

Brookfield

BPIH Pty Ltd and Arc Infrastructure Pty Ltd

Modern Slavery Statement 2022

Background

This Modern Slavery Statement (**Statement**) is made by BPIH Pty Ltd (**BPIH**) on behalf of itself and its subsidiary, Arc Infrastructure Pty Ltd (**Arc**), together the Reporting Entities, in accordance with the *Modern Slavery Act 2018* (Cth) (**Act**), for the financial year ended 31 December 2022 (**Reporting Period**). The Reporting Entities remain opposed to human trafficking and slavery both within their businesses and supply chains and fully support the objectives of the Act.

The Reporting Entities are part of the global Brookfield Corporation and Brookfield Asset Management Ltd. (**Brookfield**) group, which in Australia consists of diverse real estate, infrastructure, and private equity portfolios across key cities. Globally, Brookfield is a leading global alternative asset manager, focused on investing in long-life, high-quality assets across real estate, infrastructure, renewable power and transition, credit, and private equity. The Reporting Entities and their related entities represent a diverse portfolio of critical infrastructure assets, including transport, utilities and data. Brookfield seeks to employ best-in-class corporate social responsibility practices, mindful of the important role this plays in fostering long-term value creation. In Australia, the Reporting Entities follow the same principles in day-to-day business activities.

In this Statement, references to “we”, “us” or “our” refer to the Reporting Entities. The Reporting Entities and controlled assets largely operate the same processes, supply chain management practices and operating systems.

Structure, operations and supply chains

| REPORTING ENTITY | STRUCTURE & OPERATIONS | SUPPLY CHAIN |
|---|--|--|
| <p>BPIH Pty Ltd</p> <p>ACN: 100 364 234</p> <p>Brookfield Place</p> <p>Level 19, 10 Carrington St, Sydney NSW 2000</p> | <ul style="list-style-type: none">• BPIH’s ultimate parent is Brookfield Corporation (formerly known as Brookfield Asset Management Inc.).• BPIH employs approximately 18 individuals who are employed to provide asset management services and are predominately located in Sydney.• BPIH is the head entity of a consolidated group which engages in the following activities:<ul style="list-style-type: none">- corporate services, including administration, finance, treasury, tax, internal audit, information technology, company secretarial, compliance, sourcing/procurement- investment in infrastructure assets• BPIH has a non-controlling interest in:<ul style="list-style-type: none">- Natural Gas Pipeline Company of America LLC (NGPL). This foreign asset is managed by an American entity.• BPIH held a wholly owned entity, ENE.HUB Pty Limited (ENE.HUB), until September 2022. During the time that ENE.HUB was owned by BPIH:<ul style="list-style-type: none">- it was operated by a separate management team independently from BPIH. Operations were entirely in Australia.- ENE.HUB’s operations included the planning, funding, building, maintaining and managing connected networks of SMART products – sophisticated smart city enablers which are integrated into lighting structures and other street furniture.• To differing degrees, each of these entities operated independently of BPIH, accordingly, they have been dealt with separately in this Statement in relation to the assessment of risk and actions taken. The entities are not reporting entities for the purposes of the Act. | <p>BPIH’s suppliers are primarily Australia based companies although some of the goods and services that they supply may originate from outside Australia.</p> <p>Suppliers domiciled outside Australia are predominantly located in North America (USA and Canada) and Europe and are engaged to deliver professional services. Spend is distributed across approximately 30 vendors and several categories.</p> <p>The main types of goods and services procured by BPIH are:</p> <ul style="list-style-type: none">• Professional services including auditing, accounting, tax, legal, recruitment and advisory services primarily from top tier organisations that are typically reporting entities pursuant to the Act• Shared services provided by Brookfield related entities including Treasury, IT, marketing, office and cleaning services• Utilities and insurances |

Arc Infrastructure Pty Ltd

ACN: 094 721 301

Level 3, 1 George Wiencke Drive

Perth Airport WA 6105

- Arc is a railway infrastructure manager and access provider in Western Australia with a long-term lease on the rail freight network from the State of Western Australia.
- Arc operates and maintains approximately 5,500 kilometres of standard, narrow and dual gauge rail infrastructure across the State.
- Arc employs approximately 535 staff where:
 - 95% are employed on a full-time basis, 3.5% on part-time and 1.5% on casual
 - 86.5% are permanent workers, 12% are contract workers and 1.5% are casual workers
 - 20% are female workers and 80% are male workers
- Arc has a number of offices spread across the Perth metropolitan area and the regional areas within the southern half of Western Australia. Its head office is based at Perth Airport.
- Staff are employed across the various offices in the following functions:
 - Administration (finance, human resources, risk and compliance, communications, information technology, procurement, commercial and regulatory, business support and facilities management)
 - Health, safety and environment
 - Track maintenance
 - Track signalling and communications
 - Engineering
 - Projects
 - Network operations
 - Asset Strategy and Planning
- Contract workers and casual workers perform a wide range of roles across all functions, from IT and network operations, through to business support officers and project engineers.
- Arc is part of the Arc Infrastructure WA Pty Ltd group which includes 10 entities with Arc being the operating entity who engages with all of Arc’s suppliers.

The majority of Arc’s tier one suppliers are Australia-based companies, although some of the goods and services that they supply originate from other countries. Arc’s annual spend is distributed across approximately 1,000 suppliers and several categories, including:

- railway infrastructure materials, equipment and services
- engineering and project management services
- building construction, repair and maintenance services
- software, IT and telecommunications services and hardware
- electronics
- travel and accommodation services
- work wear and personal protective equipment (PPE)
- building cleaning and security human resources services
- logistics

Arc’s largest categories of supplier spend relate to rail infrastructure costs, including rail, electrical components, labour, rail maintenance and civil construction services.

Modern slavery risks in operations and supply chains

In the Reporting Period, the Reporting Entities did not identify any instances of modern slavery in our operations or supply chain. We acknowledge that this does not necessarily mean that modern slavery was not present in our supply chain, and that we continue to seek improvement in our ability to identify modern slavery risks in our operations and supply chain.

MODERN SLAVERY RISKS IN OUR DIRECT WORKFORCE

Given the fact that our operations have remained largely unchanged from 2021, we remain of the view that the risks of modern slavery practices within our direct operations and workforce is low. Employees of the Reporting Entities are based in Australia (primarily Western Australia and New South Wales), which is ranked 149 out of 160 countries for modern slavery prevalence by the 2023 Global Slavery Index (GSI). Despite the low prevalence of modern slavery in Australia, the GSI has brought to light that on any given day in 2021, there were 41,000 individuals living in modern slavery in Australia. This estimate reminds us that despite Australia's strong rule of law and efforts by the government, business community and individuals as consumers to mitigate the risks, modern slavery occurs in Australia.

We remain vigilant of the GSI finding in the way in which we conduct our recruitment of our workforce and implement workplace policies and procedures. For example, as noted in our previous statements, human resource policies, procedures and processes are in place and designed to ensure that staff are remunerated in accordance with applicable laws and awards and/or agreements and are working of their own free will, including their rights under the employment agreements. All workers are free to join unions or associations relating to their employment.

We continue to maintain and monitor processes for reporting and resolution of staff concerns' and grievances. Having regard to the aforementioned safeguards that continue to remain in place in our operations together with the low jurisdiction risk, our view is that there is a low risk that we have caused or contributed to modern slavery in our operations.

MODERN SLAVERY RISKS IN OUR SUPPLY CHAINS

During the Reporting Period, we continued to review the potential risk of modern slavery within our supply chain. We remain committed to conducting our business in an ethical and responsible manner, including by carrying out our own procurement activities in a way that considers the modern slavery risks, including child and forced labor, in the supply chains of the goods and services that we procure. This is reflected in our contract terms with suppliers, due diligence processes, training and communications, as appropriate.

In accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs), we continue to take a risk-based approach to identifying the greatest areas of modern slavery risk within our supply chain. This approach enables us to prioritise our actions commensurate with risk.

Much like our operations have remained unchanged from 2021, our supply chain also remains largely unchanged. Accordingly, the description of modern slavery risks in our 2021 statement is largely consistent with the risks pertaining to our supply chain in 2022. The list below of categories within our supply chain with increased risks was based on indicators including inherent industry risks, raw materials risks within the components in finished goods supplied to us, and workforce profile – that is where a products' supply chain is reliant upon low-skilled workers, often on temporary visas:

Cleaning and janitorial services

Electronics and IT hardware and devices

Catering and hospitality services

Security services

Building, construction, maintenance and repair services', and materials including solar panels

Rollingstock

We recognise that each of our suppliers have their own supply chains risks and our category-based assessment sought to factor in these risks to the extent possible.

Our approach to mitigating modern slavery risks in our operations and supply chains¹

The Reporting Entities remain committed to seeking improvement in their efforts to mitigate the risks of modern slavery in their operations and supply chain. In doing so, the Reporting Entities recognise the importance of embedding the human rights considerations, including modern slavery, in the way we conduct our business activities, through training, communications, contracts, and due diligence processes as appropriate. These practices extend to our interactions with our key vendors and other business partners.

POLICY FRAMEWORK

During the Reporting Period, we continued to implement our framework of policies set out below. These policies describe the principles and requirements for our employees and for our vendors to follow and include:

- **Australian Anti-slavery and Human Rights Policy**
This policy applies to employees of the Reporting Entities. This policy provides a definition for modern slavery and outlines the benefits of eradication, details our risk assessment approach, related policies and procedures and approach for communication, training, reporting and continuous improvement.
- **Code of Business Conduct and Ethics (Code)**
This Code outlines our commitment to, and expectations of, conducting business in an ethical and responsible manner and prohibiting child and other forced labour. It applies to all officers, employees and temporary workers, with annual certification of compliance.²
- **Procurement and Payment Policy and Control Principles**
These documents describe the process for sourcing, exercising due diligence and monitoring new and existing vendors with the intention of managing risks including modern slavery. It applies to all employees of the Reporting Entities who have a procurement function.
- **Vendor Risk Management Framework**
This document describes the framework when purchasing goods or services for, or on behalf of, the Reporting Entities and defines the processes to assess, monitor and mitigate vendor risk. This includes modern slavery risks.
- **Sustainability Strategy³**
This document was published in March 2022 and it describes Arc's analysis of the 17 UN Sustainable Development Goals (SDGs) and the supporting 169 targets, with a view to identifying how we could best contribute to these goals. The Sustainability Strategy sets out our plan to embed and enhance sustainable practices across our business. Monitoring, assessing and preventing modern slavery is one aspect of this new strategy.

¹ The processes and frameworks outlined in this section below were not applicable to ENE.HUB, an entity owned by BPIH, for part of the Reporting Period. References to "we", "us" or "our" in this section excludes ENE.HUB.

² <https://bn.brookfield.com/sites/brookfield-bn/files/brookfield/bam/esg/final-code-of-business-conduct-and-ethics-march-2023-english.pdf>

³ <https://www.arcinfra.com/ARCInfrastructure/media/documents/Newsroom/Arc-Infrastructure-Sustainability-Strategy-2022.pdf>

On 28 November 2022, Arc's Supplier Code of Conduct (**Supplier Code**) was published on its website together with a newsroom update⁴. This new Supplier Code outlines Arc's expectations and minimum standards of its suppliers with respect to legal, ethical, environmental and social matters. It requires suppliers to comply with applicable modern slavery laws, manage modern slavery risks within their own supply chains, and also ensure that their own suppliers are similarly taking active steps to address and minimise the risks of modern slavery within their supply chains. Specific standards are detailed in relation to matters such as working conditions, wages, working hours, subcontracting and how to report concerns via Arc's complaints or whistleblowing mechanisms.

The Supplier Code reserves Arc's right to request information from suppliers and to undertake due diligence and risk assessments to verify supplier compliance. Additionally, Arc's procurement contract templates have been updated to include a requirement for Arc's suppliers to comply with the Supplier Code.

All new procurement contracts issued by Arc include a reference to the Supplier Code. Additionally, all extensions and variations of existing contracts are being updated to include the Supplier Code.

PROCUREMENT

We continued to implement mitigation strategies for high-risk vendors on a case by case basis - such as specific contract clauses in agreements, requesting the vendor to provide their modern slavery statement and evidence of their modern slavery mitigation strategies. The strategies may also include audits of their internal processes and policies and establishing grounds for spot audits.

During the Reporting Period, the legal teams for the Reporting Entities incorporated modern slavery specific clauses into procurement contract templates and vendor purchase order terms and conditions, where applicable. The purchase order terms and conditions for Arc were updated during the Reporting Period and published on Arc's website.⁵ These provisions prohibit modern slavery practices by the vendor and require them to do all things necessary to mitigate or reduce risks of modern slavery within the vendor's operations or supply chain. Going forward, existing procurement contracts which are due for renewal will be updated to include modern slavery provisions wherever possible.

Those of our vendors considered to be potentially high risk of impacting human rights continue to be subject to ongoing monitoring via a third party online platform.

TRAINING AND EDUCATION

We continued to deliver mandatory training to our employees in relation to human rights and modern slavery. The training was provided via an eLearning module and covered the definition of modern slavery, why modern slavery is an important issue for the Reporting Entities and our employees, and the relevance to our operations and supply chains including example scenarios. It also advised employees on how to report a known or suspected modern slavery risk.

MODERN SLAVERY RISK MANAGEMENT AND DUE DILIGENCE

During the Reporting Period, we continued to deploy our due diligence processes that form part of our Vendor Risk Management Framework which seeks to assess and respond to human rights and modern slavery risks.

Vendors are generally given a preliminary risk rating against an established criterion which determines their ongoing performance management and due diligence. Additional assessment and vendor engagement is conducted on vendors that are determined to be potentially high risk for modern slavery. Such vendors may be required to complete a modern slavery screening questionnaire to qualify and to provide services to the Reporting Entities, which is reviewed by a member of the procurement and risk teams as part of the vendor risk assessment and vendor approval process. Where an actual or suspected instance of modern slavery is identified within the supply chains or operations of a vendor, the procurement and risk teams will work with the impacted business unit to decide on the most appropriate remedy taking guidance from the UNGPs.

Arc continues to vet and monitor its vendors via a third party online platform to identify whether a vendor is potentially involved in any human rights or similar violations based on material available online. During the Reporting Period, this platform was further customised to help Arc to record its assessed modern slavery risk rating for each vendor to assist with data reporting.

⁴ <https://www.arcinfra.com/ARCIInfrastructure/media/documents/Supplier%20info/W702-000-002-Supplier-Code-of-Conduct-Rev-1-00.pdf>; <https://www.arcinfra.com/Newsroom/Arc-s-first-Supplier-Code-of-Conduct>

⁵ <https://www.arcinfra.com/ARCIInfrastructure/media/documents/Supplier%20info/Arc-Infrastructure-Purchase-Order-Terms-Nov-2022-Rev9-1.pdf>

During the Reporting Period, Arc conducted enhanced due diligence on the manufacturer of solar panels being installed across the network, with the findings and identified risks to be presented to the Audit & Risk Committee in the third quarter of 2023. Solar panels were selected on the basis of the saliency of the human rights risks in the manufacture of the panels where allegations of widespread state-sanctioned forced labour were widely publicised in the media and examined by civil society groups and academia. The purpose and outcome of our enhanced due diligence process is to provide assurance to the Audit & Risk Committee that the vendors' approach and framework to mitigate modern slavery risks within their supply chain is adequate. As part of this process, the vendors' systems and policies and procedures relating to modern slavery, human trafficking and related workers' rights issues were reviewed. Arc aims to continue this assessment process on a bi-annual basis to ensure that we continue to understand our high-risk suppliers' management systems and control measures in place and to ensure that we are only engaging with companies that have adequate processes in place to mitigate the risks of modern slavery.

Arc also undertook a Request for Proposal (RFP) process to seek suitable vendors to manufacture and supply rollingstock to Arc during the Reporting Period. Two proposals were received, both nominating off-shore subcontractors, located in India and China, to undertake the manufacturing of the rollingstock. Due the high risk of these subcontractors utilising vulnerable populations subjected to forced labour, a known risk since 2020⁶, Arc undertook due diligence in relation to vendors of both respondents and their nominated subcontractors through two questionnaires and internet searches. The first questionnaire was designed for the prospective vendor to

- support the identification of modern slavery risks;
- foster collaborative efforts between suppliers and Arc to address these risks;
- improve transparency; and
- identify areas for further due diligence.

Given the location of the proposed subcontractors, Arc created a further questionnaire specific to this project for completion by a representative from each subcontractor. The purpose of the additional questionnaire was to:

- provide details of the off-shore manufacturing facility, site or operation specific to the supply of goods and/or services to Arc;
- improve transparency for modern slavery risks in the later tiers;
- support the identification of modern slavery risks;
- foster a collaborative effort between vendors and Arc to address these risks; and
- identify areas for further due diligence.

In undertaking the enhanced due diligence on the proposed subcontractors, Arc identified that one of the potential subcontractors was linked to reported human rights violations within its supply chain. This was reported to the RFP evaluation panel to be considered during the evaluation phase of the RFP. This particular respondent was ultimately unsuccessful in its bid because **technical details and design requirements were not satisfied**. The respondent's links to human rights violations was also a factor in the assessment process.

Finally, in order to assess potential modern slavery risks within our supply chains and have a reasonable basis for the opinions expressed in this Statement, Arc engaged the services of ethixbase360 to deploy a third party due diligence platform. The modern slavery questionnaire on the ethixbase360 platform was developed by legal firm Norton Rose Fulbright to provide an indicative modern slavery risk rating of suppliers based on the responses to a questionnaire. During the Reporting Period, Arc commenced a Modern Slavery Questionnaire Project that involves collating our targeted supplier list and sending out Modern Slavery Questionnaires via the ethixbase360 platform. It is anticipated that the responses collected will assist Arc in identifying the risks in our supply chain and identifying patterns and trends to enable us to track and respond to modern slavery risks in a targeted and pragmatic manner.

The Modern Slavery Questionnaire uses five key indicators to assess a supplier's modern slavery risk, namely:

- Jurisdiction (country) of operations and headquarters;
- Industry of supplier / industry of goods & services supplied;
- Products attributed to high risk of modern slavery;
- Workforce characteristics; and
- Risk-mitigating measures specific to the individual supplier.

⁶ <https://www.abc.net.au/news/2021-06-15/victorian-chinese-train-parts-supplier-uyghur-labour-links/100215680>

Arc's plan is to focus on vendors with the significant annual spend and greater inherent risk based on industry, product type and geographical location to refine our target list for the purposes of the questionnaire. By applying these filters, we seek to maximise the completion rates by using our leverage with our suppliers where we have concentrations of spend. Accordingly, we have identified 170 suppliers in our supply chain to focus on first, split into three phases:

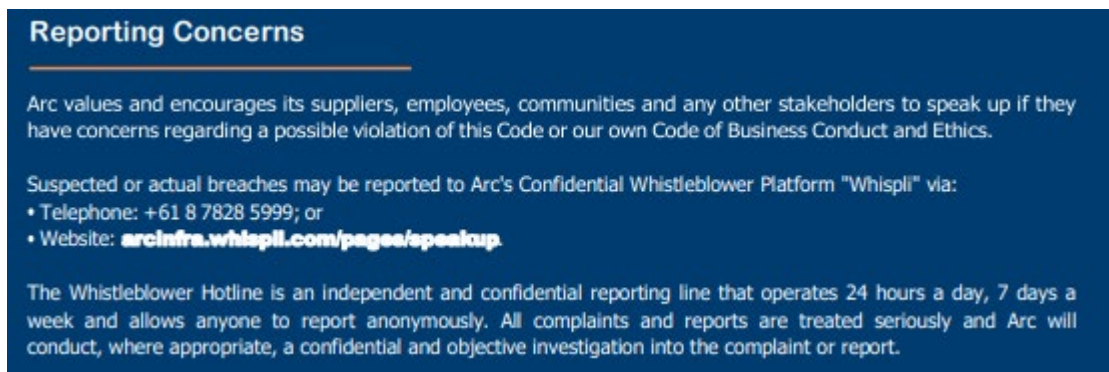
- Phase 1 containing 100 suppliers;
- Phase 2 containing 50 suppliers; and
- Phase 3 containing 20 suppliers.

Phase 1 has seen the release of the questionnaire during the Reporting Period, with Phases 2 and 3 to be released in 2023. The results of the questionnaire project will be made available in our next modern slavery statement.

GRIEVANCES AND REMEDIATION

The Reporting Entities maintain and monitor an anonymous Reporting Hotline for its employees, vendors and other stakeholders to report any matters relating to unethical business conduct or violations of Laws, with the option to do so anonymously. Modern slavery is reportable on this hotline. During the Reporting Period, we did not receive complaints related to modern slavery via our Reporting Hotline or the whistleblower system.

The Reporting Hotline forms part of our Code of Business Conduct and Ethics and Supplier Code, which has been designed to provide protection to disclosers, ensure reports are dealt with appropriately, and protect disclosers from victimisation and retaliation. It is available toll-free, 24 hours a day, 7 days a week and may be accessed by phone or by Internet. It is managed by an independent third party and allows anyone to call anonymously to report in English and other languages. Details of Brookfield's Reporting Hotline is included in its Code of Business Ethics and Code. The details of Arc's Reporting Hotline are shown below:

A blue rectangular graphic with white text. The title "Reporting Concerns" is at the top left, underlined. Below it, the text reads: "Arc values and encourages its suppliers, employees, communities and any other stakeholders to speak up if they have concerns regarding a possible violation of this Code or our own Code of Business Conduct and Ethics." This is followed by "Suspected or actual breaches may be reported to Arc's Confidential Whistleblower Platform 'Whispli' via:" and a bulleted list: "• Telephone: +61 8 7828 5999; or" and "• Website: arcinfra.whispli.com/pageee/speakup". At the bottom, it states: "The Whistleblower Hotline is an independent and confidential reporting line that operates 24 hours a day, 7 days a week and allows anyone to report anonymously. All complaints and reports are treated seriously and Arc will conduct, where appropriate, a confidential and objective investigation into the complaint or report."

Remediation is approached on a case-by-case basis with the aim of protecting the victim from further harm. We would take guidance from the UNGPs in planning our response to remedy where we have caused or contributed to modern slavery. In the event that we become directly linked to modern slavery via the conduct of our suppliers, depending on the circumstances, we would seek to work with the supplier to identify the root cause and develop a collaborative corrective plan to mitigate similar risks arising again. In line with the UNGPs, we consider termination a measure of last resort given the further potential adverse impacts for workers and their families where termination is triggered.

Assessing the effectiveness of actions taken

We seek to assess the effectiveness of our actions by reference to the following overarching measures:

- Regular engagement and feedback on the subject matter provided between core departments such as Portfolio Management, Risk Management, Finance, Legal and Human Resources
- Monitoring and reporting on modern slavery risks to management directors and Board reporting framework
- Data on the key risks, including of modern slavery, are collected by the Procurement Contract Team and is provided to the Governance and Risk Team who then report quarterly to Arc's Audit, Risk and Compliance Committee
- Monitoring and tracking all reports to the Ethics Hotline

We also continue to review and report against a number of indicators. These include:

| | |
|---|--|
| Incidences of modern slavery in our operations | In the Reporting Period, we had no reported incidents of modern slavery in our operations. |
| Incidences of modern slavery in our supply chain | <p>In the Reporting Period, we had no reported incidents of modern slavery in our supply chains.</p> <p>Note: Whilst evaluating vendor submissions for a Request for Proposal Arc identified allegations of modern slavery relating to the supply chain of one of the prospective vendors who was ultimately unsuccessful.</p> |
| Incidences of modern slavery reported to our Reporting Hotline | In the Reporting Period, there have been no incidents of modern slavery reported through our Ethics Hotline. |
| Number of staff received modern slavery training | In the Reporting Period, training was delivered to all staff on modern slavery as part of their annual mandatory Code of Conduct training. |

Within our next Reporting Period, the Reporting Entities will seek to:

- consider improvements to the way in which we consider modern slavery risks at supplier selection
- conduct a deep dive in relation to an area of our supply chain warranting further due diligence
- establish a framework to assess the level of compliance with our modern slavery clause and Supplier Code by suppliers
- identify supplier(s) operating in a higher risk sector with limited know-how in relation to modern slavery mitigation measures and work with them to increase their capabilities to assess and address modern slavery risks in their operations and supply chains

In addition to the above, Arc will seek to finalise and incorporate the results of the Modern Slavery Questionnaire Project in the next modern slavery statement and continue to undertake enhanced due diligence on select suppliers that fall into specific high-risk industry sectors.

Process of consultation and approval

The Reporting Entities took a cross-functional approach to preparing and drafting this Statement. A consultation process involving discussions with members of core departments, as well as the Directors, of the Reporting Entities was undertaken. The board of each Reporting Entity was given an opportunity to consider and provide comments to the Statement prior to publication.

This Statement has been approved by the board of directors of BPIH and Arc on 30 June 2023.



Jonathon Sellar

Director

BPIH Pty Ltd



Murray Cook

Chief Executive Officer

Arc Infrastructure Pty Ltd