

Modern Slavery Statement

Spark North East Link Pty Ltd
(ACN 633 649 439)
as trustee of the
Spark North East Link Trust

**Financial Year
2022**



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Artist's impression of Yarra Link green bridge and tunnel ventilation structure, Bulleen

Identifying the entity

This Modern Slavery Statement (Statement) is made by Spark North East Link Pty Ltd (ACN 633 649 439) as trustee of the Spark North East Link Trust (Spark) and relates to the financial year 1 July 2021 to 30 June 2022.

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

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



Structure, operations and supply chains



Structure

Spark is a special purpose vehicle, formed to enter into a Project Deed with the Minister for Transport Infrastructure for and on behalf of the Crown in right of the State of Victoria (**the State**) to deliver the North East Link Project – Primary Package (**NEL PPP**) as part of the North East Link Project in Melbourne, Victoria (**Project Deed**).

Spark is held by its 6 equity investors:

- MEL PP Pty Ltd (ACN 652 418 785) as trustee for MEL PP Trust;
- GS SPV Pty Ltd (ACN 652 119 394) as trustee for GS NEL Trust;
- Pacific Partnerships Investments 2 Pty Ltd Limited (ACN 652 191 074) as trustee for Pacific Partnerships Investment 2 Trust;
- John Laing Limited (NEL) B.V. (KVK 83472053);
- LL NEL Pty Limited (ACN 653 325 207) as trustee of the LL NEL Trust; and
- DIF NEL Pty Ltd (ACN 652 241 337) as trustee for DIF NEL Trust.

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

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

Spark's CEO and staff are employed by Capella Capital Lendlease Pty Limited and seconded to Spark pursuant to secondment agreements (**Secondment Agreements**). Spark's CEO reports to the Board, which is made up of Directors from each of the 6 equity investors. The Spark staff in turn, report to the Spark CEO.

The Secondment Agreements require the CEO and Spark staff to comply with various Lendlease and Spark procedures and policies. Spark is therefore able to draw on the systems and processes of the Lendlease Group's modern slavery risk supplier assessment and mitigation measures. This Statement therefore also references the Lendlease Group Modern Slavery Statement FY22 in respect of mitigation actions taken by Spark during the reporting period.

Our operations and supply chains

Spark has been contracted by the State to complete the missing link in Melbourne's orbital freeway between an upgraded Eastern Freeway and the M80 Ring Road. In line with Figure 1, Spark is responsible for delivering the Primary Package under a public-private partnership (**PPP**) framework encompassing:

- Design, financing, construction and commissioning of the Works, including 6.5km twin three or four-lane tunnels, with interchanges at Manningham and Lower Plenty Roads and upgrades to Greensborough and Bulleen Roads, as well as the Secondary Package (SP) Intelligent Transport System (ITS) Works
- Development of the Secondary Package Interface Zones Preliminary Design Undertaking the Services for the Primary Package and the Extended Operational Activities for the Extended Operational Area.

The Secondary Packages will be designed and constructed by other parties.

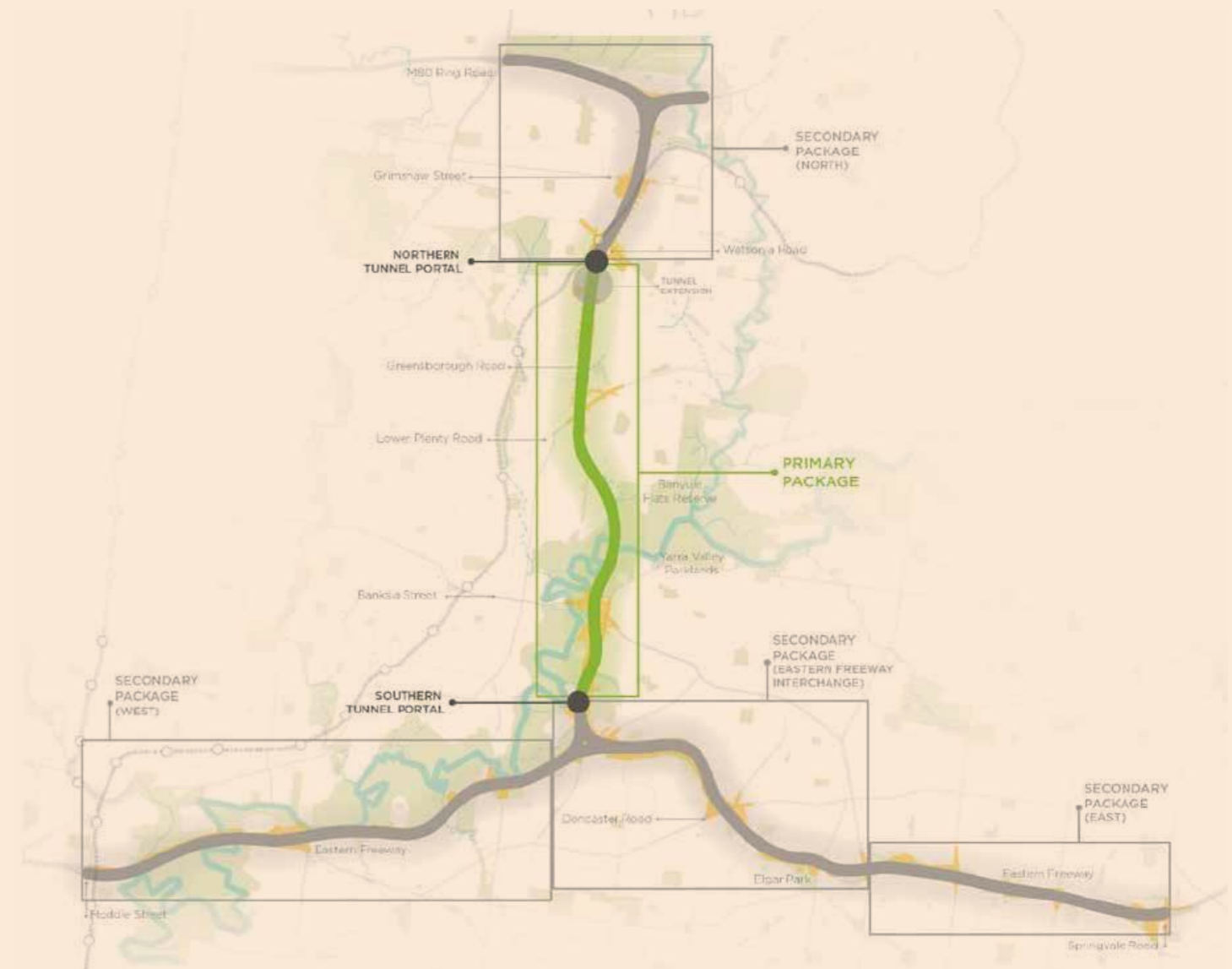


Figure 1: Project Boundary

More information regarding the North East Link Program can be found at <https://bigbuild.vic.gov.au/projects/north-east-link-program>

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

- **Design & Construct ('D&C') Contract** with the unincorporated joint venture comprising Webuild S.p.A, GS Engineering & Construction Australia Pty Ltd, CPB Contractors Pty Ltd and China Construction Oceania Pty Ltd (together the **D&C Contractor**) to deliver the Development Activities

(which include the design of the Works; the SP Interface Zone Design; the manufacture, supply, construction, installation, commissioning and completion of the Works);

- **Services Contract** with Ventia Australia Pty Ltd (the **Services Contractor**), to carry out certain work, things, services and tasks services, over the Operational Phase (a 25 year term anticipated to commence 1 January 2029), for which Spark is required to perform under the Project Deed; and

- **Management Service Agreement** with Stella MMTS Finance Pty Ltd (ACN 612 094 078) and CMS under which CMS provides services to Spark which include:

- procurement of Spark staff and secondment to Spark;
- financial reporting including preparation of monthly reporting, annual financial reports and tax return preparation;
- facilitating recruitment, setting up of business systems, IT systems and bank accounts, and arranging office space; and
- executive and compliance support.

In this reporting period, Spark has undertaken a risk assessment of its Key Agreements and in doing so, taken into consideration the following risk factors:

- the industry sector of its operating supply chain
- the types of products and services provided; and
- the business models of its key contractors.

Modern slavery risks
in our operations
and supply chains

The three key modern slavery risk areas for Spark are outlined below:



D&C Contract Risk

Spark recognises there may be modern slavery risks in the D&C Contractor's supply chain as the D&C Contractor 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 risk of modern slavery in this sector is essentially related to labour in the supply chain, and or labour engaged in the construction process. Transparency of labour used for materials and components used in the construction is particularly difficult, with long complex supply chains, not readily visible by the end product user, distributor or installer.

For direct operations, whilst much of the construction labour used in Australia is unionised, and a licensing regime operates for labour hire providers in Victoria under the Labour Hire Licensing Act 2018 (LHL Act), the indirect use of site labour, utilising low skilled manual workers recruited by smaller sub-contractors either informally or as a result of the general contractor still remains an area of focus. In particular, having the oversight to ensure due diligence in labour recruiting processes are carried through by a principal contractor is a key risk to monitor and includes ensuring:

- lawful methods for sourcing, engaging and paying workers in accordance with industry awards and related entitlements
- workers are of minimum legal age, and legally permitted to work
- conditions of work, are formally and clearly conveyed to those workers whose English is not their first language or their knowledge of their employment rights may be limited
- appropriate documentation to show workers' correct pay rates and any entitlements, including payslips, frequency of pay and employment contract documentation
- a grievance pathway for workers to raise concerns confidentially and without retaliation.



Services Contract Risk

Services Contractor risk is not yet present, as the operations phase has not yet commenced and at this time the Services Contractor is providing advisory services only.

We note that the provision of some 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. We are aware that these service providers will require targeted risk screening when that engagement phase arises and will be planning for this in anticipation.



Management Services Risk

Under the Management Services Agreement, CMS provides management services to Spark. These include financial management of Spark (financial reporting, payment of invoices, accounts receivable), financial modelling and the employment of Spark staff. These services are provided directly by employees of Lendlease Corporation (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.

Mitigating the impacts of COVID-19



During the reporting period, Spark has focused on Spark’s commitment to safety, for our direct workforce and subcontractors, in accordance with public health advice.

Spark implemented business continuity measures to respond to disruptions arising from COVID-19 so that specific systems and processes were in place for the continuity of Spark’s operations, in compliance with its corporate, contractual and legal obligations, during the COVID-19 pandemic.

Our response to the impacts of COVID-19 included implementing comprehensive COVID-19-safe procedures and guidelines for Spark staff including:

- social distancing;
- personal screening response protocols for confirmed cases;
- hygiene measures;
- shutdown, hibernation and re-start protocols; and
- COVID-19 awareness training.

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

During the reporting period, Spark has worked with its D&C Contractor and Services Contractor (**Key Contractors**) to assess their approaches to mitigation of modern slavery risk, including questionnaires and enhanced reporting.

Spark has requested its Key Subcontractors to:

- provide a Modern Slavery Risk Management Plan that must, at a minimum, detail:

- the Key Contractor’s steps to identify and assess risks of Modern Slavery practices in the operations and supply chains used in the performance of the Project Activities;
- the Key Contractor’s processes for addressing any Modern Slavery practices of which it becomes aware in the operations and supply chains used in the performance of the Project Activities;
- the content and timing of training for Key Contractor associates regarding Modern Slavery; and
- the Grievance Mechanisms available to Key Contractor associates.
- complete a Modern Slavery Questionnaire which is used to assist Spark and its Key Contractors to:
 - identify and assess possible modern slavery risks in Spark’s supply chain;

- identify mitigation efforts to combat the risk of modern slavery in Spark’s supply chain; and
- foster collaboration between Spark and its Key Contractors to address these risks. This includes understanding supplier verification procedures and internal policies and procedures including workers’ labour conditions and workplace practices.

Spark has used responses from the questionnaire as a basis of its risk assessment to identify the need for additional checks.

In relation to the D&C Contractor, Spark undertakes ongoing assessment of risks by monitoring the monthly reporting related to the use of resources, industrial relations and workplace health and safety standards and COVID-19 impacts.

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

- depending on the nature of the agreement, include requirements relating to modern slavery risk in agreements entered into by Spark;
- encourage its Key Contractors to annually review their policies and procedures in relation to labour rights risks and modern slavery issues and report on these in the Modern Slavery Questionnaire;
- require its Key Contractors to demonstrate how they are addressing their modern slavery risks in a Modern Slavery Risk Management Plan, including through regular updates of these plans; and
- request its Key Contractors to annually confirm in writing that they have read and understood the Spark Supplier Code of Conduct.

Spark staff are required to comply with the following Lendlease Group policies which respond to modern slavery risks:

| Key Lendlease Policies | Description |
|--|--|
| Health and Safety | Sets up oversight and management of Health and Safety and embedment of Global Minimum Requirements |
| Lendlease Global Minimum Requirements (GMRs) | The GMRs operate as our minimum Environment Health and Safety standards for how we operate anywhere in the world. All suppliers and their supply chains are required to observe these policies when working on our projects. |
| Employee Code of Conduct | The Code explains the standards the Company expects in the conduct of its operations and supports the Core Values, especially Integrity (which "is not negotiable"). |
| Conduct Breach Reporting Policy | Enables employees (their families), contractors, suppliers and agents to speak up and report illegal or improper conduct occurring in the Lendlease business, including behaviour that does not accord with our Core Values, Employee Code of Conduct or Supplier Code of Conduct. |
| Diversity and Inclusion Policy | Sets out Lendlease’s commitment to workplace diversity and inclusion and conveys goals, measures and management approach. |
| Anti-Bribery Anti-Corruption Policy | All Lendlease directors, employees and third parties are to observe the UK Bribery Act 2010 wherever they operate, and for third parties, including suppliers, to have undergone compliance processes for screening plus due diligence checks. |



Artist's impression of new Borlase Reserve parklands and revitalised Banyule Creek, Yallambie

Assessing effectiveness of actions taken for mitigating modern slavery risks

Spark has considered modern slavery risk issues in its risk framework to ensure accountability and oversight of mitigation approaches by its legal and commercial team and the Spark Board.

On an annual basis, Spark reviews the effectiveness of the actions taken to address Modern Slavery risk in Spark's operations and supply chain through the Modern Slavery Questionnaire and Modern Slavery Risk Management Plan update. The review is performed by Spark's legal and commercial team to identify and assess any new risks that may emerge in the course of Spark's operations and supply chain. Findings of the review are presented to the Spark Board for response, monitoring and corrective action.

Consultation and engagement undertaking on managing modern slavery risks

The following governance process has been implemented by Spark to provide the Spark Board oversight of Spark's actions to manage its modern slavery risk:

- requiring all of the Spark legal and commercial representatives to undertake the Lendlease modern slavery e-learning training module;
- established a working group consisting of Spark's CEO and legal and commercial representatives to effectively manage modern slavery risk, discharge the obligations

imposed on Spark set out in this Statement and otherwise ensure compliance with the Modern Slavery Act; and

- on an annual basis the working group will provide the Spark Board with its findings in relation to assessment of potential risks and mitigating actions.

In addition, Spark has undertaken supply chain engagement via the Modern Slavery Questionnaire, meeting with its Key Contractors to discuss modern slavery risk and making the Spark

Supplier Code of Conduct available to all of its contractors to assist them to identify high risk suppliers. Spark requires 100% of its Key Contractors to annually confirm in writing that they have read and understood the Spark Supplier Code of Conduct.

During the reporting period, no reports were logged regarding modern slavery or labour rights concerns through Ethics Point, nor through other channels as far as we are aware.

Other relevant information

Engagement with External Stakeholders

Spark's focus in the reporting period was on establishing and embedding policies, guides, systems and tools to identify and manage modern slavery risk in its supply chain.

Spark recognises tackling systemic modern slavery practices in global supply chains requires strong collaboration not only with suppliers, but government, industry and civil society. Spark 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.



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

This Statement has been prepared by the Spark CEO and was approved by the principal governing body on [date].

Signed: 

Director name: Duncan Jewell
Chair of the Spark Board

Date: 24/11/22

Looking ahead

Spark will continue to focus on the following areas for FY23:



COVID-Safe Operations

Spark will continue to operate responsibly and to safeguard our workforce and contractors and remain mindful of supply chain impacts



Developing + Embedding

Spark will continue to develop and embed Spark's modern slavery risk due diligence and mitigation processes



Monitoring + Assessment

Targeted screening and assessment of key suppliers and supply chain categories



Engagement

Engage with suppliers, investors and Key Contractors on education, collaboration and awareness raising to jointly tackle modern slavery risks

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