

Modern Slavery Statement 2021

1 Introduction

This Modern Slavery Statement (**Statement**) is made by Grassroots Renewable Energy Pty Ltd as trustee for Grassroots Renewable Energy Trust (ABN 94 551 204 275) (the parent entity of the CWP Renewables group) (**Reporting Entity, CWPR**), pursuant to the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**) for the period 1 January 2021 to 31 December 2021 (**Reporting Period**). This Statement outlines the risks of modern slavery in CWPR's supply chains and operations and those of our owned or controlled entities and explains how CWPR evaluated and responded to those risks. References to **we, us** or **our** in this Statement collectively refers to CWPR and its subsidiaries (**CWPR Group**). As this is our first Statement, we are in the early stages of seeking to better understand the connection between our business and modern slavery risks and we endeavour to achieve year on year improvement in the way in which we assess and take meaningful action.

This Statement is made on a voluntary basis in respect of the Reporting Period.

Our values

We oppose all forms of modern slavery including forced or compulsory labour, human trafficking and the worst forms of child labour. Our beliefs, philosophies and principles that drive our business are set out below and they align with our commitment to contributing to the United Nations Sustainable Development Goals (**SDGs**).



2 Our Structure, Operations and Supply Chains

CWPR is a renewable energy company that develops, operates and owns renewable energy assets in Australia. With proven experience and expertise across the project lifecycle, we work with local communities and our customers to lead the transition to Australia's clean energy future.

CWP Renewables began as a joint venture between leading renewable energy developers Continental Wind Partners and Wind Prospect Group. In 2018, we partnered with global private markets investment manager Partners Group to form the Grassroots Renewable Energy Trust, with the ambition to create the largest renewable energy portfolio in Australia.

In 2020, CWP Renewables Pty Ltd and Grassroots Renewable Energy Trust merged, creating an integrated renewables company under the CWP Renewables name. Partners Group remains a majority investor.

We leverage our unique expertise, extensive experience and strong relationships to see projects through their entire lifecycle: from project inception through to operations.



We work with local communities to ensure our projects provide significant community benefits, jobs and investment into the local and regional economy.

2.1 Structure

Grassroots Renewable Energy Trust is a unit trust established in Australia. Its principal place of business and its registered office is located at Level 32, Deutsche Bank Place, 126 Phillip Street, Sydney NSW 2000. Its trustee is Grassroots Renewable Energy Pty Ltd (ACN 626 085 854).

Grassroots Renewable Energy Trust is the parent entity of the CWPR Group. It owns 100% of Sapphire wind farm, Crudine Ridge wind farm and Bango wind farm and (via holding companies) 100% of development projects and CWP Renewables Pty Ltd (ACN 127 205 645) which is the main employing and operating company within the CWPR Group.

CWP Renewables Pty Ltd is a trading company incorporated and domiciled in Australia. Its registered office is Level 1, Suite 1.01, at 17 Moore Street in Canberra ACT 2601.

2.2 Operations

CWPR has three main office locations as follows:

Canberra	Ngunnawal Country Level 1, Suite 1.01, 17 Moore St, Canberra ACT 2601 Tel: +61 (2) 6100 2122 Email: info@cwprenewables.com Mail: PO Box 1858, Canberra ACT 2601
Newcastle	Awabakal Country Level 2/2 Market St, Newcastle NSW 2300 Tel: +61 (2) 4013 4640 Email: info@cwprenewables.com Mail: PO Box 1708, Newcastle NSW 2300
Sydney	Gadigal Country Eora Nation Suite 11, Shore 2-3, 13 Hickson Rd, Dawes Point NSW 2000 Tel: +61 (2) 6100 2122 Email: info@cwprenewables.com

We employ approximately 82 employees across Canberra, Sydney, Newcastle, Adelaide, Queensland, Victoria and at project sites across NSW. Our employees perform roles in the following areas:

- Analysis
- Administrative
- Site Management
- Legal
- Community engagement
- Project Finance
- Environmental
- Work Health & Safety
- Project Development
- Project Management
- Technical/Grid Engineering
- Accounting
- Human Resources

We do not use labour hire workers in our operations. Recruitment agencies are used to source professionals.

2.3 Projects

The CWPR Group includes:

- three wind farms which are operating/in late stages of construction: Sapphire Wind Farm (270MW), Crudine Ridge Wind Farm (135MW) and Bango Wind Farm (244MW);
- two projects at an advanced stage of development: Sapphire Battery and Uungula Wind Farm; and
- a pipeline of projects at various stages of development including Sapphire Solar Farm, Uungula Battery, Jeremiah Wind Farm and Spicers Creek Wind Farm.

2.4 Supply Chains

We enter into agreements with third parties for the provision of services in connection with the construction and operation of solar, wind and battery projects. Our procurement spend in the Reporting Period was approximately \$137 million with over 970 suppliers, across the following categories:

- Construction and engineering
- Operation and maintenance
- Professional services
- Financial services
- Insurance
- Transport, logistics and shipping
- ICT hardware and software
- Rent
- Office furniture
- Corporate merchandise and uniforms
- Accommodation
- Catering
- Property maintenance, including cleaning
- Web design
- Media and advertising
- Recruitment services
- Printing and signs
- Utilities
- Training
- PPE
- Postage and courier services

Our suppliers are predominately based in Australia, but we understand that suppliers beyond the first tier are likely to be based overseas.

3 Risks of modern slavery practices in operations and supply chains

3.1 Risks in operations

We have considered the potential for the CWPR Group to cause, contribute to, or be directly linked to modern slavery throughout our operations. We understand that under the Modern Slavery Act, modern slavery covers eight types of serious exploitation: trafficking in persons, slavery, servitude, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.

We consider the risk of modern slavery occurring within our operations to be low. This is because our operations are conducted locally in Australia, a jurisdiction which the *Global Slavery Index* has deemed to have lower prevalence of modern slavery. Further, most of our labour force consists of office-based staff and professionals such as engineers, project and site managers, accountants and project developers.

3.2 Risks in our supply chains

Like many companies operating within the renewable energy sector in Australia, the most significant modern slavery risks are likely to exist in our supply chain. In applying the United Nations Guiding Principles on Business and Human Rights (**UNGPs**), we consider our main exposure to modern slavery is via our relationship with third parties in the sub-tiers of our supply chain, rather than any direct causal impacts or contributory actions of our business.

Forced labour, debt bondage, servitude, human trafficking and the worst forms of child labour are some of the main types of modern slavery risks that can exist in the supply chains supporting the extractives and construction industries. These risks become acute where:

- there is widespread utilisation of vulnerable worker groups such as itinerant workers, migrant workers, workers from minority ethnic groups and displaced workers;
- there are opaque contracting arrangements for the provision of sub-contracted labour resulting in decreased transparency;
- migrant workers are charged recruitment fees by agencies and/or have their original passports or other forms of ID retained, subjecting them to situations of debt bondage; and
- there are short time leads and pricing pressures on contractors and subcontractors.

Although we have not identified any instances of modern slavery in our supply chain, we recognise that there are inherent risks by virtue of the raw materials that go into the various components in wind, solar and battery projects. Some of the key risks that have been publicised in recent years are highlighted below:

- Cobalt – a key metal used in the manufacture of rechargeable lithium-ion batteries in solar power storage (as well as mobile phones and lap top computers). This metal has been tied to the worst forms of child labour and forced labour practices. It is estimated that 35,000 children are working in artisanal mines in the Democratic Republic of the Congo (**DRC**),¹ with some being as young as seven years old.² It is reported that 15-30% of global cobalt production is sourced from the DRC,³ and the men, women and children from predominantly economic migrant backgrounds are working without basic protective equipment.⁴

¹ Siddharth Kara, 'Is your phone tainted by the misery of the 35,000 children in Congo's mines?', *The Guardian*, 2018 <<https://www.theguardian.com/global-development/2018/oct/12/phone-misery-children-congo-cobalt-mines-drc>>.

² Annie Kelly 'Children as young as seven mining cobalt used in smartphones, says Amnesty', *The Guardian*, 2016 <<https://www.theguardian.com/global-development/2016/jan/19/children-as-young-as-seven-mining-cobalt-for-use-in-smartphones-says-amnesty>>.

³ James Cockayne, Edgar Rodríguez Huerta and Oana Burcu, "The Energy of Freedom"? Solar energy, modern slavery and the Just Transition', *University of Nottingham Rights Lab*, 2022 <<https://www.nottingham.ac.uk/research/beacons-of-excellence/rights-lab/resources/reports-and-briefings/2022/march/the-energy-of-freedom-full-report.pdf>>, p. 25

⁴ Annie Kelly 'Children as young as seven mining cobalt used in smartphones, says Amnesty', *The Guardian*, 2016 <<https://www.theguardian.com/global-development/2016/jan/19/children-as-young-as-seven-mining-cobalt-for-use-in-smartphones-says-amnesty>>.

- Polysilicon – an essential component in solar photovoltaic manufacturing. Around 40 – 45% of the polysilicon comes from the Xinjiang Uyghur Autonomous Region (XUAR) in China.⁵ In the past 12 – 18 months there have been serious allegations of forced labour of the Uyghur population in the XUAR.⁶
- Copper – a necessity for wind and solar power projects. Wind farms can use between 4 to 15 million pounds of copper to function.⁷ The Business and Human Rights Resource Centre has recorded at least 74 allegations of human rights impacts in relation to copper mining companies worldwide.⁸

Our supply chain also relies on transportation and shipping of goods supplied to our sites. Depending on the nature of the goods supplied, either the supplier or we take responsibility for the shipping or freight. We are aware of the reports of increased risks of modern slavery in shipping and freight exacerbated by the COVID-19 pandemic.

In terms of our office operations, key modern slavery risks include ICT hardware by virtue of the manufacturing of hardware as well as the mining operations for raw materials used in lithium-ion batteries, present in phones, tablets and computers. Airlines, hotels, catering and cleaning are industries considered a higher risk for modern slavery due to the prevalence of subcontracting arrangements leading to decreased supply chain transparency, labour intensive work coupled with low barriers to entry, workers from vulnerable backgrounds including migrant workers. PPE and corporate merchandise are also considered to have higher modern slavery risks for similar reasons.

4 Actions to assess and address the risks

4.1 Policies and Procedures

We foster a workplace that promotes respect, dignity and the adherence to basic human rights as embodied by a number of internal policies, including Work Health and Safety, Corporate Social Responsibility and Discrimination Harassment and Bullying.

Our company also follows and subscribes to various updates and advice regarding issues of modern slavery, human rights and sustainability. For example, we have access to the Australian HR Institute, Fair Work Commission and Fair Work Ombudsman resources, and regularly attend modern slavery and safe work webinars run by human rights advisors.

Staff are screened prior to employment for their right to work and age to ensure their suitability for employment. Staff remuneration is based on industry standards and benchmarking data for similar industry groups.

⁵ James Cockayne, Edgar Rodríguez Huerta and Oana Burcu, “‘The Energy of Freedom’? Solar energy, modern slavery and the Just Transition”, *University of Nottingham Rights Lab*, 2022 <<https://www.nottingham.ac.uk/research/beacons-of-excellence/rights-lab/resources/reports-and-briefings/2022/march/the-energy-of-freedom-full-report.pdf>>, p. 19.

⁶ See for example, BBC News, ‘China uses Uyghur forced labour to make solar panels, says report’, 2021 <<https://www.bbc.com/news/world-asia-china-57124636>>.

⁷ Visual Capitalist, ‘Copper: Critical Today, Tomorrow and Forever’, 2020 <<https://www.visualcapitalist.com/copper-critical-today-tomorrow-and-forever/>>.

⁸ Business and Human Rights Resource Centre, ‘Human Rights in the Mineral Supply Chains of Wind Turbines’, 2021 <<https://www.business-humanrights.org/es/de-nosotros/informes/transition-minerals-sector-case-studies/human-rights-in-the-mineral-supply-chains-of-wind-turbines/>>.

4.2 Process for Due Diligence

In recognition of the need for a structured impact assessment to inform our supply chain priorities and respond appropriately, we joined the ethiXbase platform to issue modern slavery questionnaires (**MSQ**) to our more significant suppliers that provided goods and/or services to us during the Reporting Period. The United Nations Guiding Principles on Business and Human Rights recognises that prioritisation of risk is often essential for companies with extensive supply chains. We determined that an online questionnaire-based approach was the most appropriate means by which to undertake our impact assessment.

The MSQ contains 19 questions designed to assess the modern slavery risks in a supplier's business. The responses to the questions are weighted based on data analytics driven by global indices on modern slavery and human rights risks. The scoring focusses on five areas:

- Jurisdiction
- Policies, processes and systems
- Activity (industry type)
- Workforce
- Human rights

Upon completion of the questionnaire, the suppliers are allocated an overall risk rating between 1 to 10 with 1 presenting a lower modern slavery risk and 10 presenting a higher risk of modern slavery. This enables us to take a pragmatic and risk-based approach in the management of modern slavery risks.

We intend to use the information gathered from the MSQ process to initiate discussions with higher risk suppliers during the next reporting period.

4.3 Approach to remediation

Our Whistleblowing Policy is made available to all employees and sets out the ways in which grievances can be reported. Importantly, employees are given the option of anonymous reporting. This is done via the use of an online anonymous Message Board accessible via the Whistleblower login page on the Your Call website (<https://www.yourcall.com.au>) which the whistleblower will have access to after making a disclosure.

The Message Board allows employees to:

- Communicate with Your Call and/or CWPR without revealing their identity.
- Securely upload any relevant documentation and/or material that they wish to provide.
- Receive updates.
- Request support or report victimisation.

The Message Board option allows employees to:

- Remain completely anonymous if they wish.
- Identify themselves to Your Call only.
- Identify themselves to both Your Call and CWPR.

Your Call enables disclosures to be made anonymously and confidentially. Whilst CWPR prefers whistleblowers to disclose their identity in order to facilitate an investigation, whistle-blowers are not required to identify themselves and will not be named in any report to CWPR unless they have consented to their identity being disclosed.

Your Call reporting options include:

- Website: <https://www.yourcall.com.au/report>
- Available 24/7 Telephone: 1300 790 228 (Available 9am and 12am on recognised Australian national business days (AEST))

If an issue relating to modern slavery is identified in the business of a supplier, our preferred approach is use our leverage and work with the supplier to prepare a customised corrective action plan and resolve the matter appropriately.

If we found that our business had caused or contributed to modern slavery, we would take guidance from the UNGPs, which provides that businesses in this situation need to remediate the impact by taking a person-centred approach protecting the safety, privacy and wellbeing of the affected person. We would undertake a full investigation of the situation to ensure that an appropriate corrective action plan is implemented and assess how similar impacts could be avoided in the future.

5 Assessing the effectiveness of actions

CWPR acknowledges it is at the beginning of its journey to combat modern slavery and is dedicated to reviewing its modern slavery statement every year to continue to improve business practices through persistent diligence and determination. We plan to assess the effectiveness of our actions to address modern slavery risks by setting the following goals which we will strive to achieve for the next reporting period:

- Review the results of the MSQ and identify the cohort of suppliers requiring further due diligence;
- Consider our procurement processes to identify ways in which a modern slavery risk assessment can be embedded as part of vendor selection and management;
- Develop a Supplier Code of Conduct setting out our expectations in relation to modern slavery mitigation;
- Review and update our contractual terms with suppliers to include modern slavery considerations
- Develop a policy on human rights, including modern slavery, to formalise our commitment and set the tone from the top and provide training to all staff in relation to this policy;
- Participate in multi-stakeholder collaboration with industry peers to improve commitments to human rights across the industry;
- Continue to monitor any concerns raised by our employees via our whistleblowing mechanisms to establish if there are any modern slavery risks or incidents in our operations;

6 Other information

COVID-19 has had, and continues to have, significant impacts on workers vulnerable to modern slavery in supply chains around the world. We recognise that purchasing practices such as short production windows and last minute or short-term orders may increase modern slavery risks for workers. It has been the practice of CWPR to pay for completed work periodically where appropriate.

7 Process of consultation and approval

CWPR consulted the relevant companies we own or control in the development of this Statement.

This Statement was approved by the board of directors of CWPR on 21 June 2022.

A handwritten signature in black ink, appearing to read "Grant King", is written over a horizontal dotted line.

Grant King
Director, CWPR

Annexure

Reporting criteria and correlating page references

Reporting criteria in Section 16 of the <i>Modern Slavery Act 2018</i> (Cth)	Page number
Section 16 (a) Identify the reporting entity.	Page 1
Section 16 (b) Describe the reporting entity’s structure, operations, and supply chains.	Pages 1, 2 and 3
Section 16 (c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls.	Pages 3, 4 and 5
Section 16 (d) Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address the risks, including due diligence and remediation processes.	Pages 5, 6 and 7
Section 16 (e) Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks.	Page 7
Section 16 (f) Describe the process of consultation with: (i) any entities that the reporting entity owns or controls (ii) in the case of a reporting entity covered by a statement under section 14—the entity giving the statement.	Page 8
Section 16 (g) Include any other information that the reporting entity, or the entity giving the statement, considers relevant.	Page 7