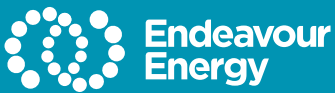


Modern Slavery
Statement





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1. Foreword

Endeavour Energy believes everyone, everywhere has the right to a life free from slavery.

Modern slavery is the severe exploitation of people for personal or commercial gain. Modern slavery targets some of the world’s most vulnerable people and is often just out of sight, and often in supply chains.

For this reason, we have committed to upholding human rights across our operations and supply chains and will not tolerate any form of forced labour, slavery and human trafficking.

Taking action to combat modern slavery respects the most basic of human rights.

Endeavour Energy’s approach to eradicating modern slavery involves proactive risk assessment; working collaboratively with stakeholders, industry and suppliers; and public disclosing our performance against commitments.

As we manage the ongoing disruptions to global supply chains caused by COVID-19, we recognise that strong due diligence regarding human rights and other business integrity issues are more important than ever.

We are committed to continually improving our approach to reduce slavery-related risks in all our operations and supply chain in accordance with the Australian *Modern Slavery Act 2018 (Cth)*.

Endeavour Energy’s Board has reviewed and approved FY21 Modern Slavery statement and report.



Guy Chalkley
Chief Executive Officer
Endeavour Energy



The Hon. Robert Webster
Chair
Endeavour Energy

2. Who we are

Endeavour Energy distributes affordable, safe and reliable electricity to 2.5 million people, or one million connected customers, in homes and businesses across Sydney's Greater West, the Blue Mountains, Southern Highlands, the Illawarra and the South Coast. Our area includes Sydney's second airport, its surrounding Aerotropolis, and the NSW Government's priority land release areas in Sydney's North West and South West.

Due to rapid industry changes, we are working with customers, stakeholders and regulators to help deliver a clean energy future where smart meters, batteries and solar will enable customers to generate, store and sell back electricity into the grid.

We are also partnering with energy innovators to help customers take advantage of new technologies like electric vehicles, community batteries, microgrids, and artificial intelligence.

We are 50.4% owned by a consortium of private investors operating under a 99-year lease, with the remaining balance retained by the NSW Government.



Where we operate

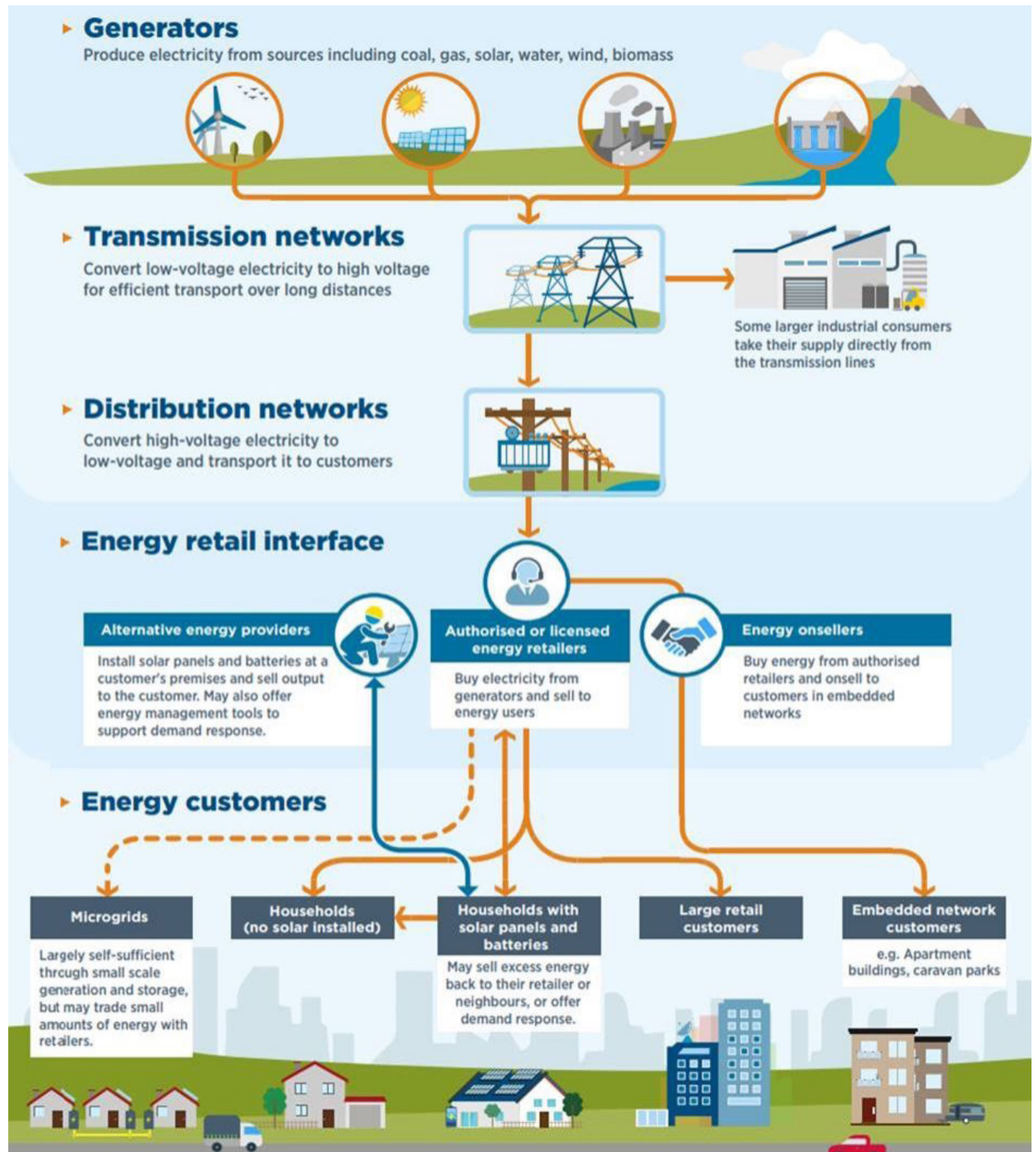
We build, own, operate and maintain an electricity distribution network that powers some of Australia's fastest growing regions, including Sydney's Greater West, the third largest economy in Australia.

Endeavour Energy's head office is located at 51 Huntingwood Drive, Huntingwood. Our field crews operate from field service centres located across an area totaling 25,000 square kilometres,



3. Our operating model

Endeavour Energy’s distribution network comprises both large and small substations connected via high and low voltage overhead powerlines and underground cables. It increasingly includes distributed energy resources such as solar and microgrids. Most of Endeavour Energy’s supply of electricity is taken from the generation source through TransGrid’s transmission network at 132kV and 66kV. Our role in the provision of electricity to our customers is outlined in below.



Source: AER, State of the Energy Market, July 2020

4. Our position on modern slavery

Endeavour Energy is committed to ensuring there is no modern slavery in our supply chain or in any part of our business and is taking appropriate steps to ensure that any suppliers we work with have a similar commitment.

Our *Statement of Business Ethics* sets out the mandatory requirements for all our suppliers to:

- Not engage in any conduct or omission which may contravene any modern slavery laws
- Do all things required or necessary to mitigate or reduce modern slavery risks in their operations and supply chains
- Implement due diligence procedures for their own suppliers to ensure that there is no slavery, human trafficking or similar types of conduct in their supply chains
- Notify Endeavour Energy as soon as they become aware of a potential, suspected or actual breach by a supplier or its representatives of any modern slavery laws in connection with their engagement with Endeavour Energy
- Cooperate in good faith with Endeavour Energy in investigating circumstances relevant to any potential, suspected or actual breach of any modern slavery laws, whether or not notification has been given under the paragraph above
- We acknowledge the challenges of respecting human rights throughout our value chain and are committed to working with our suppliers and business partners to adopt principles and standards similar to ours

Case study

Refusal to accept Endeavour Energy's modern slavery language

During this financial year we have encountered Technology providers who have refused to accept Endeavour Energy's Modern Slavery terms and conditions. We have therefore removed these suppliers from taking any further part in the Market engagement activity and the final award has been made to suppliers that share Endeavour's view on eradicating Modern Slavery from our combined supply chain.

5. Our governance framework

Endeavour Energy operates under a robust framework of corporate governance. This framework includes the processes by which the business is directed, controlled, and held to account; and is a key element in maintaining the integrity of the business and its culture of compliance.

Key elements of Endeavour Energy's corporate governance framework include our values, *Code of Conduct*, *Statement of Business Ethics* and supporting company policies and procedures.

6. Our employee and contractor rights

Endeavour Energy operates in a highly regulated environment. Its recruitment and engagement of employees and contractors is aligned with applicable legislation and governed by internal policies and procedures to comply with applicable legislative obligations.

7. Our supplier governance framework

Endeavour Energy has an existing supplier governance framework to assess suppliers against specific risk categories prior to contract award. The pre-qualification process is completed for all strategic sourcing events.

Since August 2020, modern slavery provisions have been included in standard contracts and provided to all new and existing suppliers where a contract is in place (73% of total annual spend). More than 646 contracts and variations have been executed with the new clauses. To date, all contracted suppliers have accepted requirements or have updated language so the contracts comply with their own modern slavery frameworks.

The supplier governance framework is also supported by the supplier manufacturing facility accreditation program. This program evaluates manufacturing facilities for new suppliers or new equipment/products in the process of being approved to be installed in the network. Focus areas include ethics, health and safety and human and social responsibility (including employee remuneration and benefits) of manufacturers. Site audits/inspections (both domestic and international) are carried out on an as required basis. Since 2017, two site audits/inspections have been undertaken by Endeavour Energy. Although Covid has impacted our ability to complete this full process we have completed two site visits to suppliers bidding on our new Modular Sub-Station designs.

8. Our supply chain

In FY20 Endeavour Energy engaged with approximately 1,500 direct suppliers over 11 countries (including Australia). 98% of Endeavour Energy's total direct procurement spend is within Australia, with the greatest spend relating to vegetation management, civil and construction services, ICT and equipment and inventory.

The remaining 2% of total procurement spend is spread across ten countries with the top three countries being Canada (0.67%), Singapore (0.52%) and France (0.37%). Goods and services from these countries relate to power transformers, software licenses, recruitment and professional services.

Our profile for FY21 has remained consistent with this pattern of spend.

9. Risk management

Endeavour Energy's risk appetite is set by the Board and articulates our risk appetite about modern slavery as follows:

The Group has no appetite for modern slavery, as defined in the *Modern Slavery Act 2018 (Cth)*, within its operations and supply chain.

Risk assessment

Modern slavery risks are considered and assessed in line with and as part of Endeavour Energy's overall corporate risk framework. Where these risks are considered significant, they are outlined in Endeavour Energy's Corporate Risk Management Plan and mitigating actions discussed with Endeavour Energy's Audit and Risk Committee (a Board sub-committee).

Identified risks of modern slavery in our supply chain

Areas of risk identified include:



Construction and facilities management

(e.g. transient/seasonal workforce)



Textiles suppliers

(e.g. personal protective equipment)



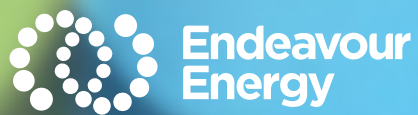
Office supplies

(e.g. tea/coffee, paper and other consumables)

10. Actions taken to address risks of modern slavery

The following actions have been undertaken by Endeavour Energy to address the risks of modern slavery practices in its operations and supply chains:

- A review of the Group Board policies and key constituent documents was conducted to assess if any required updating to reflect modern slavery requirements
- The revision of Endeavour Energy's board-approved risk appetite statement
- The Endeavour Energy Group updated its internal procurement practices to expressly require compliance with Modern Slavery requirements. This includes updating the pre-qualification questionnaire which requires prospective suppliers to confirm their compliance with modern slavery as a prerequisite to selection as a prospective supplier to the Endeavour Energy Group
- The *Statement of Business Ethics* was updated and distributed via the Endeavour Energy webpage
- Updated our standard supplier contract templates to include relevant clauses on modern slavery requirements
- A supplier manufacturing facility accreditation program is in place as described above
- Modern slavery training was delivered by Ashurst Lawyers in July 2019 to key internal stakeholders across the business, including Procurement, Logistics, People & Culture, Asset Management, Governance Risk & Compliance and Legal teams
- The adoption of a revised Whistleblowing Policy which provides a mechanism for any person to confidentially and anonymously report concerns about reportable conduct, which includes modern slavery matters
- An assessment of indirect suppliers has been undertaken to ensure that these suppliers were engaged using appropriate modern slavery provisions
- Endeavour Energy will use key risk indicators (KRIs) to measure how effective we've been in combating slavery and human trafficking in our business and supply chains. KRIs we will use to measure our success include:
 - Number of suppliers visited and audited under our supplier manufacturing facility accreditation program
 - Number of suppliers confirming their compliance with modern slavery when completing Endeavour Energy's pre-qualification questionnaire (target 100%)
- Introduced a Modern Slavery portal to track our suppliers and their Supply chain performance against Modern slavery risk
- Incorporated regular internal audits of the effectiveness of the controls listed above into Endeavour Energy's internal audit program. Endeavour Energy's whistleblowing mechanism will act as another check in this regard.
- An additional 610 contracts and variations have been executed with Modern Slavery clauses (646 completed in Fy20) which means all contracts are compliant.
- Engaged with the "Energy Procurement Supply Association" (EPSA) and "Informed 365" to establish a Modern Slavery Portal. This portal allows us to engage and collaborate with our suppliers and supply chains, assess, and manage Country and Industry risks, establish key metrics and reporting, develop corrective actions and or remediation requirements and then create compliance monitoring and reporting.
- Found alternate source of supply where suppliers have not agreed to our Modern Slavery Terms and conditions.
- Continued to request and assess our Suppliers Modern Slavery stance and compliance to Legislation, through our Supplier pre-qualification process and new Modern Slavery Portal.
- Developed plans to collaborate with our tier 1 suppliers to assess and review their tier 1 and 2 suppliers.



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