

# Supplier sustainability Code of Practice

## Introduction

Transurban's purpose is to 'Be the link between people, places and progress'. This is supported through the procurement of our goods and services in a way that is aligned with ISO 20400: 2017 – Sustainable Procurement – Guidance, as well as by taking action on the UN Sustainable Development Goals (SDG) that are most relevant to Transurban:

- SDG 3 (Good health and wellbeing)
- SDG 5 (Gender equality)
- SDG 7 (Affordable and clean energy)
- SDG 8 (Decent work and economic growth)
- SDG 9 (Industry, innovation and infrastructure)
- SDG 11 (Sustainable cities and communities)
- SDG 12 (Responsible consumption and production)
- SDG 13 (Climate action), and
- SDG 17 (Partnerships for the goals).

Transurban commits itself to this Code of Practice (**Code**) by integrating these requirements into our own policies and processes and we require the same level of commitment from our suppliers.

This Code encourages suppliers to go beyond legal compliance to advance social, environmental and economic outcomes. Transurban's supplier selection and management process encourages suppliers to show leadership, improve their performance and develop their competencies relating to sustainability in their operations and supply chains. Transurban encourages engagement and collaboration and is committed to working with suppliers on these key issues.

This Code applies to all new, prospective, and existing suppliers of goods and services to Transurban. It is not designed to act as an unnecessary barrier for small to medium businesses.

## Compliance with this Code

Suppliers are required to meet the minimum requirements of this Code, or alternatively their own code (whichever is stronger). In addition, we encourage suppliers to display leadership by implementing the additional measures noted. Suppliers are expected to uphold the requirements noted within this Code contractually within their own supply chains.

To demonstrate compliance with this Code, suppliers are encouraged to transparently publish information on their commitments and controls but are also expected to respond to direct requests from Transurban for information such as self-assessment questionnaires, audits, or ad-hoc requests and engage in broader discussions to identify continual improvement opportunities.

Transurban will monitor, track and assess performance of suppliers against the requirements set out in this Code, using this information to improve supply chain practices, and inform purchasing decisions.

Suppliers should proactively disclose any failure on their part or their suppliers to meet the minimum requirements of this Code to Transurban via [sustainability@transurban.com](mailto:sustainability@transurban.com). They should also proactively disclose whether any substantial allegations (proven or not) have been made against them by third parties and their supply chains relating to the subjects covered within this Code.

Transurban treats breaches of this Code seriously and will take action to address identified breaches. Depending on the type and severity of the breach, our response will vary. Where possible, we will collaborate to establish corrective action plans to support improvement in performance. Transurban may terminate its relationship with a supplier if the supplier knowingly violates this Code or refuses to implement corrective action plans.

In addition, we encourage anyone who is aware of, has witnessed, or suspects any misconduct or improper state of affairs or circumstances in relation to Transurban or an employee or officer of Transurban (**Reportable Conduct**) to report this immediately to our independent and confidential [Whistleblower service](#). All reports to this service will be investigated in line with our [Whistleblower policy](#) and treated seriously and will be kept confidential and secure as far as possible.

For further information in relation to what constitutes Reportable Conduct, we refer suppliers to Transurban's [Whistleblower policy](#).

If you have any questions or require support or exemptions from elements of this Code, please contact Transurban at [sustainability@transurban.com](mailto:sustainability@transurban.com).

For information about our sustainability commitments, refer to [transurban.com](https://transurban.com) and our insights hub at [insights.transurban.com/](https://insights.transurban.com/)

## 1. Governance

We are committed to operating with a high standard of governance in the interests of all our stakeholders, including government and industry, our customers, business partners and suppliers, local communities, employees and investors.

We expect suppliers to have integrated the identification, mitigation and management of sustainability threat and opportunity risks (including environmental, social, labour, human rights and modern slavery risks) into their governance and risk management policies and frameworks. Governance should include oversight of the management of sustainability risks by the suppliers' executive management and board (where applicable).

At a **minimum**, the supplier must:

- identify, assess and manage its most significant sustainability opportunities and challenges as appropriate to their business, which may include environmental, labour, social, human rights and modern slavery;
- manage cybersecurity, data protection, and personal data in accordance with relevant laws and continuously review their controls against good industry practices;
- implement appropriate measures to protect this information against loss, unauthorised access and unauthorised use (e.g. physical loss, privacy breach, cyber incident etc.);
- appropriately communicate this Code to all its sub-contractors, agents, suppliers or other third parties within its supply chains, promoting and tracking performance against this Code;
- refrain from purchasing goods or services from countries and regions outlined on Transurban's High Risk Jurisdiction list, as well as any individuals, companies or countries that are sanctioned by the country of import;
- be able to provide Transurban with traceability of the goods, components or services upstream in their supply chains to enhance risk management practices and enable improved sustainability outcomes upstream in the supply chains;

- provide and maintain their own grievance mechanism for workers and sub-contractors, agents, suppliers or other third-parties within their supply chains to safely raise concerns and complaints or otherwise promote and implement Transurban's Fair Call service;
- self-report to our [Whistleblower service](#) any alleged instances of environmental, social, labour or human rights harm that has been caused, contributed to, or are linked to the goods or services supplied to Transurban; and
- commit to engaging in, and providing for remediation that is expected as a result of their involvement in any harm.

To **display Leadership**, the supplier should:

- have a written sustainability policy (or equivalent) and develop and implement a sustainability strategy that includes SMART (Specific, Measurable, Achievable, Realistic, and Timely) objectives, clear accountabilities and a reporting framework;
- incorporate sustainability targets in senior management performance objectives, assessment and remuneration;
- proactively influence its sub-contractors, agents, suppliers or other third parties within their supply chains to address the most significant sustainability opportunities and challenges in their supply chains;
- provide training for their workforce and suppliers to raise awareness of this Code and enable the implementation of these expectations;
- integrate cybersecurity into ESG governance frameworks to effectively address the inherent risks posed by cyber threats. Thus, ensuring data protection, privacy, and operational resilience and contributing to a more secure and sustainable business ecosystem;
- manage cybersecurity as part of their ESG strategy, by incorporating robust cybersecurity practices and reporting relevant cybersecurity metrics to executive managements and stakeholders; and
- be able to provide evidence to Transurban of data protection measures in relation to safe data sharing, cross boarder data transfer, data deletion and data handling.

## 2. Environment

Transurban is committed to environmental sustainability in all its activities. We seek to work with suppliers who provide goods and services with reduced environmental impacts through resource and energy efficiency, the sustainable sourcing of materials and the minimisation of waste, air quality impacts (including greenhouse gases), noise and water quality impacts.

At a **minimum**, the supplier must:

- comply with all relevant local and international environmental laws and regulations, as well as with Transurban's Environment Principles, specific environmental management and reporting requirements;
- have a written environmental policy or equivalent document, and educate employees on their awareness and understanding of it;
- have implemented an environmental management system appropriate for its operations; and
- have assessed their salient actual or potential impacts on the environment and developed strategies and processes to address the potential impact of these risks.

To **display Leadership**, the supplier should:

- set and monitor measurable performance targets for managing the impact of its activities on the environment;
- develop and implement best practice and innovative solutions to reduce environmental impacts, including direct and indirect greenhouse gas emissions;
- conduct meaningful engagement with relevant stakeholders affected by adverse environmental impacts associated with its operations, products or services.
- supply materials and products (whole or as components) which are durable, repairable and minimise the generation of waste, or can be reused, recycled, or disposed of safely if waste avoidance isn't possible. Measures are required to be in place to record and certify any material claims;
- have an environmental management system that is externally certified against internationally recognised standards;
- where a company supplies Transurban with goods or materials made from timber, where possible, recycled content should be prioritised or when virgin timber is used it should be sourced from globally certified sustainability schemes such as Forest Stewardship Council (FSC); and
- conduct a baseline assessment of the carbon emissions associated with its business operations (Scope 1 and 2) as well as supply chain (Scope 3) and have set clear goals, action plans and timelines to reduce emissions to Net-Zero by 2050.

### 3. Human rights (including labour practices and modern slavery)

Transurban's business is built on the skills and commitment of its workforce. We strive to be an employer of choice by enhancing the workplace experience and developing and rewarding people.

As set out in our [Human Rights Policy](#), we are committed to operating in a manner which is consistent with internationally recognised human rights and standards (including those related to labour practices and modern slavery), in line with amongst other things, the UN Guiding Principles on Business and Human Rights (UNGPs). In this regard, we understand our responsibility to respect human rights, which includes avoiding those areas where we may cause or contribute to adverse human rights impacts. We also seek to prevent and mitigate adverse impacts to which we may be directly or indirectly linked through our operations and supply chains. Further information on our commitments and expectations regarding human rights can be found in our [Human Rights Policy](#) and the reporting disclosures found within our Modern Slavery Statements.

As such we have set expectations that we believe will help prevent negative human rights impacts in our supply chains.

At a **minimum**, the supplier must:

- commit to respecting internationally recognised human rights as outlined in the UN Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights;
- commit to respecting the employment standards set out in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work;
- meet all applicable local and international laws and regulations pertaining to labour, human rights and modern slavery (including the Australian *Modern Slavery Act 2018 (Cth)*, Canadian *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, or any customs or supply chain regulations where applicable);
- provide and maintain the highest standards of a safe and healthy working environment for employees and subcontractors, exceeding applicable local law requirements;
- have policies and processes in place for their own business and their suppliers to meet expectations of recognised international labour laws and conventions, including:
  - employment being freely chosen, including no forced, compulsory, bonded or involuntary prison labour;
  - preventing the use of child labour<sup>1</sup>, including the worst forms of child labour. Children under the age of 18 must not perform potentially hazardous work or work that interferes with their education, development or childhood;

<sup>1</sup><https://www.ilo.org/topics/child-labour/what-child-labour>

- providing fair remuneration and work conditions for all workers where wages and benefits (excluding overtime) paid, must satisfy at a minimum, applicable legal standards or preferably local industry benchmarks, where they are higher;
- promoting humane treatment and preventing abuse, bullying, harassment and any form of discrimination;
- respecting freedom of association, including workers' rights to lawfully and peacefully form or join trade unions of their choosing and to bargain collectively;
- respecting the privacy of employees and customers and complying with all applicable laws in the collection, use and protection of personal information;
- allowing the freedom of workers to leave their employment after reasonable notice without hinderance;
- engaging foreign and migrant workers in compliance with immigration and labour laws in the country of employment;
- not requiring workers to pay fees to secure work, including recruitment fees, deposits or financial loans to employers or third parties;
- providing workers with documents or contracts that clearly outline all relevant employment conditions in their first or preferred language; and
- providing all workers and relevant sub-contractors access to non-judicial grievance channels and actively provide training for these channels.

To **display Leadership**, the supplier should:

- work collaboratively with Transurban to increase the transparency of its extended supply chains to identify and assess vulnerable labour;
- identify human rights impacts and modern slavery risks present in their operations and remediate identified impacts in line with the UNGPs; and
- provide wages and benefits that meet or exceed relevant living wage benchmarks.

## 4. Diversity and inclusion

Transurban's workforce is comprised of individuals with diverse skills, values, backgrounds, experiences and needs. Diversity is found in race, ethnicity, gender, gender identity, sexual orientation, age, social class, physical ability or attributes, religious or ethical values system, national origin, and political belief.

Transurban values the organisational strength, enhanced innovation, problem solving and other benefits gained through including a diversity of backgrounds, perspectives

and experiences to meet the needs of our customers, communities and all stakeholders.

We seek to work with suppliers who can positively contribute to increasing the diversity of the workforce on our sites and across our supply chains.

At a **minimum**, the supplier must:

- be respectful and inclusive of all individuals across their operations and supply chains and meet all laws in relation to eliminating discrimination.

To **display Leadership**, the supplier should:

- proactively increase the diversity of its supply chains' workforce through its own recruitment processes or using businesses which support minority, disadvantaged or underrepresented societal groups such as indigenous, disability, women-owned or social enterprises; and
- demonstrate their commitment to diversity and inclusion in their business through objectives and targets to support a diverse range of community groups in their operations and supply chains (for example, via their own reconciliation action plan), compliance with the Workplace Gender Equality Act and commitment to reduce the gender pay gap.

## 5. Community shared value

Transurban seeks to contribute to the social and economic health and wellbeing of the communities where we operate and values suppliers that can assist us in achieving our vision.

At a **minimum**, the supplier must:

- demonstrate community involvement and a willingness to respond to community and/or stakeholder issues e.g. regular stakeholder engagement, volunteering, donations or community programs.

To **display Leadership**, the supplier should:

- review and understand Transurban's Reconciliation Action Plan, Sustainability Strategy and Modern Slavery Statements and work towards supporting these goals and practices through their supply chains;
- engage in procurement activities in local communities that support small to medium enterprises to improve economic participation by suppliers which are underrepresented in our economy;
- increase opportunity for suppliers that have a social or environmental mission, particularly those that improve employment outcomes;
- employ local workers and provide training with a view to improving skill levels, social inclusion and wellbeing; and
- proactively create quality, long-term jobs and economic opportunities for local communities and enterprises adjacent to Transurban's assets.

## 6. Fair operating practices

Transurban supports procurement activities and supplier relationships that establish high standards of ethical behaviour and fair operating practices. This includes respecting payment terms, access to business opportunities for small and medium enterprises, fair contractual terms, and the avoidance and prevention of fraud, conflicts of interest, bribery, corruption, anti-competitive behaviour and breaches of property rights (including intellectual property rights).

At a **minimum**, the supplier must:

- comply with all relevant laws and regulations regarding fair operating practices;
- conduct themselves and any business dealings in an ethical, fair and responsible manner, not to create any actual or perceived improper advantage;
- regularly promote employee awareness of the importance of compliance with all applicable competition laws and regulations, and, in particular, train senior management of the enterprise in relation to competition issues; and
- if a supplier becomes aware of instances of unfair operating practices in its business dealings with Transurban, or a Transurban employee, they must immediately raise these concerns with Transurban through the [Whistleblower service](#).

To **display Leadership**, the supplier should:

- proactively share with Transurban any concerns about unfair operating practices it becomes aware of and seek solutions through collaboration and dialogue; and
- if operating in Australia, sign up to the voluntary Australian [Supplier Payment Code](#) which advocates the on-time payment to small businesses and where operating outside of Australia seek to reduce the payment terms for small suppliers.

*Workforce or Transurban Workforce : non-executive directors, officers and employees of Transurban; and any Contingent Worker engaged by a third-party service provider to Transurban (excluding any Limited Access Contingent Worker).*

*Contingent Worker and Limited Access Contingent Worker are as defined and described in Transurban Procedure PC-REC-PR003 ("Contract a Contingent Worker")*