



Modern Slavery Statement – Financial Year 2022

Introduction

The Modern Slavery Act 2018 (Cth) (“**the Act**”) requires entities based or operating in Australia, which have annual consolidated revenue of more than \$100 million to report on the risks of modern slavery in their operations and supply chains, and actions to address those risks. The Act had an effective date from 1 January 2019 and required reporting entities to prepare an annual modern slavery statement. This statement is prepared for the reporting period 1 January 2022 to 31 December 2022 (reporting period).

This is the first modern slavery statement for Victorian Correctional Infrastructure Partnership Pty Ltd (ACN 107 247 067) (“**the Company**”) as it met the consolidated revenue threshold during the reporting period.

This statement outlines the commitment and approach of the Company towards tackling modern slavery throughout its supply chains and ensuring there is transparency in the business that it operates.

Mandatory Criteria One & Two: Identify the reporting entity and describe its structure, operations and supply chains

The Victorian Correctional Infrastructure Partnership is 100% held by BBGI Holding Limited, which is a UK incorporated company.

In 2003, the Victorian Correctional Infrastructure Partnership Pty and the Victorian Government entered into the project agreement to design, construct and finance the development of remand and correctional facilities in Victoria and then to operate and maintain the facilities over a 25 year concession with the Victorian Department of Justice (the “State”).

The Company has the right to use land owned by the State for the construction of the remand and correctional facilities and then for the subsequent operating and maintenance of the facilities for the operating and maintenance period. Upon termination of the service concession agreement, the Company has the obligation to return to the State the Company's right to use the land it had previously been granted the right to use.

In 2021 the Company and the State entered into an Augmentation Order to design and manufacture modular cells for the increased capacity at the remand and correctional facilities in Victoria.

Whilst the Company itself does not have any employees, the Company procures goods and services from various suppliers to meet the delivery of services specified in the Project Deed. The Company's most significant expenditure relate to construction costs, facilities management (FM) services; and other professionals services such as legal, tax, audit and technical consultancy.



Mandatory Criteria Three: Describe the risks of modern slavery practices in the operations, supply chains of the reporting entity and any entities the reporting entity owns or controls

The Company has reviewed the UN Guiding Principles on Business and Human Rights, which underpins the Act and conducted a review of its suppliers to assess (i) the sectors in which the suppliers operate (ii) the nature of the products and services provided by the suppliers (iii) geographic regions in which the suppliers operate and (iv) entity risks specific to the suppliers.

- The major risks of modern slavery within the Company's supply chain is sector specific, as its key suppliers are within the construction and facility management sectors, where the risks of modern slavery ensue from the sourcing of labour and materials. There has been longstanding demand for migrant, low skilled manual labour within the construction industry, thus making the industry more exposed to risks of debt bondage, coercion, and compulsory labour. Similarly, for FM services such as security and cleaning, price competition in the market often results in low skilled, migrant workers being employed for viability, which in turn could create pre-conditions for modern slavery-like practices.
- The FM and construction services procured by the Company are provided by Cushman & Wakefield ('C&W') and Built Pty Ltd ('Built') respectively. Both C&W and Built are large, reputable, multinational companies, which are also reporting entities under the Act.
- C&W has contracts with Australian companies for certain soft services, including the provision of security services, cleaning services and associated consumables. These services are delivered in a market that is highly price competitive and largely dependent on low-skilled migrant labour engaged at award rates to be cost effective. This can contribute to an environment of vulnerable workers exposed to modern slavery risks. It is noted that post-COVID conditions are seeing a lack of migrant worker availability, with the scarcity of staff pushing wages up. C&W continues to closely observe the impact this has on the risk profile of this industry.
- Built's operations where labour is directly engaged are limited to Australia, New Zealand and UK businesses. As Built's labour engagement and management policies and practices are structured strictly in accordance with the relevant laws, the risk of Built directly causing modern slavery is considered low. Built acknowledges that given the diversity and depth of parts of its supply chain, it is links of this nature that are considered Built's most significant risk of exposure to modern slavery. In particular, the risks of modern slavery are most likely to arise from: 1) materials sourced from overseas regions at risk of modern slavery; and 2) local trades where unskilled or semi-skilled labour is sourced.
- The residual services are rendered by professionals and are specialist in nature. Therefore, these services are of higher value in payments and constitute lower risks of modern slavery.



Mandatory Criteria Four: Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes

The Company has undertaken a risk-based approach in conducting its due diligence on the Company's key partners and suppliers to identify modern slavery risks. The Company has written to each identified higher risk supplier and requested copies of their relevant policies and the completion of the Annual Modern Slavery Questionnaire.

C&W

C&W developed and tested a Self-Assessment Questionnaire as a tool to review their suppliers' policies and practices to identify, assess and mitigate modern slavery risks in their supply chains and operations. All new suppliers are required to agree to the Global Vendor/Supplier Integrity Policy as part of the supplier onboarding process, allowing C&W's internal auditors to monitor, test and audit the suppliers' compliance with their contractual and modern slavery obligations. No deficiencies in respect of modern slavery practices were reported as a result of these audits and/or spot checks during the reporting period.

A central part of C&W's governance structure is the Modern Slavery Risk Committee which is responsible for further investigating potential or actual incidents of modern slavery within the Australian businesses, operations and supply chains. C&W is collaborating with Informed365 and The Property Council of Australia to strengthen its modern slavery platform.

Built

In this reporting period, Built engaged an independent specialist consultant to update the Modern Slavery Hot Spot Risk Analysis to ensure it is working with the latest data and information from global databases. Built identified its largest suppliers and contractors and issued them with Supplier Surveys which ask detailed questions on due diligence processes around supply chain slavery identification and redress. Key project tenders (>\$25m) are evaluated for risk of modern slavery exposure.

Built subscribed to the Equifax Ethical Supplier Screening platform to screen their top 200 suppliers by value spend, representing approximately 50% of its FY22 supply chain spend, with 2 supplier alerts relating specifically to activities relating to modern slavery. Built's supplier risk assessment includes Equifax's vendor risk software which continuously monitors the suppliers for any new risks or issues that may arise, with automatic alerts.

If there are areas for concern, the respondents are followed up directly for further detail and action.

Mandatory Criteria Five: Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks

The Company's higher risk suppliers are large, reputable, multinational suppliers who are reporting entities under the Act. We have obtained their modern slavery statements and reviewed these against the mandatory criteria on modern slavery that they must respond to.



The Company will continue to review and identify any changes to the profile of the suppliers engaged. In the next reporting period, the Company intends to take the following actions:

- Request a copy of C&W's Self-Assessment Questionnaire (SAQ);
- Request and review a copy of C&W's Global Economic Sanctions Policy and Global Due Diligence Policy;
- Request a copy of Built's Sustainable Procurement Policy and Supplier Code of Conduct;
- Request a copy of Built's Supplier Surveys;
- Review Built's Modern Slavery Hot Spot Risk Analysis; and
- Request and review a copy Built's Informed365 Property Council of Australia Modern Slavery Supplier Survey.

Mandatory Criteria Six: Describe the process of consultation with any entities that the reporting entity owns or controls.

The Company does not own or control any entities.

Mandatory Criteria Seven: Any other relevant information

None.

Approval

This statement was approved by the Board of VCIP on ²⁶..... June 2023.