



Chain of Responsibility

1 Purpose

The purpose of this policy is to ensure Sykes Group Pty Ltd (the Company) commitment to enforcing compliance to Chain of Responsibility (CoR) legislation by providing safe work practices for its employees, contractors and supply chain partners (person or people). The Company is committed to working with its supply chain partners to proactively engage in the practical management of CoR. CoR applies to light and heavy vehicles, regarding mass and dimension limits; speed and fatigue; loading and load restraint; and vehicle roadworthiness to ensure transport safety and compliance.

The object of the legislation, and this policy is to:

- improve road safety
- reduce infrastructure damage
- improve deterrence and enforcement
- promote a level playing field for industry
- improve business efficiency and compliance

2 Scope

This policy applies throughout the Company for all people, in addition to those engaged with the Company and extends to all suppliers, including its customers.

The Company recognises jurisdictional differences in CoR legal requirements. The Company will select the most stringent requirement and apply that to all jurisdictions through procedural documentation. The *National Heavy Vehicle Law (NHVL)* and *National Heavy Vehicle Regulations* will apply, except for Western Australia that must comply with the *Road Traffic (Vehicles) Act 2012* and *Road Traffic (Administration) Act 2008 (WA CoR)* for both light and heavy vehicles.

Light vehicles are not included in NHVL, however, for simplicity and to ensure that every element is considered, WA CoR will apply Companywide in this instance.

Fatigue and speed are not included in WA CoR, however, for simplicity and to ensure that every element is considered, NHVL will apply Companywide in this instance.

The aim of CoR is to make sure everyone in the supply chain shares responsibility for ensuring breaches of the law do not occur. Under NHVL and WA CoR if you are named as a party in the CoR and you exercise (or have the capability of exercising) control or influence over any transport task, you have a responsibility to ensure the law is complied with.

A simple way to understand whether you have an obligation is to consider:

Influence = Responsibility = Legal Liability

It is expected all people have read and understood this policy.

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3 General Duty

3.1 The Company

The Company has a general duty to ensure the safety of our people therefore must, so far as reasonably practicable:

- provide a workplace and safe system of work so that our people are not exposed to hazards
- provide our people with information, instruction, training and supervision to allow them to work in a safe manner
- consult and co-operate with safety and health representatives and other people in matters related to safety and health at work
- provide adequate protective clothing and equipment where hazards cannot be eliminated
- provide for the safe use, transport and disposal of machinery and substances

In addition, and more specifically related to CoR, the Company will:

- understand our legal requirements in all jurisdictions and select the most stringent legal CoR requirement and apply to all locations
- investigate any CoR breaches or incidents as per our *S-PCS-ALL-PRO-028 Incident Reporting and Investigation* procedure
- hold all people accountable for any breaches of this policy and CoR procedures
- ensure the safety of its transport activities
- not coerce, induce or encourage a breach of any road transport laws
- take reasonable steps to not pass on any false or misleading information about a vehicle or load
- provide training and information to all people
- perform regular external and internal reviews and audits to ensure compliance is maintained

3.2 Our People

It is expected that our people understand they have a general duty to:

- ensure their own and others health and safety in the workplace
- avoid adversely affecting the health and safety of other persons in the workplace
- report to the Company any situation they believe could constitute a hazard the person cannot reasonably correct themselves (for example, another person's behaviour or actions)
- report any incidents to the Company immediately
- report to the Company, including through the option of the whistle-blower process, any injury or harm to health of which any person is aware that arises that could impact fitness for work

In addition, and more specifically related to CoR, our people must:

- ensure compliance to our legal requirements in all jurisdictions and follow the Company direction, being the most stringent legal CoR requirement
- participate in any investigation of a CoR breach or incident as per our *S-PCS-ALL-PRO-028 Incident Reporting and Investigation* procedure
- hold all people accountable for any breaches of this policy and CoR procedures, and escalate any areas of concern
- ensure the safety of the Company's transport activities
- not coerce, induce or encourage a breach of any road transport laws
- take reasonable steps to not pass on any false or misleading information about a vehicle or load
- participate in training and endeavour to understand information provided

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- participate in regular external and internal reviews and audits to ensure compliance is maintained

A simple way to understand whether you have an obligation is to consider:

$$\text{Influence} = \text{Responsibility} = \text{Legal Liability}$$

4 Responsibilities and Obligations

4.1 Business Unit General Manager

In addition to what is outlined in the general duty section, the Business Unit General Manager (BU GM) has ultimate responsibility in ensuring this policy is implemented and understood within their respective areas. In addition, the BU GM must:

- ensure this policy is communicated to their teams, new starters, visitors, and suppliers
- understand this policy and their obligations
- investigate any CoR breaches or incidents as per our *S-PCS-ALL-PRO-028 Incident Reporting and Investigation* procedure
- take immediate action when they become aware of a person breaching this policy and engage the People, Culture and Safety team

4.2 Supervisors and Managers

In addition to what is outlined in the general duty section, supervisors and managers have a responsibility to ensure:

- support the BU GM and ensure this policy is communicated to their teams, new starters, visitors, and suppliers
- understand this policy and their obligations
- escalate to the BU GM when they become aware of a person breaching this policy (in the absence of their BU GM, escalate any breaches to the People, Culture and Safety team)

4.3 Supply Chain Partners

In addition to what is outlined in the general duty section for all people, the supply chain partner has responsibility in ensuring this policy is implemented and understood within their respective business. In addition, supply chain partners must:

- participate in the investigation of CoR breaches or incidents as per our *S-PCS-ALL-PRO-028 Incident Reporting and Investigation* procedure
- take immediate action when they become aware of a person breaching this policy and engage the People, Culture and Safety team or their contact within our Company

All companies involved with the transportation of freight on Australian roads, has an onus to assess their responsibilities under the compliance and enforcement legislation and take all appropriate steps to ensure that no breaches occur by any party within their chain of responsibility.

4.4 People, Culture and Safety Team

In addition to what is outlined in the general duty section, the People, Culture and Safety team will:

- provide training and information to all people
- share any changes to CoR laws and requirements

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- support the implementation and understanding of CoR requirements through all business units
- ensure this policy remains up to date and the BU GM is aware of any changes to engage all people
- be an escalation point for all people
- record completion of policy awareness on SharePoint
- investigate any CoR breaches or incidents as per our *S-PCS-ALL-PRO-028 Incident Reporting and Investigation* procedure
- perform regular external and internal reviews and audits to ensure compliance is maintained

5 Responsibilities and Obligations – CoR Department Specific

The aim of CoR is to ensure everyone in the supply chain shares responsibility for ensuring breaches of the law do not occur. Under CoR laws, if you are named as a party in the chain of responsibility and you exercise (or have the capability of exercising) control or influence over any transport task, you have a responsibility to ensure the law is complied with.

The law recognises that multiple parties may be responsible for offences committed by drivers and operators. A person may be a party in the supply chain in more than one way. For example, they may have duties as the consignor, the loader, and the packer of goods.

Legal liability applies to all parties for their actions or inactions.

There are several key parties involved in CoR. The CoR applies to, but is not limited to:

5.1 Operator/Manager/Scheduler

As an operator, manager, or scheduler of a business involved in road transport, responsibilities include ensuring that:

- rosters and schedules do not require drivers to exceed driving hours regulations or speed limits
- you keep records of your drivers' activities, including work and rest times
- you take all reasonable steps to ensure drivers do not work while impaired by fatigue or drive in breach of their work or rest options
- vehicles are regularly maintained, and if speed limiters are fitted they are functioning properly
- vehicles are not loaded in a way which exceeds mass or dimension limits
- drivers moving freight containers have a valid Container Weight Declaration
- loads are appropriately restrained with appropriate restraint equipment (see the relevant load restraint guide for more information)

5.2 Consigner/Consignee

As consignor or consignee your responsibilities include ensuring that:

- loads do not exceed vehicle mass or dimension limits
- goods carried on your behalf are able to be appropriately secured
- operators carrying freight containers have a valid Container Weight Declaration
- your delivery requirements do not require or encourage drivers to:
 - exceed the speed limits
 - exceed regulated driving hours
 - fail to meet the minimum rest requirements
 - drive while impaired by fatigue

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5.3 Loading Manager/Loader/Packer

Loading managers, loaders and packers must ensure that loading a fatigue-regulated heavy vehicle will not cause or contribute to the driver driving while impaired by fatigue or in contravention of road transport laws.

Loading manager responsibilities include:

- working with other off-road parties to make reasonable arrangements to manage loading/unloading time slots
- ensuring vehicles are loaded/unloaded as quickly and efficiently as possible
- putting systems in place for unexpected jobs – for example where there have been unexpected road delays

Loader responsibilities include ensuring a vehicle's load:

- does not exceed vehicle mass or dimension limits
- does not cause the vehicle to exceed mass limits
- is placed in a way so it does not become unstable, move or fall off the vehicle

Unreliable weight information makes it difficult for drivers to comply with the law. Packer responsibilities include ensuring:

- documentation about the vehicle's load is not false or misleading
- any goods packed in a freight container do not cause the container's gross weight or safety approval rating to be exceeded
- when a party's business practices cause or encourage the driver to breach mass, dimension, or loading requirements, it is reported to their BU GM or our People, Culture and Safety team
- where instructions, actions or demands to parties in the supply chain cause or contribute to an offence under the law, it is reported to their BU GM or our People, Culture and Safety team

6 When could CoR apply?

Some examples include:

- when a party has control or influence over a transport activity and fails to manage, so far as reasonably practicable, the risk it creates (e.g. load restraint)
- when a party's business practices cause or encourage the driver to exceed the speed limits
- when a party's business practices cause or encourage the driver to breach mass, dimension, or loading requirements
- where instructions, actions or demands to parties in the supply chain cause or contribute to an offence under the law

This includes any direction, requirement or demand that is given directly or indirectly to a driver of a vehicle or a party in the chain of responsibility that has an impact on compliance, for example:

- a consignor or consignee has unrealistic contractual arrangements which causes or encourages the driver to exceed regulated driving hours or drive whilst fatigued
- a scheduler's business practices, requests or demands, cause or encourage the driver to exceed the speed limit

Contracts that cause or encourage a driver or a party in the CoR to break the law are illegal.

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In a prosecution, the courts may consider the actions of each party in the supply chain. This includes what measures each party had in place to ensure safe practices and prevent breaches of the law occurring. Prosecution will need to demonstrate to the court that a party in the CoR did not do all that was reasonably practicable to ensure the safety of the party's transport activities.

7 Main Elements of CoR

CoR is relevant for all areas of the Company, particularly in the areas that deal with heavy and light vehicles. The main elements of CoR are mass and dimension, load restraint, driver fatigue, speed, and maintenance.

7.1 Mass and dimension

All Company supply chain partners have an obligation to ensure each vehicle used in the transport of goods is legally compliant with both the regulated mass limits for axles and gross weights inclusive of all existing vehicles and accessories, in addition to the manufacturer's specifications.

The prescribed mass and dimension requirements are set out in CoR law and every load leaving our Company or working on behalf of our Company must comply. Internal procedures are available outlining how this applies to our Company (under development).

All supply chain partners will co-operate with the Company to ensure that the vehicle is not driven on a road while overloaded.

The supply chain party shall submit the vehicle to any form of weighing directed by the Company at any time, to verify that the vehicle and the axles of the vehicle is within the legal loading requirements where a shipping container is being used.

For import or export goods the prime contractor shall ensure they have a Container Weight Declaration ('CWD') from the responsible entity and provide a copy of this CWD to the driver, prior to transport a shipping container on a vehicle to or from a Company site.

Contractors' vehicles fitted with on board weigh scales may be used to verify weights where no weighbridge is available.

7.2 Load Restraint

It is the responsibility of the Consignor, Consignee, Loader, Loading Manager, Operator, Driver, and others having a duty in the chain of responsibility to take reasonable steps to ensure loads are appropriately restrained.

The prescribed load restraint requirements are set out in CoR law and every load leaving our Company or working on behalf of our Company must comply. Internal procedures are available outlining how this applies to our Company (under development).

The *Load Restraint Guide 2018* and *Load Restraint Guide for Light Vehicles 2018* are available for reference and should be used. For Western Australia, the *Load Restraint Guide 2004* should be used. **(NB: the 2018 guide cannot legally be used in Western Australia).**

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Our Company employees will carry out random inspections to ensure load restraint guidelines are being adhered to. It is recognised that our people are not subject matter experts in load restraint and hence compliance monitoring will be limited to checking that:

- the load appears to have arrived securely fastened
- straps, fasteners, chains or webbing is in good condition
- goods have remained in the original packaging and have not become loose or dislodged
- there is no evidence of load shift in transit

7.3 Driver fatigue and speed

A party to CoR could be held legally responsible when an expressed or implied condition of engagement, requires a driver to breach speed limits or operating hours to complete a job.

The driver fatigue and speed requirements are set out in CoR law and every driver and load leaving our Company or working on behalf of our Company must comply. Internal procedures are available outlining how this applies to our Company (under development).

Whilst driver fatigue and speed are not specifically addressed in WA CoR, the Company applies NHVL across all Company locations.

Our Company will not (directly or indirectly) require, nor intend to reward, a driver of a vehicle transporting a load to or from a site to breach or exceed:

- speed limits
- safe operating speeds
- driver operating and rest hours
- minimum fatigue requirements

Our Company will take due consideration of these factors when liaising with all CoR parties when scheduling goods or services to be delivered.

Heavy vehicle transport companies (Operator) must have trained and competent people to manage and administer fatigue management of drivers.

Additionally, it is expected that a process be in place to manage the use of illicit drugs, alcohol, and prescription drugs in the workplace, and that this be appropriately managed and documented. However, if an Operator is found on a Company site to not be fit for work, our Company *S-PCS-AUS-POL-008 Fitness for Work* policy will apply.

Our Company will take all measures to ensure that the driver's routes are realistic, safe and demands are not imposed on the driver that may result in a driver putting themselves or others at risk. Schedules need to consider the distance that needs to be covered, traffic conditions and delays at receiving sites.

It is expected that appropriate and correct documentation will be maintained by the Operator to satisfy CoR requirements. This information may be requested if a breach, or potential breach, has been identified or has occurred.

Our Company will routinely monitor for causes of fatigue in drivers.

The Loading Manager must take all reasonable steps to ensure the driver is able to rest while waiting for the goods to be unloaded from the fatigue-regulated heavy vehicle.

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7.4 Maintenance and Road Worthiness

It is important all vehicles are free of defects, mechanically safe and in proper working order before a vehicle enters the road network.

Unsafe or poorly maintained and operated transport vehicles pose a greater risk of accident and injury. Poor maintenance and resulting break downs can also place added stress on parties in the CoR relating to CoR compliance elements, such as mass (taking increased loads on subsequent journeys to make up for journeys cancelled due to mechanical breakdown) or fatigue and speed (seeking to 'make up' for journeys lost due to mechanical breakdown).

The maintenance and road worthiness requirements are set out in CoR law and every load leaving our Company or working on behalf of our Company must comply. Internal procedures are available outlining how this applies to our Company (under development).

Any vehicle used to carry road cargo must be safe and meet all relevant vehicle standards and Australian design rules and be maintained in a roadworthy state.

Those responsible for a vehicle must ensure that proper and routine inspections are carried out and any necessary maintenance and repairs are conducted.

Our Company has a responsibility to observe, record and report any vehicle found to be unroadworthy. Inspections will be conducted on heavy vehicles and will include:

- vehicle identification (registration current for both truck and trailer) – where possible
- tyres (min 1.5mm tread required)
- lights and reflectors (damaged, obscured or not working)
- windows and mirrors (cracked or missing)
- couplings and chains (fifth wheel, trailer chains, mud flaps)
- oil and or water leaks
- a record of the check will be kept

A record of the inspection will be kept.

8 Breaches

Breaches of CoR laws are treated seriously.

Regulatory action may be taken including: improvement notices, prosecutions, resultant fines, court-imposed sanctions, unfair commercial benefits and prohibition orders, registration suspension and cancellations.

Heavy penalties for breaches apply to individuals, directors, and corporations. Penalties can be significant and include individual fines ranging from \$50,000 to \$300,000 and/or 5 years imprisonment with corporate fines to \$3,000,000 (per offence).

The regulators have the view that prosecution is appropriate in some circumstances, and it sends a message to the community that failure of legislative responsibilities will be enforced through the courts.

Internal procedures are available outlining how this applies to our Company (under development).

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8.1 Categories of Breaches - NHVL

The Heavy Vehicle National Regulator manages CoR breaches for NHVL laws. Under NHVL fatigue management, mass, dimension and loading and speed compliance offences are categorised according to the risk they present. The categorisation recognises the potential damage to road infrastructure and that risk to people's safety increases with the severity of the offence.

When an authorised officer investigates a possible breach, he or she will consider legislated limits, the potential risk to people's safety as well as the potential for damage to road infrastructure when determining the category of the offence.

Risks are divided into 'breakpoint' categories. The category of the breach is proportionate to the severity of the offence.

Fatigue management offence risk categories range from 'minor' to 'substantial', 'severe', and 'critical'.

Mass, dimension and loading offence risk categories range from 'minor' to 'substantial' and 'severe'.

Risk categories also determine what powers an authorised officer may use on the road, and the level of penalty that may apply.

- **Minor breach** – risk of someone gaining a minor unfair commercial advantage over those who operate legally, but no risk to safety or infrastructure
- **Substantial breach** – risk of damage to infrastructure, increasing traffic congestion and unfair competition. It may also involve some risk to safety, although not an appreciable risk
- **Severe breach** – appreciable risk to safety, more severe risk to infrastructure, greater risk of traffic congestion or a greater level of unfair competition
- **Critical breach** – contravention of fatigue regulated maximum work time and/or minimum rest time which would adversely affect the driver's ability to drive safely

8.2 Categories of Breaches – WA CoR

Main Roads manages CoR breaches for WA CoR and are the key enforcer. They employ transport inspectors, an intelligence unit, and dedicated investigators. WA Police also have the authority to enforce CoR. Under WA CoR breaches also have categories proportionate to the severity of the offence.

Mass, dimension and loading offence risk categories range from 'minor' to 'substantial' and 'severe'.

8.3 Internal Treatment of Breaches

The Company will deal with any CoR breaches in a serious and professional manner. Alleged breaches will be investigated with the scale of investigation depending on the seriousness of the breach. Examples of disciplinary action that may be taken include a discussion with the parties involved, a verbal or written warning, counselling, being stood down pending investigation or dismissal. If the breach is to involve a violation of the law the matter may also be referred to the appropriate authorities for deliberation.

For supply chain partners, it may mean suspension or termination of the relationship.

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9 Raising a Concern

The Company encourages all people to raise any business concerns or queries they may have in a professional and conscientious manner. The person raising the concern does not need to be directly affected by the issue and can be observed through your work area. All issues raised should be done so in a factual and genuine manner. If you are unclear about what to do in a situation, raise the issue promptly with your supervisor or manager. If you are a supply chain partner, please speak with your main contact. If you feel you are unable to do this, you can contact and escalate to:

- Line Manager
- General Manager
- General Manager People, Culture and Safety
- Chief Executive Officer

All concerns and questions will be treated seriously, and confidentiality will be maintained to the highest degree possible. The Company is committed to maintaining its values and, as such, may take appropriate actions to protect a person who reports a breach in circumstances where doing so potentially puts them in a difficult situation. That is, the Company seeks to protect whistle-blowers, and whilst Company policy is under development in this area, please review [SGH's Whistleblower Policy](#) as published on their website.

10 Related Documents

This policy should be read in conjunction with the following internal documents (i.e. internal documents such as policies, procedures, forms).

Document Number	Title
S-PCS-AUS-POL-007	Code of Conduct Ethics

This policy should be read in conjunction with applicable legislation and regulations.

11 Document Amendment History

Revision	Date	Description	Approved by
1	November 2020	Document created	GM PCS
2	May 2023	Change of entity, review and update	GM PCS

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