

NGR PROJECT COMPANY PTY LTD ON BEHALF OF NGR GROUP

MODERN SLAVERY STATEMENT 2020

1. Introduction

NGR Project Trust has produced this modern slavery statement under the *Modern Slavery Act 2018* (Cth) (the **Act**) for the reporting period 1 July 2019 – 30 June 2020.

This statement covers NGR Project Company (**Project Co**), NGR Project Trust (**Project Trust**), NGR Holding Company Pty Ltd (**Hold Co**) and NGR Hold Trust (together, **Qtectic**), each of which is a reporting entity under the Act.

The purpose of this statement is to outline our approach to ensuring that Qtectic has robust frameworks and processes in place to minimise the risk of modern slavery in our business operations and supply chain.

We recognise that modern slavery can occur in many forms, as considered in the Act. This can include slavery, servitude, human trafficking, forced marriage, forced labour, debt bondage, child labour and deceptive recruiting for labour or services.

Qtectic is fully committed to operating responsibly and establishing and adhering to the highest ethical standards across our business. Qtectic is also committed to understanding and minimising the risk of modern slavery in its operations and supply chain.

2. Our Business

Qtectic is a special purpose entity established to execute the New Generation Rollingstock Project (**NGR Project**) to the State of Queensland acting through the Department of Transport and Main Roads.

The NGR Project is being delivered under a Public Private Partnership (“PPP”) model, and through this contract, the NGR Project consists of the following elements:

- Delivery of 75 new six-car passenger electric trains (Multiple Units)
- a purpose-built maintenance facility at Wulkuraka, Brisbane which includes a maintenance building, administration offices, decanting facilities, signalling yard control and train lifting jacks; and
- three NGR training simulators for train crew

The NGR Project includes a Concession Period for the maintenance of the Multiple Units until January 2046.

In undertaking the NGR Project, Qtectic:

- Subcontracted the design, manufacture, supply, testing and delivery of the Multiple Units and other related equipment (including simulators) to a joint venture between Bombardier Transportation Australia Pty Ltd and IIIQ Pty Ltd (ITOCHU Corporation) (***D&D Subcontractor***);
- Subcontracted the design, construction, fit-out and commissioning of the maintenance facility to the D&D Subcontractor, who in turn subcontracted the design and construction of the maintenance facility to Laing O'Rourke Australia Pty Ltd; and
- Subcontracted the provision of availability & maintenance services to Bombardier Transportation Australia Pty Limited.

Qtectic's role is to execute the NGR Project through the performance of its contractual obligations, which is predominantly achieved through the management of its subcontract relationships.

In performing that role, Qtectic's objectives are:

- To deliver customer satisfaction by ensuring that the quality of the works undertaken by Qtectic and its subcontractors meets or exceeds the requirements of the agreement between Qtectic and the State of Queensland;
- To ensure Qtectic and its subcontractors comply with all relevant legislation and contractual obligations;
- To ensure Qtectic and its subcontractors minimise the environmental impacts associated with their activities, so far as is reasonably practicable; and
- To ensure Qtectic and its subcontractors prevent injury and illness to their employees and any other parties who could be affected by the project activities.

3. Our structure and operations

Qtectic is a special purpose vehicle established specifically to execute the NGR Project. The following entities hold 100% of the equity in NGR Group:

- John Laing Investments (NGR) B.V.;
- IIIQ Pty Ltd (Itochu Corporation); and
- Aberdeen Infrastructure Investments (NGR) Ltd.; and
- Bombardier Transportation Australia Pty Ltd;

An overview of the NGR Group structure is outlined below in Figure 1. An overview of the NGR Project structure is outlined below in Figure 2.

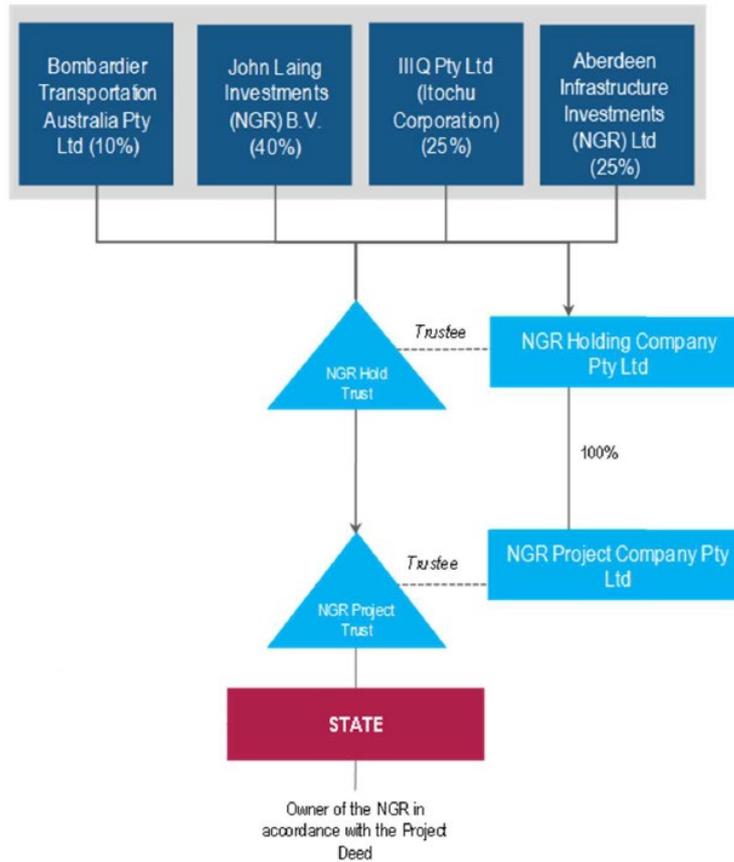


Figure 1 – NGR Group Structure

Project structure

The Project has implemented a standard structure for an availability PPP with active management provided by an experienced Qtectic team

Overview

- Qtectic is a party to the following core Project Documents:
 - Project Deed entered into with the State of Queensland (acting through the Department of Transport and Main Roads) originally dated 20 December 2013, as amended and restated by the Deed of Amendment and Restatement – Project Deed dated 13 December 2019;
 - D&D Subcontract entered into with Bombardier Transportation Australia (BTA) and ITOCHU (as subsequently amended and restated);
 - A&M Subcontract entered into with BTA, (as subsequently amended and restated); and
 - The DSAPT Contract entered into with BTA

Structure

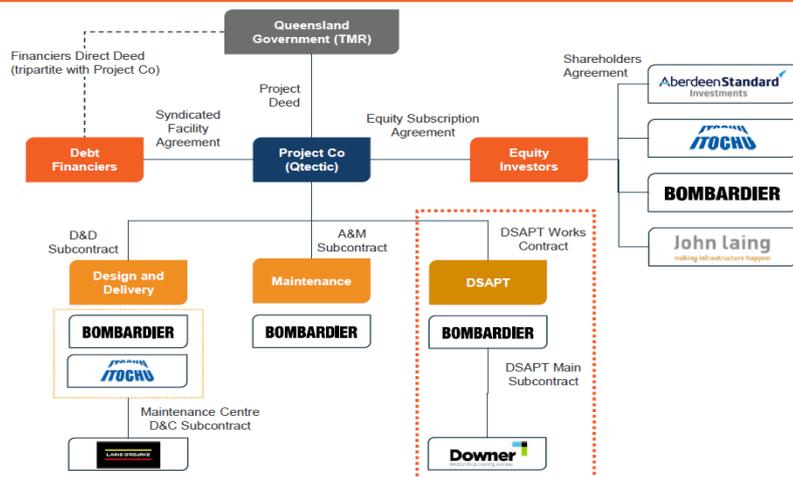


Figure 2 – NGR Project Structure

Qtectic's registered office is in Melbourne, Victoria. Qtectic currently employs 19 people who are all based in Queensland.

The key functions and project activities of Qtectic are outlined below in Figure 3:

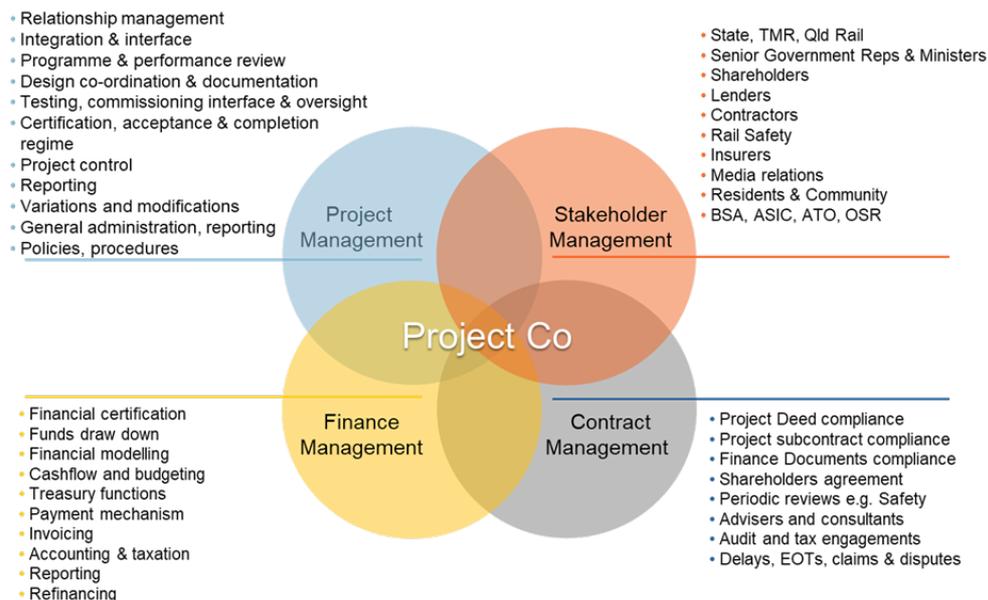


Figure 3 – Key functions and project activities

The NGR Project is delivered by Qtectic in two distinct phases:

Phase 1: Design & Delivery

- Design, manufacture, supply, test, and commission the Initial Fleet of Multiple Units and other related equipment (including Simulators); and
- Design, construct, fit-out and commission of the Wulkuraka Maintenance Facility in Wulkuraka, Queensland.

Phase 2: Availability & Maintenance Services

- Maintenance and overhaul of the Multiple Units and associated equipment at the Wulkuraka Maintenance Facility and making these available to the State;
- Presentation services including daily cleaning, monthly cleaning and rectification of graffiti and vandalism acts; and
- Returning the Multiple Units, equipment, and the Wulkuraka Maintenance Facility in the return condition on termination or expiry of the concession period.

The availability and maintenance services take place in Wulkuraka, Brisbane, Australia.

NGR Project Trust is the only entity which engages with external suppliers.

4. Our Supply Chain

During the reporting period, NGR Group had 5 direct suppliers and 21 indirect suppliers. The direct suppliers provided train manufacturing and rollingstock maintenance services. The indirect suppliers provided a range of goods and services including:

- Depot building
- Simulators
- Train cleaning
- Wheel lathe
- Braking systems
- Interiors
- Doors
- Glazing
- Passenger information
- Train radios
- Pantographs
- HVAC
- Toilets
- Main circuit

The majority of NGR Group's suppliers are located in Australia. A small number of the suppliers are located in India, China, France, and Spain.

5. Modern slavery risk in our operations and supply chains

Qtectic carried out an assessment of the modern slavery risk in its operations and supply chain during the reporting period, in consultation with its external legal advisors (Allens).

5.1 Operations

Qtectic considers that the risk of modern slavery in its operations is very low.

Although Qtectic operates within sectors which are considered to have an elevated risk of modern slavery (i.e., construction, transportation, and cleaning):

- Qtectic's operations are predominantly based in Australia, which has a low prevalence of modern slavery according to the 2018 Global Slavery Index;
- Qtectic's workforce is comprised of permanent employees who are covered under individual contracts and a small number of consultants. These arrangements have a very low risk of modern slavery; and
- Qtectic has policies and procedures in place which are relevant to managing modern slavery risk (see section 6.2 below).

5.2 Supply chain

To assess the modern slavery risk in Qtectic's supply chain, we carried out a risk assessment of Qtectic's primary supplier. NGR Group considers that the risk of modern slavery in the supplier's operations and supply chain is low.

Qtectic identified the following modern slavery risks in respect of the supplier:

- The supplier operates within sectors which are considered to have an elevated risk of modern slavery (i.e., construction, transportation and electronics and electrical products manufacture).
- The supplier produces goods which are considered to be produced with a high risk of modern slavery (i.e., electronics and electrical products).
- The supplier has operations in a small number of countries which have a high prevalence of modern slavery according to the 2018 Global Slavery Index (however the vast majority of countries in which the supplier operates have a low prevalence of modern slavery).

We also considered the modern slavery controls that the supplier has in place (e.g., governance arrangements, policies and commitments, risk management processes, supplier on-boarding practices and whistleblowing mechanisms). Based on publicly available information, the supplier appears to have controls in place that manage modern slavery risk in its operations and supply chain.

Considering the risks identified above and our knowledge of the supplier's modern slavery controls, we consider that the supplier has a low risk of modern slavery overall. In future years, we will work with the supplier to better understand its modern slavery risks and the effectiveness of its controls.

Our supply chain risk assessment was limited to our primary supplier for this reporting period. In future years, Qtectic intends to expand this approach by carrying out risk assessments for additional suppliers (including low risk direct suppliers and high-risk indirect suppliers).

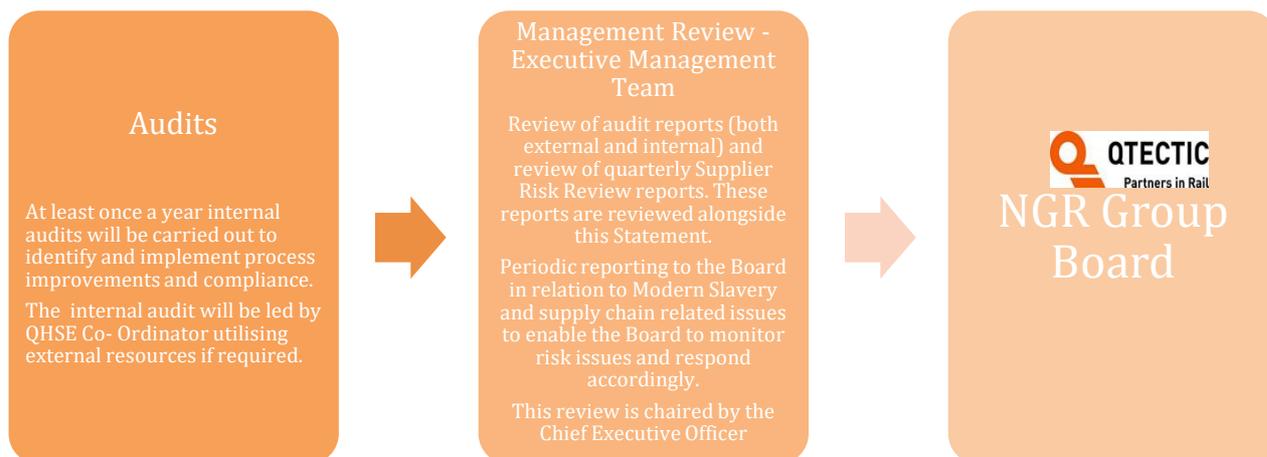
6. Modern slavery disclosure

In the reporting period, we did not identify any instances of modern slavery in our operations or supply chain.

7. Assessing and addressing modern slavery risks

7.1 Oversight

Qtectic is in the process of establishing the following governance process to provide the Board oversight of Qtectic's modern slavery risk, and compliance with reporting requirements:



7.2 Our policies and procedures

Qtectic has a set of policies and procedures that articulate our values, ways of working and expectations for our team and suppliers that are reviewed regularly. This policy framework ensures that our team members and suppliers clearly understand our expectations, and equally that they can recognise when they are being treated in a way that is inconsistent with these expectations and understand how to raise a grievance or complaint.

The following policies are those that are most relevant to managing modern slavery risk in our operations and supply chain:

Policy / Procedure	Purpose
Code of Ethics	Sets out how we expect team members to behave towards each other, our customer, and the broader community.
Whistleblowing Policy and Procedure	Sets out how we encourage reporting of wrongdoing by providing a convenient and safe reporting mechanism, and protection for people who make wrongdoing disclosures in accordance with the policy.
Responsible Procurement Policy	Sets out our expectations for all direct suppliers in relation to human rights and responsible sourcing.
Grievance Policy	Sets out our grievance procedures including assessment, investigation, and remediation.

All the above policies and procedures will be regularly reviewed and (if necessary) updated to ensure that Qtectic has robust processes in place to minimise the risk of modern slavery in our operations and supply chain.

7.3 Review of modern slavery controls

During the reporting period, Qtectic undertook a comprehensive review of Qtectic's existing modern slavery controls to determine the extent to which modern slavery risk is effectively managed by those controls. Qtectic identified a number of potential gaps in the controls, and we are now working to uplift the controls to align with best practice.

7.4 Our approach

Our approach to assessing and addressing the risk of modern slavery, and assessing the effectiveness of our approach, will be incorporated into the Qtectic compliance framework and processes. This will ensure Qtectic has robust and effective processes that are firmly engraved in how we conduct business.

The table below outlines our approach, work performed to date and work proposed to be performed in the near future.

Action	Work Performed	Status/Timing
1. Determine	<p>The Board signed off on the first modern slavery statement (voluntarily prepared pursuant to the UK modern slavery legislation).</p> <p>Qtectic engaged external legal counsel to advise on the reporting requirements under the Act.</p>	Completed in 2020.
2. Identify	<p>Modern Slavery Working Group established to identify key risks and requirements and oversee integration into existing compliance functions.</p> <p>Modern Slavery Working Group consists of the Finance Director, Finance Manager and QHSE Manager with external assistance from Allens.</p>	Completed in 2020.
3. Assess	Finance Director and Finance Manager worked together with external advisors to assess modern slavery risks against controls and identify improvements.	Completed. Modern slavery risk assessment to be repeated for each reporting period.
4. Develop, document, and execute	<p>Key activities to be undertaken in 2021 include:</p> <ul style="list-style-type: none"> - Ensuring all group policies and procedures include modern slavery considerations; - Communication with subcontractors based on risk factors; - Building awareness and capacity of staff; - Uplifting training and communication regarding labour standards in NGR Group's supply chain; and - Incorporating modern slavery training as an employee performance objective in 2021. 	Further activities to be undertaken in 2021.

5. Monitor risks	<p>Incorporating outcomes from reviews undertaken into policies and procedures.</p> <p>Reviewing the risks identified and improving our processes such as implementing regular reviews of our suppliers.</p>	Activities undertaken during the year include specific identified supplier risks.
6. Report, escalate and assurance	<p>Modern slavery reporting to form part of the Board Papers on a regular basis (at least six monthly).</p> <p>The first statement under the Act is due in March 2021.</p>	Activity to be undertaken in 2021.
7. Assess effectiveness of the above actions	<p>Modern Slavery Working Group to regularly review the actions taken by Qtectic and check that Qtectic's modern slavery controls remain up to date.</p> <p>Working with suppliers to check how they are progressing any actions they have put in place to address modern slavery risks.</p>	Activity to be undertaken in 2021.

8. Joint Modern Slavery Statement

This statement was prepared by Qtectic on behalf of the NGR Group entities. Qtectic did not consider that formal consultation with the other entities in the NGR Group was necessary in preparing this statement. Each of the entities have the same Board of Directors and employees of Qtectic are responsible for the management of all NGR Group entities. All NGR Group entities adhere to the policies and procedures described in this statement.

9. COVID-19 Pandemic

The disruption caused by COVID-19 presents emerging human rights risks, including increased risks to worker health and safety and modern slavery in key sourcing countries.

In response to COVID-19, many governments enforced border closures and restricted internal movement, which has limited the ability of Qtectic and its suppliers to complete supplier reviews and audits. It is envisaged that these supplier reviews and audits will resume during 2021.

The COVID-19 pandemic experienced during 2020 has highlighted the importance of investing in strong, sustainable supply chains. As the risk of modern slavery increases, Qtectic is continuing to focus on managing the challenge that COVID-19 presents to its supply chains.

10. Future Commitments

We are committed to identifying and minimising modern slavery risks in our supply chains and operations. Over the next reporting period, our key focus areas will be:

- Reviewing and updating our suite of risk related policies and governance control measures.
- Begin stakeholder engagement on this issue, including delivering appropriate training on modern slavery principles to our employees and Board.
- Preparing our next modern slavery statement under the Act.

This statement was approved by the Board and Executive Team of NGR Project Company Pty Ltd, which is the sole trustee of NGR Project Trust, and NGR Holding Company Pty Ltd, which is the sole trustee of NGR Hold Trust.



Geoff Ingram

Chairperson of NGR Project Company Pty Ltd
and NGR Holding Company Pty Ltd



Michael Chadwick

Chief Executive Officer of NGR Project Company
Pty Ltd and NGR Holding Company Pty Ltd