

Modern Slavery Statement

Cross Yarra Partnership
(ABN 57 956 065 885)

Financial Year
2021



TBM shield works, Town Hall Station.
Image courtesy of Rail Projects Victoria.

Contents

Identifying the entity	4
Structure, operations and supply chains	6
Modern slavery risks in our operations and supply chains	8
Mitigating the impacts of COVID-19	10
Actions taken to assess and address modern slavery risks, including remediation	11
Assessing effectiveness of actions taken for mitigating modern slavery risks	12
Consultation and engagement undertaking on managing modern slavery risks	13
Other relevant information	14
Looking ahead	14

Identifying the entity

This Modern Slavery Statement (**Statement**) is made by Cross Yarra Partnership (ABN 57 956 065 885) (**CYP**) and relates to the financial year 1 July 2020 to 30 June 2021 (**Reporting Period**).

CYP is a Reporting Entity for the purposes of the Modern Slavery Act 2018 (Cth).

CYP is committed to having a robust framework and processes in place to minimise the risk of modern slavery in its business operations and supply chains.



Structure, operations and supply chains

Structure

CYP is a special purpose vehicle, formed to enter into a Project Agreement with the Minister for Transport Infrastructure on behalf of the Crown in right of the State of Victoria (**the State**) to deliver the Metro Tunnel (Tunnel and Stations PPP) (**MTP PPP**) as part of the Metro Tunnel Project in Melbourne, Victoria (**Project Agreement**).

CYP is a partnership between four equity partners, with interests in CYP held as detailed in the below graph.

CYP does not own or control any other entities and does not have any employees.

CYP has engaged a Lendlease entity, Capella Management Services Pty Limited (ACN 127 727 842) (**CMS**) to provide various services to CYP including contract administration services and staff.

CYP's CEO and nine staff are employed by CMS and seconded to CYP pursuant to secondment agreements (**Secondment Agreements**). CYP's CEO reports to the CYP Partnership

Committee, which is made up of partner representatives from each of the four equity partners. The CYP secondees in turn, report to the CYP CEO.

The Secondment Agreements require the CEO and CYP secondees to comply with various Lendlease and CYP procedures and policies.

This Statement therefore references the Lendlease Group Modern Slavery Statement FY21.

Operations and supply chains

The Project Agreement sets out CYP's obligations in delivering two 9 kilometre twin tunnels (**Tunnels**), five underground stations (**Stations**), Stations fit-out, mechanical and electrical systems (**Works**) and provision of maintenance services for a 25 year term for the completed Tunnels and Stations. It also includes obligations relating to the operation of commercial retail opportunities at the Stations.

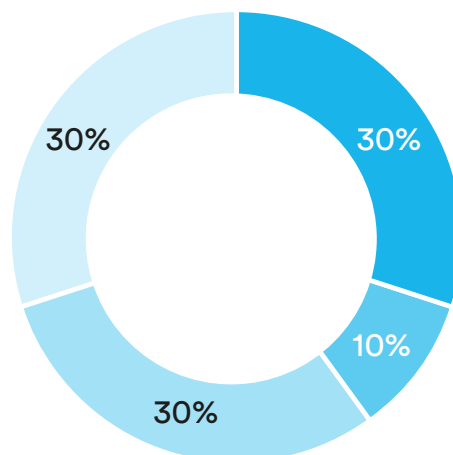
More information regarding the Metro Tunnel Project and the MTP PPP can be found at metrotunnel.vic.gov.au

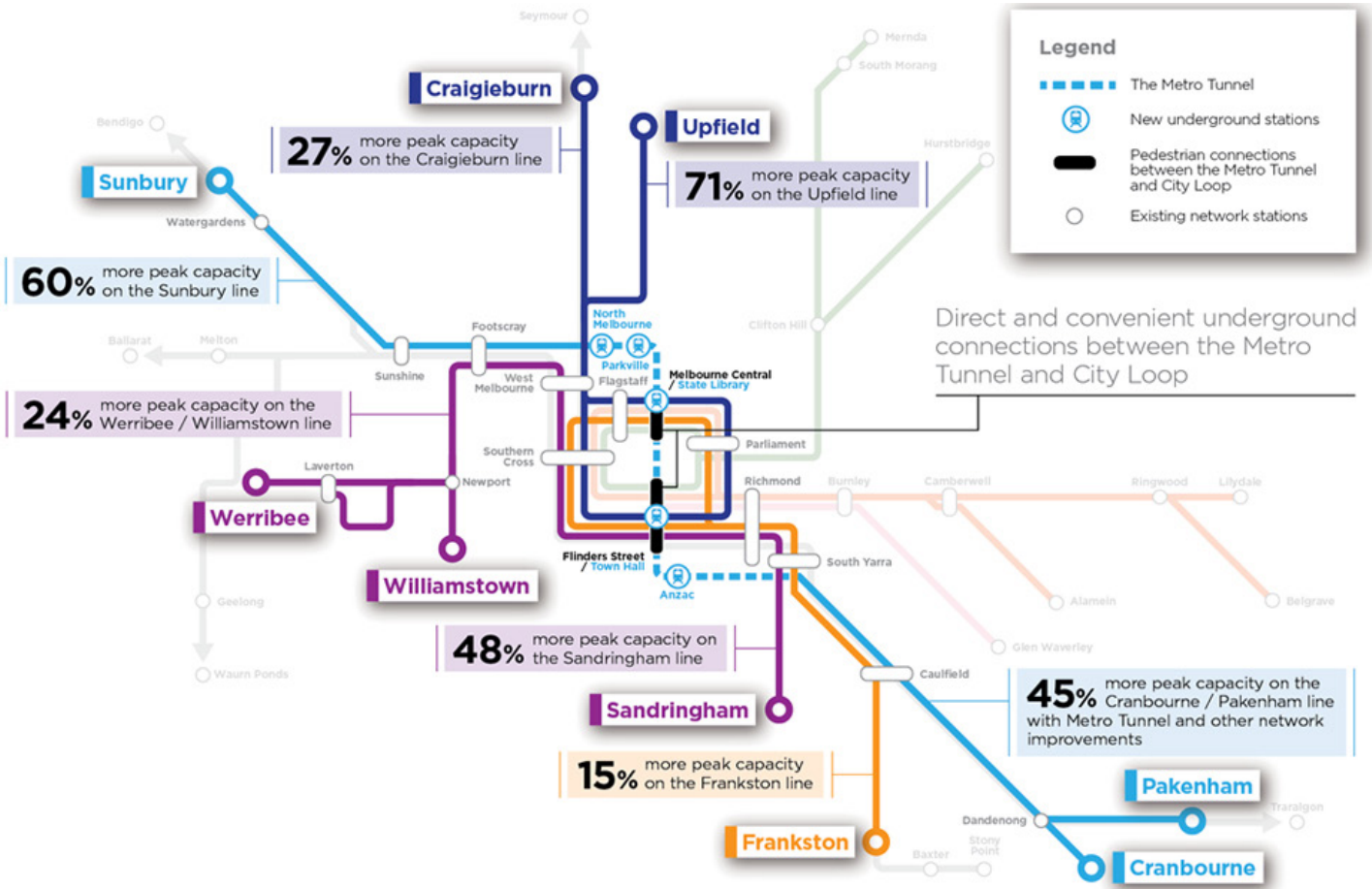
CYP is party to the following key agreements (**Key Agreements**), with parties who are based in Australia, which are the main source of CYP's operations and supply chains:

- **D&C Subcontract** with the unincorporated joint venture comprising Lendlease Melbourne Metro Pty Limited (ABN 24 639 377 030), John Holland Pty Limited (ABN 11 004 282 268) and Bouygues Construction Australia Pty Ltd (ABN 37 144 013 801) (together the **D&C Subcontractor**) to design, supply, construct, install, commission and complete the Works which CYP is required to perform under the Project Agreement.
- **Maintenance Subcontract** with John Holland Pty Ltd (ABN 11 004 282 268) (the **Maintenance Subcontractor**), to carry out certain maintenance services, which include the maintenance and repair of the Tunnels and Stations over a 25-year term (anticipated to commence in 2025) (**Maintenance Services**), which CYP is required to perform under the Project Agreement.
- **Management Services Agreement** with CMS, under which CMS provides services to CYP and Stella MMTS Finance Pty Ltd (ACN 612 094 078) which include:
 - procurement of CYP staff and secondment to CYP;
 - financial reporting, including preparation of monthly reporting, annual financial reports and tax return preparation;
 - facilitating recruitment, establishment of business systems, IT systems and bank accounts, and arranging office space; and
 - executive and compliance support.

CYP Equity Partners FY21

- **Lendlease**
30% (held via Cross Yarra 1 Pty Ltd in the capacity as trustee of Cross Yarra Trust 1)
- **Bouygues**
10% (held via Cross Yarra 2 Pty Ltd in the capacity as trustee of Cross Yarra Trust 2)
- **John Laing**
30% (held via Cross Yarra 3 Pty Ltd in the capacity as trustee of Cross Yarra Trust 3)
- **John Holland**
30% (held via John Holland (CY) Custodian Pty Ltd in the capacity as trustee of John Holland (CY) Trust)







Modern slavery risks in our operations and supply chains

In its operations, CYP has adopted various processes of the Lendlease Group including access to the systems and processes of Lendlease Group's modern slavery risk supplier assessment and mitigation measures.

Refer to the Lendlease Group Modern Slavery Statement FY21 for further details.

In this Reporting Period, CYP has undertaken a risk assessment of its Key Agreements and considered the following risk factors:

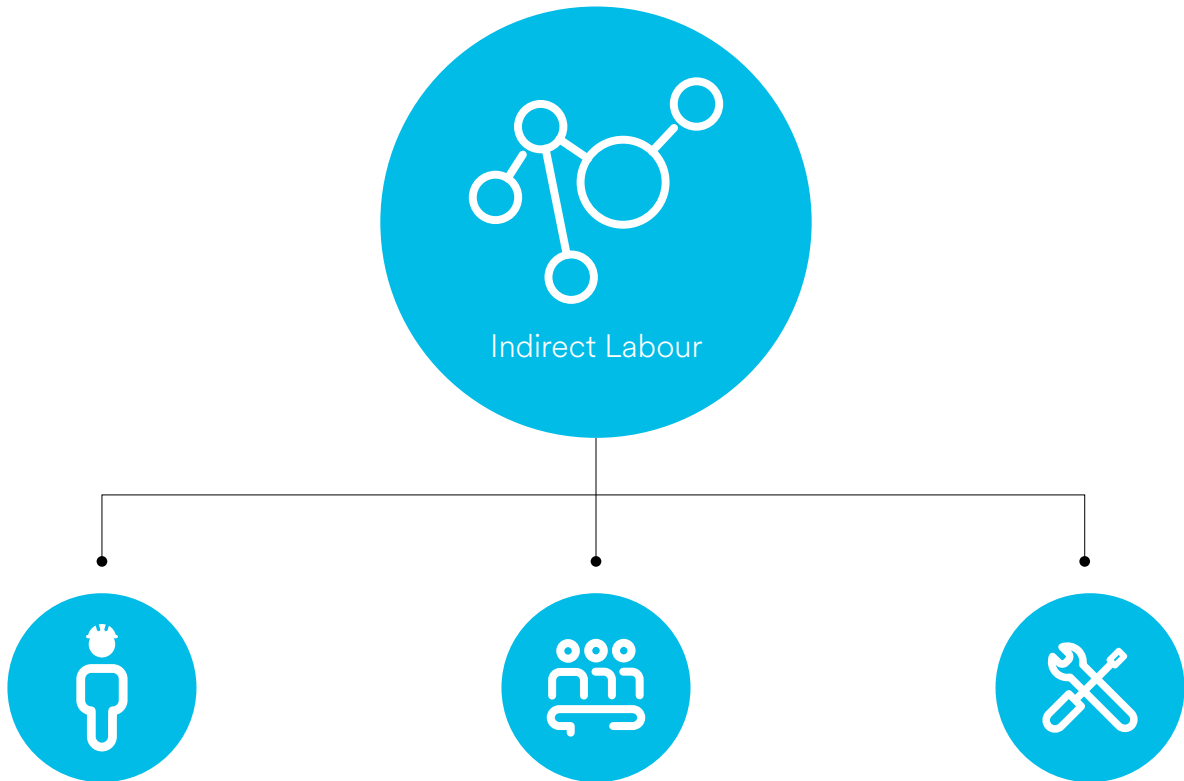
- The industry sector in which its supply chain operates;
- The types of products and services provided; and
- The business models of its key contractors.

The following diagram outlines the three key modern slavery risk areas for CYP:

1. D&C Subcontract Risk;
2. Maintenance Subcontract Risk; and
3. Management Services Agreement Risk.

The following diagram identifies key areas vulnerable to modern slavery risks.

Modern slavery risks – CYP



D&C Subcontract Risk

CYP recognises there may be modern slavery risks in the D&C Subcontractor’s supply chain, as the D&C Subcontractor is both subcontracting works and procuring materials through a complex supply chain.

The construction sector has a history of using low-skilled, manual, often migrant labour, which makes it vulnerable to the risks of modern slavery practices.

The indirect use of site labour, utilising low skilled manual workers recruited for sub-contractors by labour hire agencies, is an area requiring greater transparency across the construction industry.

Management Services Risk

Under the Management Services Agreement, CMS provides management services to CYP. These are mainly financial management of CYP (financial reporting, payment of invoices, accounts receivable), financial modelling and the employment of CYP’s management team. These services are provided directly by employees of Lendlease Group (all employees being domiciled and employed in Australia under National Employment Standards).

Suppliers engaged in supporting delivery of these services are engaged in accordance with the relevant procurement and due diligence processes applying within the Lendlease Group.

Maintenance Subcontract Risk

Maintenance Contractor Risk is not yet present, as the provision of that service has not yet commenced.

We note the provision of maintenance services, such as cleaning, asset maintenance and security, exist in a price competitive low margin market, sometimes relying on low-skilled migrant labour for viability.

These may create preconditions for vulnerable workers to be exposed to a range of modern slavery-like practices.

Mitigating the impacts of COVID-19



Arden Station. Image courtesy of Rail Projects Victoria.

The Metro Tunnel Project was declared 'critical and essential infrastructure' by the Victorian Government and works have continued throughout the COVID-19 pandemic during the Reporting Period.

During the Covid-19 pandemic, CYP has focused on CYP's commitment to the health, safety and wellbeing of its direct workforce and subcontractors.

CYP implemented business continuity measures. CYP has responded to the impacts from COVID-19 by ensuring there are specific systems and processes in place for business continuity (including remote working), in compliance with its corporate, contractual and legal obligations.

Key measures were taken by CYP and its D&C Subcontractor to comply with the Victorian Government directives which involved implementing comprehensive COVID-19-safe procedures and guidelines including:

- Best practice hygiene measures;
- Personal screening response protocols for confirmed cases;
- Social distancing;
- Shutdown, hibernation and re-start protocols; and
- COVID-19 awareness training for CYP personnel including secondees.

The Victorian Government's declaration of the Metro Tunnel Project as a critical infrastructure project has enabled the D&C Subcontractor to continue to perform construction and support activities to deliver on its commitments and provide a structure of support to workforce personnel.



Actions taken to assess and address modern slavery risks, including remediation

During the reporting period, CYP has worked with the D&C Subcontractor, Maintenance Subcontractor and CMS (**Key Contractors**) to assess their approaches to mitigating modern slavery risk.

In the discharge of CYP's obligations under the Project Agreement, the D&C Subcontractor has been engaged to design, supply, construct, install, commission and complete the Works and the Maintenance Subcontractor has been engaged to perform the Maintenance Services. CMS has been engaged to provide management services to CYP. For further details, refer to the heading above "Our Operations and Supply Chain".

CYP has undertaken the following modern slavery risk mitigation actions:

- Engaging with Key Contractors to understand how they are addressing their modern slavery risks by requesting them to complete a Modern Slavery due diligence questionnaire. This has included understanding supplier verification procedures and internal policies and procedures regarding workers' labour conditions and workplace practices;
- Using the modern slavery risk due diligence questionnaire responses to inform CYP's risk assessment to identify the requirement for additional risk screening; and
- Conducting ongoing assessment of modern slavery risks in respect of CYP's D&C Subcontractor, by monitoring the monthly progress management reports related to the use of resources, industrial relations and workplace health and safety standards and COVID-19 impacts.

During the Reporting Period, responses to the modern slavery risk due diligence questionnaire (which are checked by the legal team) have not raised any issues requiring further verification or risk mitigation actions by CYP.

CYP is also taking the following actions to continue to raise awareness of, and mitigate, modern slavery and labour rights risks within its own supply chain:

- The inclusion of template modern slavery risk contract clauses, where appropriate, for agreements entered into by CYP;
- Encouraging CYP's Key Contractors to annually review their policies and procedures in relation to labour rights risks and modern slavery risk issues; and
- Request CYP suppliers to acknowledge they have read and understood the CYP Supplier Code of Conduct. The CYP Supplier Code of Conduct is an internal document that is applied to the limited set of suppliers and contractors CYP engages.

CYP has also adopted the following Lendlease Group policies: Employee Code of Conduct (including associated policies), 'Health and Safety and Diversity and Inclusion policies. Further details may be found on the Governance page of the [Lendlease website](#).

As such, CYP acts ethically and observes fundamental aspects of human rights in its business relationships.

Assessing effectiveness of actions taken for mitigating modern slavery risks

CYP has considered modern slavery issues in its risk framework to ensure accountability and oversight of mitigation approaches by its leadership team and the CYP Partnership Committee.

CYP established a Modern Slavery Working Group consisting of CYP's Chief Executive Officer and the Legal and Commercial team. The Modern Slavery Working Group meets on a quarterly basis, to review CYP's supply chain and procurement practices, and to assess the effectiveness of actions taken to address modern slavery risk in CYP's operations and supply chains.

CYP has created a supplier risk assessment checklist and conducted a Modern Slavery supplier risk assessment of all CYP's suppliers to determine those suppliers who would be required to complete a modern slavery due diligence questionnaire for the FY21 reporting period.

The CYP Commercial and Legal team has also reviewed the list of Suppliers for the Full Year who were paid over \$AU100,000 and has determined that each supplier is only providing services in Australia, and therefore their inherent modern slavery risk is likely to be lower.

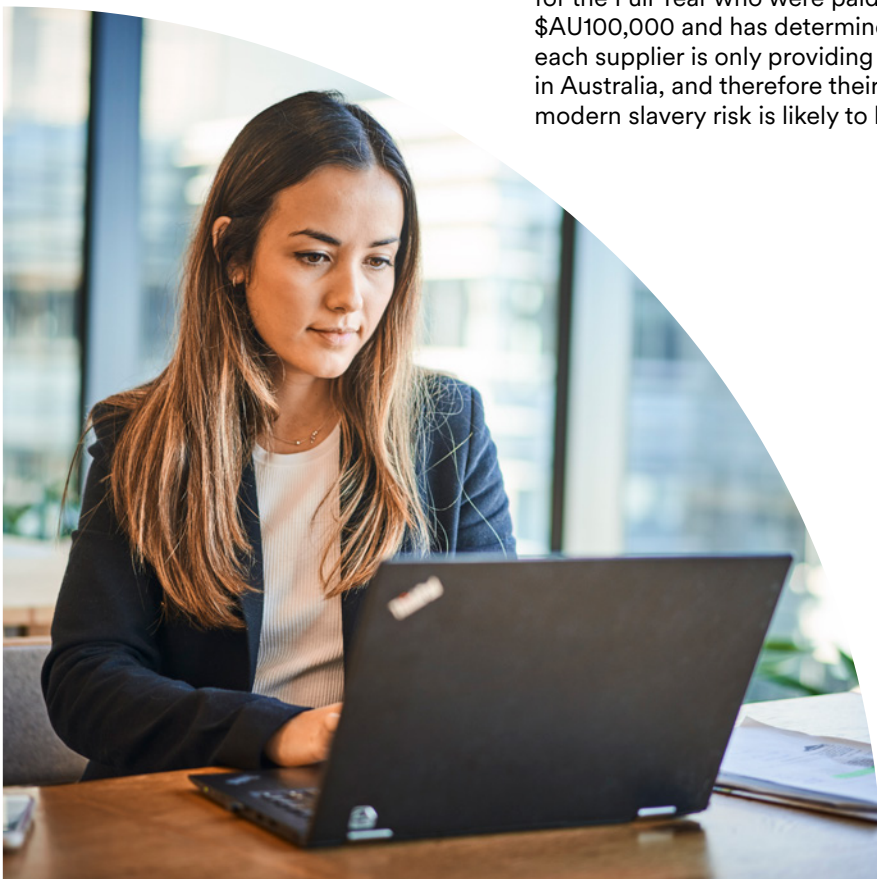
Following the supplier risk assessment, CYP has required CYP's Key Contractors to complete the modern slavery due diligence questionnaire to improve CYP's understanding of their supply chains and to understand how they are addressing their modern slavery risks. The information provided informed a further risk assessment to identify if additional screening was required.

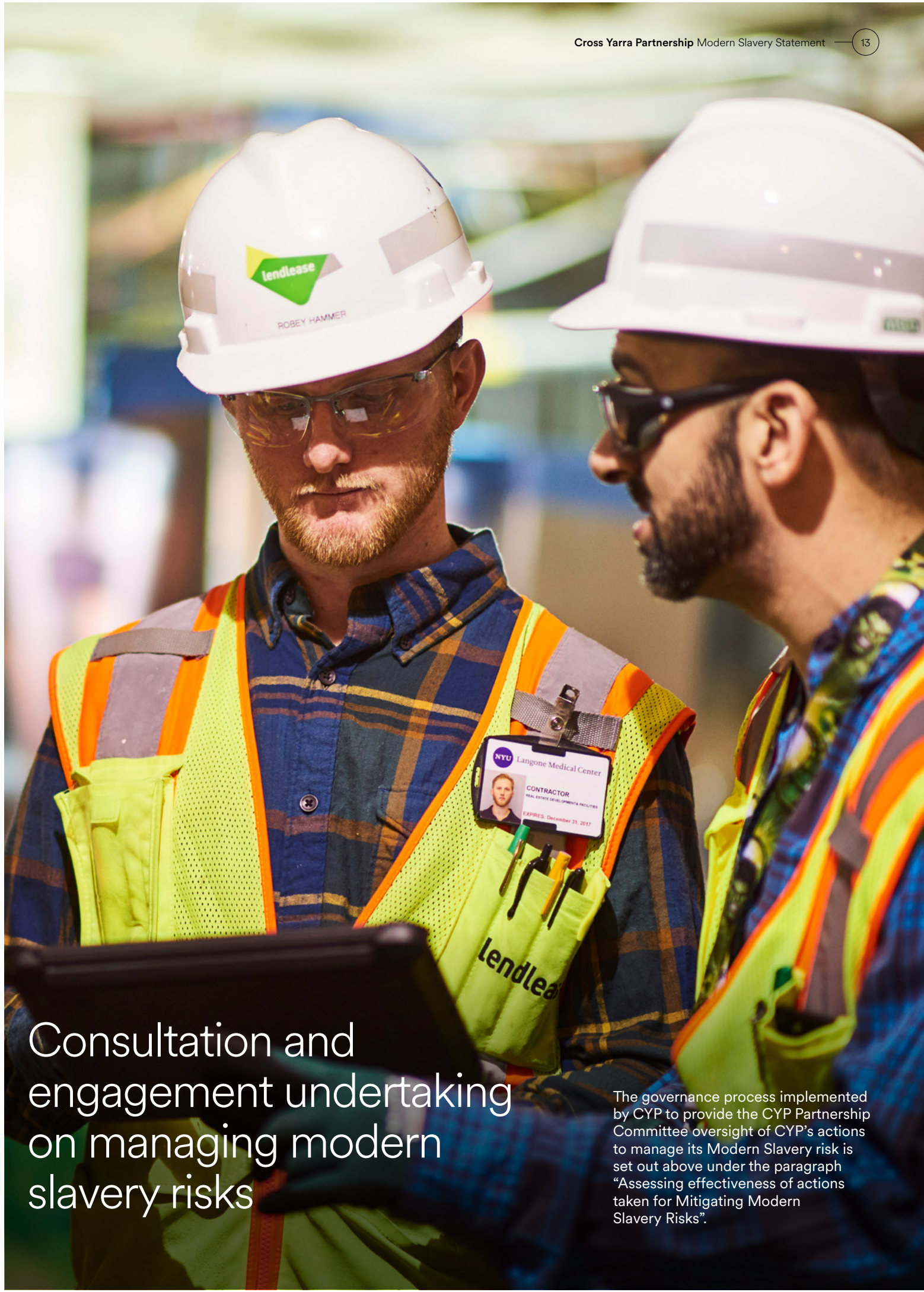
The risk assessments conducted in relation to CYP's suppliers as outlined above have not raised any issues requiring further monitoring of the supply chains, verification or mitigation actions by CYP for the Reporting Period.

CYP considers the above actions effective, as a pre-emptive monitoring measure. Nonetheless, CYP continues to build on its actions by having relevant staff attend seminars and other educational sessions in relation to modern slavery risk.

The Modern Slavery Working Group continues to consider the effectiveness of its actions to assess and address modern slavery risks. Future working group sessions are proposed to have specific regard to the Guidance for Reporting Entities Criteria 5 – to describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risk. In summary, the Modern Slavery Working Group performs an assessment to identify and assess any new risks that may emerge in the course of CYP's operations and supply chains using its Supplier Risk Assessment Checklist. The outcome of the assessment is then presented, on an annual basis to the CYP Partnership Committee for response monitoring and corrective action. Whether or not corrective action is required is assessed by the Modern Slavery Working Group.

No corrective action has been identified for the Reporting Period.





Consultation and engagement undertaking on managing modern slavery risks

The governance process implemented by CYP to provide the CYP Partnership Committee oversight of CYP's actions to manage its Modern Slavery risk is set out above under the paragraph "Assessing effectiveness of actions taken for Mitigating Modern Slavery Risks".

Other relevant information

Engagement with External Stakeholders

CYP recognises tackling systemic modern slavery practices in global supply chains requires strong collaboration not only with suppliers, but government, industry and civil society. CYP is in the early stages of its engagement journey, but greatly values the insights and perspectives gained

from the construction sector in the Victorian industry on the approach to this issue. Our team members have also attended industry seminars from time to time during the Reporting Period, in an effort to increase awareness, obtain insights into broader industry dialogues and build operational capacity on the issue.



Looking ahead

CYP will continue to focus on the following areas for FY22:



COVID-Safe Operations

CYP will continue to operate responsibly, and to safeguard our workforce and subcontractors and remain mindful of supply chain impacts of COVID-19 on our Key Contractors and suppliers



Developing + Embedding

CYP will continue to develop and embed CYP's modern slavery risk due diligence and mitigation processes in its engagements with suppliers and contractors



Monitoring + Assessment

Targeted screening and assessment of key suppliers and supply chain categories



Engagement

Engage suppliers, property services providers, investors, tenants on education collaboration and awareness raising to jointly tackle modern slavery risks.

This Statement is made pursuant to section 13 of the *Modern Slavery Act 2018* (Cth) and constitutes the Modern Slavery Statement of CYP.

This Statement has been prepared by the CYP CEO and was approved by the principal governing body on 21 December 2021.

Signed:  _____

Director name: Dennis Cliche
Chair of the CYP Partnership Committee

Date: 21 December 2021
