to adhere;
- [Environmental and Social Responsibility Policy](#) expressing the importance of maintaining responsible and sustainable business practices, including in relation to social issues (such as Modern Slavery) and using them to guide our investment in future businesses.
- [Workplace Health and Safety Policy](#) sets out the requirements for identifying and managing workplace health and safety risks; and
- [Whistleblower Policy](#) detailing the circumstances and the process for reporting misconduct, together with contact details and information on the protections we offer whistleblowers and our investigations processes.

## Training Programs

The first tranche of our “Atlas Foundations” training program was rolled out in 2020 to all corporate office employees and contractors. This included detailed training on the requirements of our employee Code of Conduct and modern slavery (including where it may typically exist and how it can be identified in organisations and supply chains). Our objective is to ensure that all employees and contractors understand what modern slavery is and can “call it out” if they see any circumstances which indicate that modern slavery may be occurring. New corporate office employees and contractors are required to complete these modules within 100 days of their start date with Atlas Arteria.

Training on our whistleblower framework is included in our second tranche of Atlas Foundations training, targeting completion by the end of August 2021. These or similar training programs will be extended to employees at our operations at Warnow Tunnel and the Dulles Greenway during 2021/2022.

## Due Diligence

We now require that due diligence be performed in respect of all new suppliers to Atlas Arteria corporate offices (with spend in excess of A\$10,000 p.a.), prior to contracts with them being executed. This focusses on publicly available information and is designed to flag any reputational/historical issues on topics such as corruption, bribery, sanctions, overt political connections, major litigation and modern slavery. In addition, we use the same modern slavery risk rating tool referred to above, to allocate each new supplier a modern slavery risk rating. Where they rate medium or high and we are not able to satisfy ourselves that the supplier takes adequate steps to prevent and mitigate the risk of modern slavery, we may take a range of actions from the inclusion of specific contractual clauses to address modern slavery risk, to disqualification from our selection process. This process will be extended to our operations at Warnow Tunnel and the Dulles Greenway during 2021/2022.

Our investment screening process now includes due diligence on the target’s modern slavery risk exposure and its historical performance as regards a range of governance issues, including modern slavery.

## Supplier Code of Conduct

The requirement to comply with our [Supplier Code of Conduct](#), together with termination rights in the event of a breach, is progressively being included in all new and renewed contracts we enter with our suppliers. It requires that our suppliers adhere to our values in areas such as:

- Social: health and safety, human rights, child labour, forced labour, working hours, fair payment and non-discrimination;
- Ethical: anti-bribery and corruption, fraud, tax evasion and compliance with laws; and
- Environmental: sustainable sourcing of materials, reduction of waste, carbon emissions and natural resource consumption.

Our Supplier Code of Conduct is published on our corporate website and that of the Dulles Greenway. The website for Warnow Tunnel, which is currently being rebuilt, will include this shortly. In addition to requiring that our suppliers comply, our Supplier Code of Conduct provides information on our whistleblower service and encourages reporting of any breaches of the Supplier Code of Conduct or other policies.

Where we consider that a potential supplier presents an elevated risk of modern slavery, we will include further contractual clauses in our arrangements, including audit and termination rights, or, if we consider that the risk is not manageable, we will not proceed.

# MODERN SLAVERY MITIGATION AND PREVENTION: OUR FRAMEWORK

## Human Resources

We will periodically review our human resources practices, to ensure that our human resources staff are aware of all minimum wage, conditions and diversity and inclusion requirements applicable in the parts of the business in which they operate and that those requirements are being met.

## Remediation Processes

Atlas Arteria relies on its training programs, its whistleblowing processes, its formal employee feedback processes and its practice of open and regular communication between employees and people leaders, to ensure that any instance of modern slavery is identified, reported and appropriately managed.

Our employees are strongly encouraged to report any possible violation of our values or policies and receive training to enable them to identify potential instances of modern slavery. A dedicated, secure, web-based Whistleblower Service called "Speak Up" is available to our employees and suppliers (in a range of relevant local languages) to be able to anonymously raise any concerning behaviour or occurrence. Reports on all matters raised through this service are managed in accordance with our Whistleblower Policy. The Atlas Arteria Audit & Risk Committees are notified of all whistleblower reports, with any material reports being notified immediately.

In addition, each year Atlas Arteria prepares a Sustainability Report. In 2020, we embedded our modern slavery identification and prevention processes. Further, progress in relation to ESG practices at each business is reported to the Atlas Arteria Boards every six months. Major safety, environmental and social incidents are reportable as soon as possible after occurrence, and are notified to the Boards within 24 hours. Any incidents involving the identification of modern slavery within our business or our supply chains will be reported in accordance with our safety reporting practices.

## How Effective are our Systems?

The processes comprising our Modern Slavery Risk Framework were introduced in 2020. Atlas Arteria reviews its risk governance systems, including those relating to Modern Slavery, as a part of its risk practices. Atlas Arteria has adopted the 'Three Lines of Accountability' model to support effective monitoring and oversight of risk across our operations. The first line of the 'Three Lines of Accountability' risk management model is the CEO and staff in each of the corporate functions and underlying businesses. They are charged with identifying, assessing, managing, monitoring and mitigating risks in business processes. The second line of accountability is the risk management and compliance function responsible for, among other things, reviewing and challenging the first line. The third line of accountability is the internal and external audit functions. These roles are further described in the risk management policy that can be found on the Atlas Arteria website.

Ultimate responsibility for Atlas Arteria's risk management framework rests with the Atlas Arteria Boards. The Audit and Risk Committees (ARCs) of the Boards oversee Atlas Arteria's risk management framework and ensure its ongoing effectiveness. The charters for the ARCs are available on the Atlas Arteria website.

In addition, through our continual improvement approach to compliance management, we periodically review our governance processes and seek informal feedback from staff on specific elements of our program, including our training program and our supplier due diligence processes. We will continue to identify opportunities to refine and improve these processes and training in light of this review and feedback activity.

The Modern Slavery Risk Framework is owned by the General Counsel & Company Secretary.

## Consultation with Controlled Entities

The management teams of Warnow Tunnel and the Dulles Greenway have been consulted in the modern slavery risk assessment processes detailed in this statement. This statement has been circulated to the management teams of each of these businesses for comment and input, prior to its publication.

## Next Steps

Atlas Arteria's next steps in embedding this framework will include:

- promoting compliance with and continuing to refine its newly introduced processes (supplier due diligence, investment due diligence); and
- continuing to refine its training program on all relevant policies and to ensure that these or similar training offerings are rolled out within its operating businesses.

## Approval

This statement was approved by the Boards of Atlas Arteria Limited and Atlas Arteria International Limited on 29 June 2021.