

Statement under the Modern Slavery Act 2018 (Cth)

ConnectEast Pty Ltd



PART 1: THE REPORTING ENTITY (CONNECTEAST PTY LTD)

ConnectEast Pty Limited ACN 101 213 263 (**ConnectEast**) is a proprietary limited company registered in Victoria, Australia. ConnectEast is the responsible road authority and operator of EastLink pursuant to a concession from the State of Victoria. EastLink is a 39km north-south tolled freeway in Melbourne's East.

ConnectEast understands that addressing modern slavery risks is essential to a holistic approach to sustainability. ConnectEast's guiding sustainability principles include:

- (a) Recognising whole-of-life requirements for maintaining and enhancing the quality of our assets;
- (b) Protecting and enhancing our surrounding environment;
- (c) Committing to being a good corporate citizen and understanding the impacts we have on stakeholders within the community and
- (d) Committing to conducting our affairs in a lawful, ethical and respectful manner with all stakeholders.

Our sustainability principles reflect one of our four corporate values, being Custodianship. We protect and enhance our assets and the environments in which we operate, recognising the interests of our stakeholders. Anticipating and mitigating modern slavery risks is reflected in our commitment to Custodianship, by ensuring that the "whole-of-life" approach is adopted in respect to human resources within our organisation and our supply chains.

We also acknowledge the United Nations Sustainable Development Goals (**SDG**), particularly SDG 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all).

SDG 8 is a focus of our sustainability efforts and features in our annual Sustainability Report, which we submit to the Global Real Estate Sustainability Benchmark (GRESB) each year. In the GRESB Infrastructure Sustainability Assessment, we have achieved a:

- (a) Top 5-star rating for the last 4 consecutive years (2016-2019);
- (b) Ranking in the top 10% globally of 393 infrastructure assets (2019); and
- (c) Ranking of #4 globally of road companies/motorways (2019).

As part of our sustainability efforts, we understand that modern slavery is a global issue that may present itself in our supply chains. We have set out a clear action plan to address and monitor these risks.

2020 is the first reporting year for ConnectEast under the Modern Slavery Act 2018 (Cth) and has also been a year that presented unexpected challenges due to COVID-19. However, ConnectEast has had robust measures in place to detect and mitigate modern slavery risks for the 12 years that ConnectEast has been the responsible road authority and operator of EastLink. This Statement contains several case studies evidencing ConnectEast's structures, policies, and agility in responding to change.

This Statement has been reviewed and approved by ConnectEast's:

- (a) Senior Management Team; and
- (b) Board on 24 November 2020.

Signed:



Russell Caplan
Chairman
ConnectEast Pty Ltd



Charles Griplas
Director
ConnectEast Pty Ltd

PART 2: CONNECTEAST PTY LTD'S STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Structure

ConnectEast is a private company registered in Victoria, Australia and is the responsible road authority and operator of EastLink. ConnectEast does not own or control any other entities.

ConnectEast's head office is located at the EastLink operations centre, 2 Hillcrest Avenue, Ringwood, Victoria 3134. ConnectEast has 170 employees, all of whom are based at Ringwood, Australia.

ConnectEast is responsible for the operation and maintenance of EastLink and, in doing so, is entitled to collect tolling revenue from users of the road.

ConnectEast is a reporting entity for the purposes of the Modern Slavery Act 2018 (Cth).

Operations

ConnectEast was established as a special purpose vehicle dedicated to the design, construction, operation and maintenance of EastLink.

ConnectEast's sole asset is EastLink. As such, ConnectEast's operations are located wholly within Australia.

Construction of EastLink started in March 2005. EastLink opened to traffic in June 2008. The EastLink toll road concession agreed with the State of Victoria will continue until 2043.

As a result, ConnectEast's operations are diverse and span departments such as:

- (a) Road Operations and Maintenance;
- (b) Information Technology (IT);
- (c) Customer Services;
- (d) Finance, Billing and Credit;
- (e) Legal and Regulatory;
- (f) HR, Risk and Safety; and
- (g) Corporate Affairs and Marketing.

ConnectEast has engaged Broadspectrum (Australia) Pty Ltd (owned by Ventia) pursuant to an Operation and Maintenance

Agreement to undertake certain operation and maintenance activities on ConnectEast's behalf.

Broadspectrum (Australia) Pty Ltd is a reporting entity under the Modern Slavery Act 2018 (Cth).

Supply Chains

As ConnectEast's operations are diverse, so is our supply chain. ConnectEast engages a broad range of suppliers for the provision of goods and services.

Our supply chains include:

- (a) Sourcing and procurement of raw materials and finished goods;
- (b) Plant, equipment, products and consumables to maintain EastLink
- (c) Software and hardware to operate EastLink;
- (d) Software and hardware for tolling and customer relationship management;
- (e) IT support and telecommunication services;
- (f) Revenue collection and debt recovery services;
- (g) Products provided to customers (such as account statements and notifications, DSRC tolling tags and tag holders);
- (h) Utilities (power, fuel, water, drainage, waste collection, recycling);
- (i) Other services relevant to the maintenance and operation of EastLink connected to the collection of tolling revenue.

Given the fixed nature of EastLink, most of ConnectEast's suppliers are located in Australia. We also have key suppliers that are based in Austria, New Zealand, Spain, the USA, and the Philippines.

PART 3: RISKS OF MODERN SLAVERY PRACTICES

ConnectEast has a zero-tolerance policy of modern slavery in its operations and supply chains. Therefore, we undertake steps to identify risks of modern slavery practices in our supply chains.

Modern slavery is unlikely to be as much of an issue in places where human rights (and labour rights) are respected and legislatively entrenched. As most of our operations and suppliers are based in Australia and in developed nations, we have generally categorised these suppliers as low risk.

Each department in ConnectEast underwent specific training and undertook a risk scoping exercise to identify any suppliers that may have modern slavery risks within their supply chains. The risk scoping exercise revealed that there may be greater modern slavery risks in:

- (a) Suppliers that procure raw materials or labour from nations with poorer human rights records and labour laws;
- (b) Sectors where modern slavery risks have historically been more prevalent, such as cleaning;
- (c) Suppliers who operate from developing nations.

We ensure that our suppliers understand our expectations and proactively work with our suppliers to address any modern slavery risks.





Case Study

Our risk scoping exercise identified an entity that assembled its products in a developed nation with strong labour laws but procured raw materials from China using local labour.

As ConnectEast does not have visibility over this part of the entity's supply chain, we requested further information from the entity as to its supply chains (as well as a copy of the entity's modern slavery statement).

Upon receiving that information, we could see that modern slavery risks were being identified and addressed by that entity to the extent required.

PART 4: ACTIONS TAKEN TO ADDRESS RISKS OF MODERN SLAVERY PRACTICES

ConnectEast has adopted the approach in the UN Guiding Principles (Principle 17), by focusing on assessing general areas of its operations and supply chains where modern slavery risks are likely to be most significant, being:

- (a) Areas that involve high risk goods and services;
- (b) Geographic locations that have a higher modern slavery risk; and
- (c) Higher risk sectors.

Due Diligence

ConnectEast has undertaken human rights due diligence as required by UN Guiding Principles 15 and 17.

ConnectEast has a mixture of established and introduced practices to safeguard against modern slavery risks.

Audits are conducted on an annual basis to assess whether any of our suppliers have modern slavery risks in their supply chains.

All ConnectEast employees have undertaken modern slavery training, with additional detailed training provided to contract managers. This has allowed ConnectEast employees to be aware of modern slavery risks and to identify such risks at the time of procurement.

We are currently developing monthly sustainability objectives for subcontractors i.e. reporting of environmental data, reporting of work days, hazards, safe work method statements etc. This acts as extra screening in our supply chain to ensure the best practices are upheld.

ConnectEast's contact centre and head office is located within Australia as opposed to offshore (and this has been the case in the time that ConnectEast has been the responsible road authority and operator of EastLink). This means that ConnectEast's call centre employees are covered by Australian employment laws in all respects.

Remediation

ConnectEast understands that the UN Guiding Principles make it clear that entities that identify that they have caused or contributed to adverse impacts such as modern slavery must provide for, or cooperate in, the remediation of that impact.

Given the broad range of ConnectEast's suppliers, we understand that geography, industry and sector risks produce unique modern slavery risks in each of our supplier's individual supply chains.

ConnectEast's Whistleblower Policy has been updated to directly refer to breaches of the Modern Slavery Act 2018 (Cth). ConnectEast employees can report incidents to their line managers or to a Protected Disclosure Officer. ConnectEast's Child Slavery Policy has also been updated in a similar respect.

ConnectEast has also inserted modern slavery clauses into contracts where a risk assessment has identified the relevant supplier to be medium or high risk. These clauses require our suppliers to report to us if they identify any modern slavery risks so that we can jointly work through their concerns, which is evidenced through the case studies below.

ConnectEast understands that terminating a contract is not the preferred approach as termination may exacerbate already-present risks in that supplier's supply chain.

We have also sought statements from at-risk suppliers as to their modern slavery risks in their supply chains.

COVID-19 Case Studies

Due to the impacts of COVID-19, one of our suppliers was unable to perform their obligations under the contract due to widespread lockdown laws in their country.

In response, ConnectEast:

- *Worked collaboratively with the supplier to ascertain when the services could be delivered, which involved ConnectEast having even greater oversight over the supplier's employee working conditions; and*
- *Brought the services in-house whilst the supplier worked out staffing in a safe and sustainable way to avoid any modern slavery risks and risks posed by COVID-19.*

Due to the impacts of COVID-19 on international flights, a supplier was unable to transport goods that we had ordered from overseas. In response, ConnectEast:

- *Maintained its relationship with the supplier and worked with the supplier to establish other viable supply routes;*
- *Agreed with the supplier to transport the goods via sea.*

This resulted in a 6-week delay, but the relationship with the supplier was maintained in a safe and sustainable way.

PART 5: HOW CONNECTEAST ASSESSES THE EFFECTIVENESS OF ACTIONS TAKEN

ConnectEast has a number of mechanisms in place to allow us to assess the effectiveness of the actions we are taking to assess and address the risks of modern slavery practices in our operation and supply chains.

Training undertaken by all ConnectEast employees (including Senior Management and Executive Management Teams) equips them with the ability to recognise modern slavery. Contract manager training included how to perform risk assessments and employ appropriate remediation or due diligence measures. Following training, certain due diligence and remediation measures were put in place for at-risk suppliers at the instigation of the relevant contract managers.

We have also worked with our at-risk suppliers in order to obtain statements and relevant policy documents in relation to modern slavery and human trafficking risks. We also conduct an annual audit to identify any suppliers that are medium or high risk and to ascertain whether any further steps are required. These internal assurance processes allow us to track awareness within our organisation as well as the performance of our suppliers.

As at the date of this report, we have not received any reports via our grievance mechanisms.

Case Study

Following staff-wide training, a contract manager identified a high modern slavery risk with one of our suppliers whose operations are based in a developing country. The contract manager was able to move the risk assessment to “low” after confirming that:

- (a) The contract we held with this supplier was with an Australian company;
- (b) The contract included a modern slavery clause;
- (c) ConnectEast held copies of the supplier’s employment documents with its employees;
- (d) ConnectEast conducts a physical inspection of the supplier’s offices bi-annually; and
- (e) The supplier had a Code of Conduct available on its website which dealt with modern slavery and human trafficking risks.

PART 6: PROCESS OF CONSULTATION WITH ENTITIES CONNECTEAST PTY LTD OWNS OR CONTROLS

ConnectEast does not own or control any other entities. ConnectEast was established as a special purpose vehicle dedicated to the design, construction, operation and maintenance of EastLink.



PART 7: ANY OTHER INFORMATION THAT CONNECTEAST PTY LTD CONSIDERS RELEVANT

ConnectEast has started planning for the 2020-2021 reporting year under the Modern Slavery Act 2018 (Cth). We will focus on:

- (a) Developing a KPI regime to further track and monitor the effectiveness of our due diligence and remediation actions;
- (b) Continuing to engage with our medium and high-risk suppliers in managing their modern-slavery risks;
- (c) Continuing to educate our employees on how to recognise and address modern slavery risks.

We also intend to monitor the changes in our supplier's operations as a result of COVID-19.

In doing this, we will be well-placed to ensure that modern slavery risks are managed and appropriately resolved in our operations and supply chains.

