

Modern Slavery Statement

Financial Year 2023-2024

Public



Powering a
Bright Future

Owner of this Statement

This Statement is submitted by Tasmanian Networks Pty Ltd (ACN 167 357 299) (**TasNetworks**), and also covers TasNetworks' wholly owned subsidiaries: TasNetworks Holdings Pty Ltd (ACN 626 376 903) (**TasNetworks Holdings**), FortyTwo24 Pty Ltd (ACN 117 987 925) (**42-24**), TasNet Connections Pty Ltd (ACN 633 576 628) (**TasNet Connections**) and Marinus Link Pty Ltd (ACN 630 194 562) (**MLPL**) (together, '**TasNetworks Group**'). As of March 2024, 100% of MLPL's shares were sold. However, MLPL is included as part of this Statement as it was part of the TasNetworks Group in the 2023-24 reporting period.

TasNetworks is a Tasmanian Government-owned company, established under the *Electricity Companies Act 1997* (Tas). Companies within the TasNetworks Group are registered under the *Corporations Act 2001* (Cth). TasNetworks' registered address is 1-7 Maria Street, Lenah Valley Tasmania, Australia 7008.

This Statement has been published in accordance with the *Modern Slavery Act 2018* (Cth) (**Act**). It identifies the steps the TasNetworks Group took to identify, assess, mitigate and remediate Modern Slavery risks in its operation and supply chain during year ending 30th June 2024. All amounts are expressed in Australian dollars unless another currency is indicated.

Consultation with Reporting Entities

To prepare this joint Statement, TasNetworks established a Modern Slavery Working Group in December 2023 with representation from key business functions across the TasNetworks Group. This group met monthly to ensure alignment and collaboration on completion of key actions for this reporting period.

All data presented in this paper captures that of the TasNetworks Group.

Message from the Chief Executive Officer

Dear Stakeholders,

As CEO of TasNetworks, I reaffirm our commitment to maintaining the highest standards of ethical conduct and integrity in every aspect of our operations. Our resolve to combat modern slavery, which includes forced labour, human trafficking, and other severe human rights violations, is unwavering.

Modern slavery is a critical global issue that requires a concerted and proactive approach. At TasNetworks, we recognise our responsibility in this global effort and are committed to our role in effecting positive change. In the past year, we have made changes to better identify, prevent, and address any risks of modern slavery within our business and supply chain. We have strengthened our policies, improved our operational practices, and broadened our partnerships all with this goal in mind.

We are committed to transparency and accountability. This statement reflects our ongoing initiatives and our dedication to continuous improvement. The fight against modern slavery is evolving, and we are committed to adapting our strategies, learning from our experiences, and implementing innovative solutions to achieve effective outcomes.

Our efforts to eradicate modern slavery are collaborative and involve the active participation of our people, suppliers, customers, and the communities we interact with. Their collective support is essential for driving substantial change.

As the leader of TasNetworks, I assure you of our steadfast dedication to protecting human rights. We are committed to conducting our business in a way that respects the dignity of all individuals and positively impacts society. Together, we are working towards a future where modern slavery is eliminated.



Dr Seán McGoldrick

Chief Executive Officer
TasNetworks

Structure of this Statement

This Statement was prepared to meet the mandatory reporting requirements set out under the Act. It provides an overview of TasNetworks' approach to Modern Slavery and the risks associated with its operations and supply chain for the financial year 2023-24. The table below sets out where each criterion of the Act is disclosed within sections of this Statement.

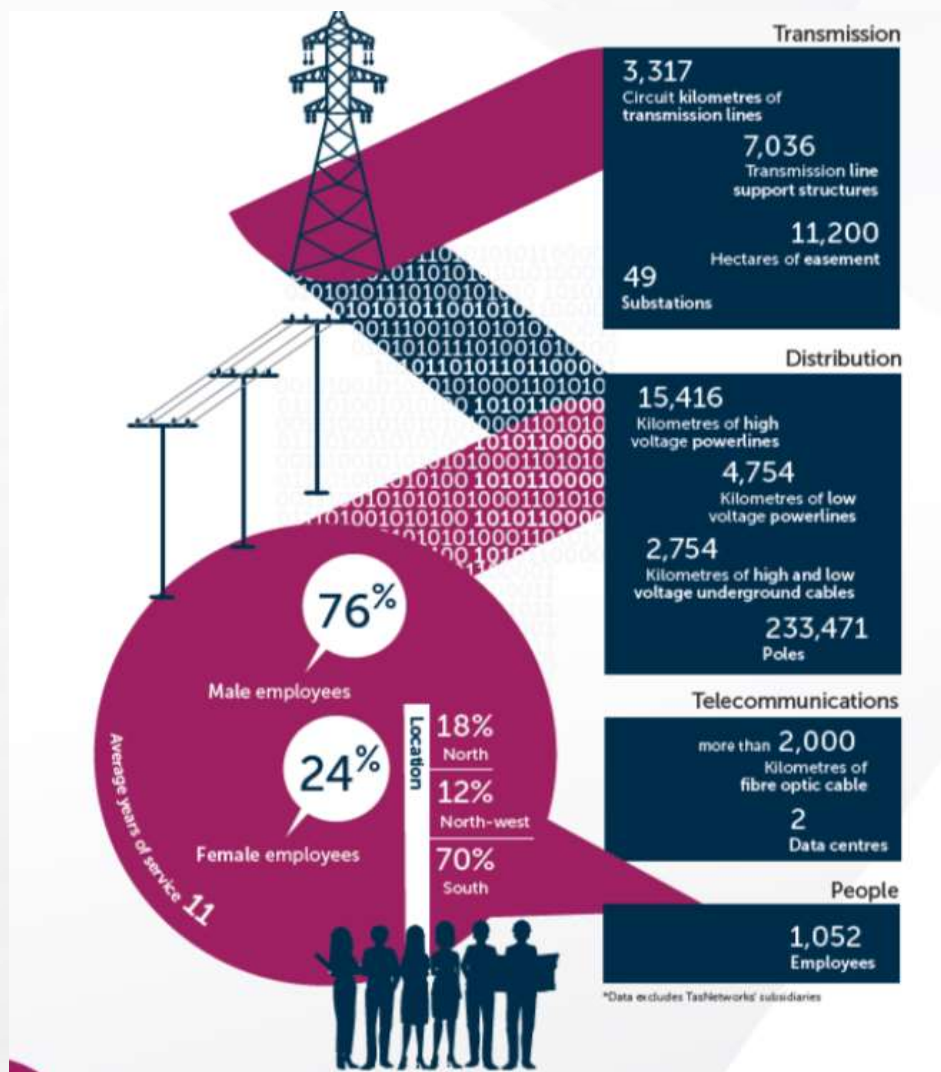
MSA CRITERIA	REFERENCE IN THIS STATEMENT
Identify the reporting entity	Page 2 Owner of this Statement
Describe the reporting entity's structure, operations and supply chains	Pages 6-9 Our Business Structure
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Page 8 Assessment of Modern Slavery Risks within the Operations of TasNetworks
	Page 9-14 Modern Slavery Risks Within Our Direct and Indirect Supply Chains
Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes	Page 8 Assessment of Modern Slavery Risks within the Operations of TasNetworks
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Describe how the reporting entity assesses the effectiveness of these actions	Page 15-18 How We Assess Effectiveness of our Actions
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About TasNetworks

We deliver safe, reliable and affordable electricity supply to more than 295,000 residential, business, commercial and industrial customers. We also provide telecommunications and technology services.

As the Transmission and Distribution Network Service Provider in Tasmania, our core responsibilities include:

- Keeping our people and our customers safe,
- Maintaining and replacing network infrastructure to ensure a safe, reliable service for our customers,
- Serving as Tasmanian jurisdictional planner in the National Electricity Market,
- Connecting new customers to the network (including small and large-scale generators),
- Investing in the network to support capacity growth,
- Operating the network on a day-to-day basis, including all power outage restoration,
- Coordinating the development of Renewable Energy Zones,
- Maintaining the public lighting system,
- Recording and providing regulated meter data to retailers, and
- Providing telecommunications, data centre and information technology services to customers, including those in the Tasmanian electricity supply industry.

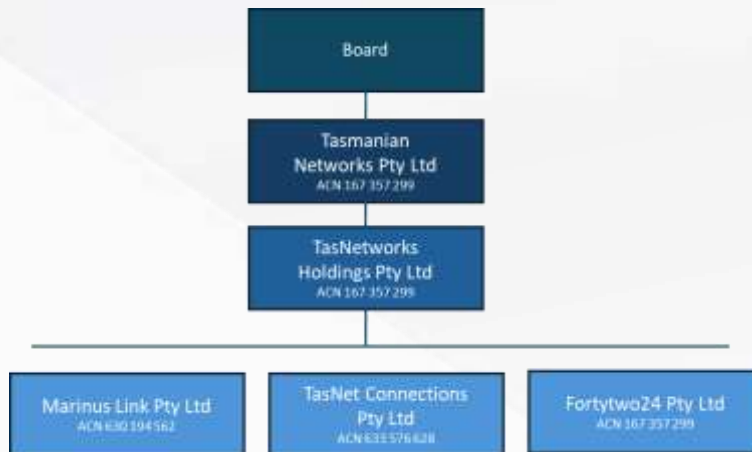


Our Business Structure

Our corporate structure and organisation structure for 2023-24 reporting period is set out below. All subsidiary companies are Tasmanian based.

Corporate Structure

Our corporate structure:



TasNetworks Holdings

TasNetworks Holdings is a non-trading subsidiary, incorporated to hold all shares in and oversee the subsidiary companies of TasNetworks. The company is registered at 1-7 Maria Street, Lenah Valley Tasmania, Australia 7008.

MLPL

MLPL's operations include the Project Marinus feasibility and business case assessment; to take any steps necessary to establish the interconnector; to build, own or operate the interconnector; and to undertake any other associated activity.

MLPL separated from the TasNetworks Group in March 2024 following a share sale. MLPL spend data up to the date of separation has been included in this statement.

TasNet Connections

TasNet Connections was established to support the growth of TasNetworks' competitive transmission connection services business, facilitating large-scale generation and other large industry connections to the network in Tasmania. During 2023-24, TasNet Connections was a non-trading entity.

42-24

42-24 commenced operations on 1 July 2018. 42-24 is an integral part of the growth strategy of its shareholder, TasNetworks, which aims to deliver strategic, commercial and social value that complements the purpose, financial performance and reputation of TasNetworks core regulated business. This is achieved by selling spare capacity within TasNetworks' telecommunications, data centre and IT infrastructure assets.

This reduces the fixed cost borne by the TasNetworks regulated electricity customer base and provides value back to Tasmanians, and it aligns to the TasNetworks purpose to “provide safe and sustainable essential services while maximising value for all of Tasmania”.

Organisational Structure

TasNetworks’ organisational structure:



Our Operational Locations Across Tasmania

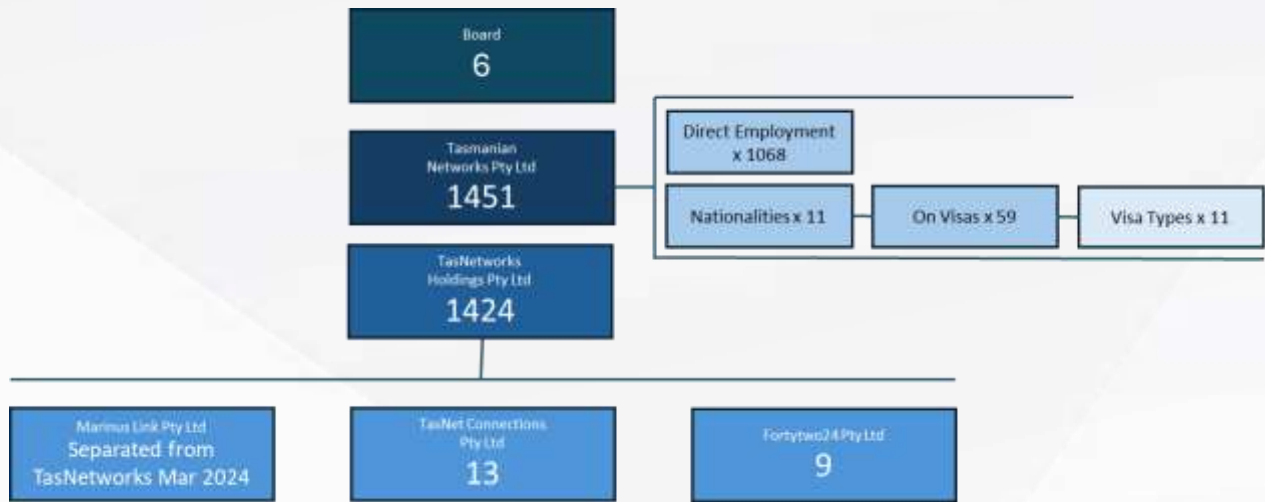
All of TasNetworks’ operations are conducted from Tasmania. Main offices are located in Lenah Valley and Rocherlea, with a number of depots across the state.



Our Workforce

As of 30 June 2024, TasNetworks Group employed a total of 1,068 employees across the TasNetworks Group and engaged 383 contractors.

The makeup of TasNetworks workforce is represented in the below diagram:



Assessment of Modern Slavery Risks within the Operations of TasNetworks

Given the location of TasNetworks' operations and structure of the workforce, the key modern slavery risks within our Operations sits our within recruitment practices and worker rights in the workplace.

We continue to assess the risk of Modern Slavery within our direct workforce as low, underpinned by robust employment practices and ongoing commitment to human rights. Our confidence in this assessment is supported by several key factors:

Rigorous Recruitment Policies: TasNetworks maintains stringent recruitment policies, which ensure that right to work status of prospective employees is validated through the Visa Entitlement Verification Online system via VSure. Part of this process (and our onboarding process) validates age of prospective team members, a key element in assessing Modern Slavery risk. Additionally, TasNetworks undertook a detailed review of our People records this year to ensure the data was available, accurate, and complete.

Fair Employment Practices: All of our team members are engaged under formal contracts of employment. These agreements strictly comply with the relevant industrial instruments and are regulated by Australian employment law, ensuring fair labour practices. TasNetworks also aligns itself to the UN Guiding Principles on Business and Human Rights.

Union Engagement and Collective Bargaining: TasNetworks continues to engage regularly with registered trade unions. We uphold our team members' rights to freedom of association and recognise their rights to negotiate employment conditions collectively, fostering a collaborative workplace environment.

Robust Policies and Grievance Mechanisms: TasNetworks has strengthened our policies and the accessibility of grievance mechanisms for all employees and contractors. It is mandatory for all contractors to complete our Code of Conduct training, which includes detailed guidance on activating the Whistleblower mechanisms.

Training Programs: TasNetworks has enhanced our ongoing training initiatives surrounding our policies and grievance mechanisms. This ensures that all team members, including those from the 11 countries represented in our workforce, are well-informed of their rights within the workplace. Recognising the diverse backgrounds of our team members, including international and indigenous individuals who are disproportionately represented in Modern Slavery statistics, we place a high emphasis on culturally sensitive training.

Workplace Safety and Freedom of Expression: TasNetworks is committed to ensuring that our workplace environments are not only safe but also supportive of open communication. We encourage team members to report any hazards or concerns, with the assurance that their voices will be heard, and necessary actions will be taken. This commitment extends to both physical and psychological safety, ensuring a holistic approach to employee well-being.

Our Supply Chain

At TasNetworks, our supply chain spans a broad spectrum, exposing us to an array of Modern Slavery risks. The complexity of our supply chain not only pertains to our direct interactions but also extends deeply into the indirect networks involving our suppliers' operations across various regions and industries.

Key Functions Supported by TasNetworks' Supply Chain Team:

Network Design and Construction: Overseeing the development of transmission and distribution networks, including substations, to meet current and future demands.

Network Operations and Maintenance: Managing routine activities such as vegetation and easement management, alongside comprehensive maintenance programs for both underground and overhead infrastructure. This also includes the responsible decommissioning and disposal of assets.

Asset Strategy and Management: Ensuring optimal lifecycle management of assets from acquisition to disposal.

Information and Communication Technology Solutions: Procuring software, hardware, and essential services to enhance our information and communication technology capabilities.

Facilities and Fleet Management: Ensuring the construction and ongoing maintenance of our facilities and fleet are conducted to high standards.

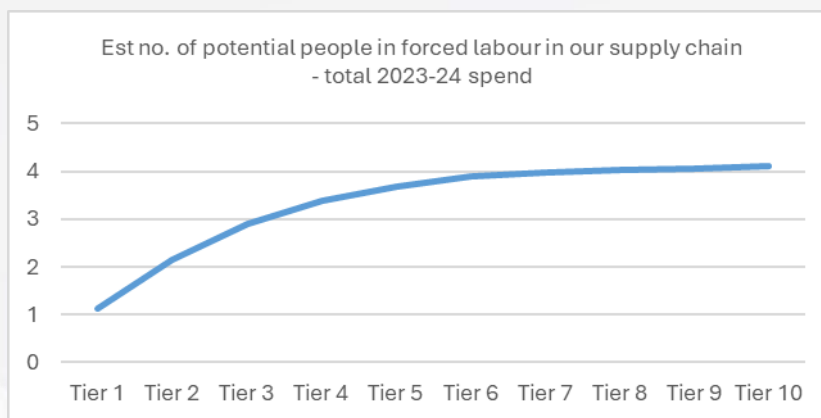
Professional Support Services: Facilitating a range of advisory services in areas including engineering, training, legal, governance and marketing to enhance organisational efficiency and compliance.

Modern Slavery Risks Within Our Direct and Indirect Supply Chains

Our supply chain presents several key areas where risks of Modern Slavery can manifest. These risks are often exacerbated by the complexity and geographical spread of supplier operations, which can obscure visibility and control over working conditions.

TasNetworks recognises that the indirect supply chain presents additional risks of modern slavery, which are challenging to measure due to the complexity and varying levels of transparency in our suppliers'

networks. The following diagram illustrates how the potential risk of forced labour escalates as we delve deeper into the layers of our supply chain. It has been generated using FairSupply's footprinting methodology and TasNetworks' 2023-24 spend data:



As depicted, the estimated number of individuals in forced labour increases significantly across the tiers, underscoring the need for enhanced due diligence and monitoring at deeper levels of our supply chain.

A summary of the key risks from a Modern Slavery perspective that could be present in our direct and indirect supply chain:

- **Procurement of Raw Materials:** Mining of metals (like copper and aluminium used in cables and wires) and extraction of other raw materials can be high-risk sectors for forced labour, especially in countries with weak labour laws.
- **Manufacturing of Equipment:** Production facilities for transformers, cables, meters, and other electrical components may employ forced labour, particularly in lower-cost manufacturing regions.
- **Facilities Management and Cleaning Services:** These services often employ low-wage workers, sometimes in informal or precarious conditions, increasing the vulnerability to exploitation.
- **Vegetation and Easement Management:** This can involve manual labour which can be outsourced to third-party contractors who may not adhere to labour standards, leading to potential abuses.
- **Fleet Management:** Maintenance and manufacturing of fleet vehicles can involve exploitative practices, especially in outsourced services.
- **ICT and Hardware:** The production of electronic components can involve forced labour, particularly in conflict-affected regions where minerals like tantalum (used in capacitors) are sourced.
- **Decommissioning and Waste Management:** Disposal and recycling processes can involve hazardous conditions and exploitation of workers, especially in countries with lax environmental and labour regulations.
- **Corporate Clothing and Personal Protective Equipment (PPE):** Often involve global supply chains that include manufacturing in countries where labour laws are poorly enforced or where modern slavery practices are more prevalent. This global sourcing increases the risk of encountering unethical labour practices.
- **Production of Marketing Materials (Printing Services, Paper, and Promotional Items):** Many components of marketing materials, such as textiles for promotional items or minerals for electronic components in promotional gadgets, are sourced from high-risk countries where modern slavery practices are more prevalent.
- **Transportation and Logistics Providers in the Transport of Internationally Sourced Materials:** Countries with major shipping and logistics hubs can have issues related to the exploitation of workers in ports, warehouses, and during transportation.

New risks are emerging in response to climate change and transition to renewable energy:

- **Increased Demand for Critical Minerals:** The shift to renewable energy technologies increases demand for minerals like lithium, cobalt, and rare earth elements, which are essential for batteries, wind turbines, and other renewable energy technologies.
- **Supply Chain Disruptions Due to Extreme Weather Events:** Climate change increases the frequency and severity of extreme weather events such as hurricanes, floods, and droughts, which can disrupt supply chains and lead to exploitative labour practices as businesses seek to quickly recover.
- **Shifts in Labor Markets:** As industries adapt to the impacts of epidemics, such as COVID-19, there may be rapid shifts in labour markets. For example, the increased demand for PPE and medical devices can lead to exploitative labour practices as manufacturers rush to increase production.
- **Climate Change-Induced Displacement:** Climate change can lead to displacement through natural disasters, or through slower processes such as sea-level rise and desertification. Displaced populations often find themselves in precarious and vulnerable situations, lacking economic opportunities and legal protections, which makes them easy targets for exploitation in labour markets. Displaced individuals may end up in informal sectors or in industries desperate for cheap labour, such as agriculture, construction, and manufacturing — sectors that are integral to the supply chains of many industries, including electricity distribution and transmission. These sectors are already prone to labour rights abuses, and the influx of vulnerable workers can exacerbate these issues.

Our Suppliers

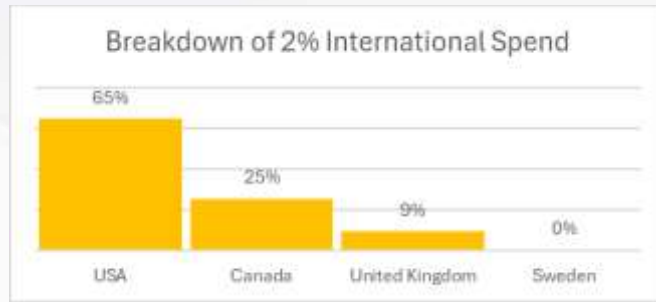
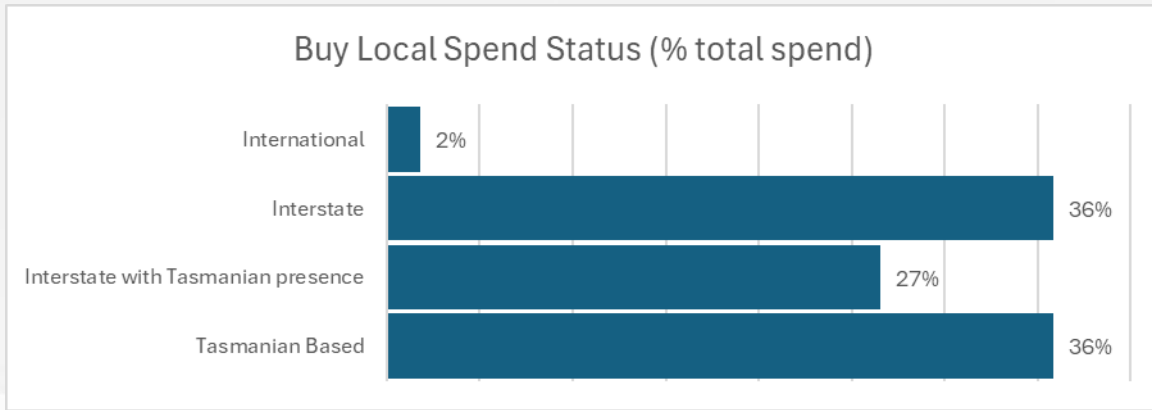
In addressing the risks associated with Modern Slavery, TasNetworks' primary strategy is to localise our supply chain operations. We are steadfast in our commitment to the Tasmanian Government's Buy Local Policy, which not only supports regional economic growth but also enhances our oversight and control over supply chain practices. By prioritising local procurement, we ensure that all of our purchasing policies and procedures are in strict alignment with the intentions of relevant government regulations. This approach significantly mitigates the risk of Modern Slavery within our supply chain by fostering transparency, accountability, and compliance with high ethical standards.

We strive to create and maintain stable, structured, and long-term relationships with our vendors to bring value to our stakeholders and reliability for our customers and community.

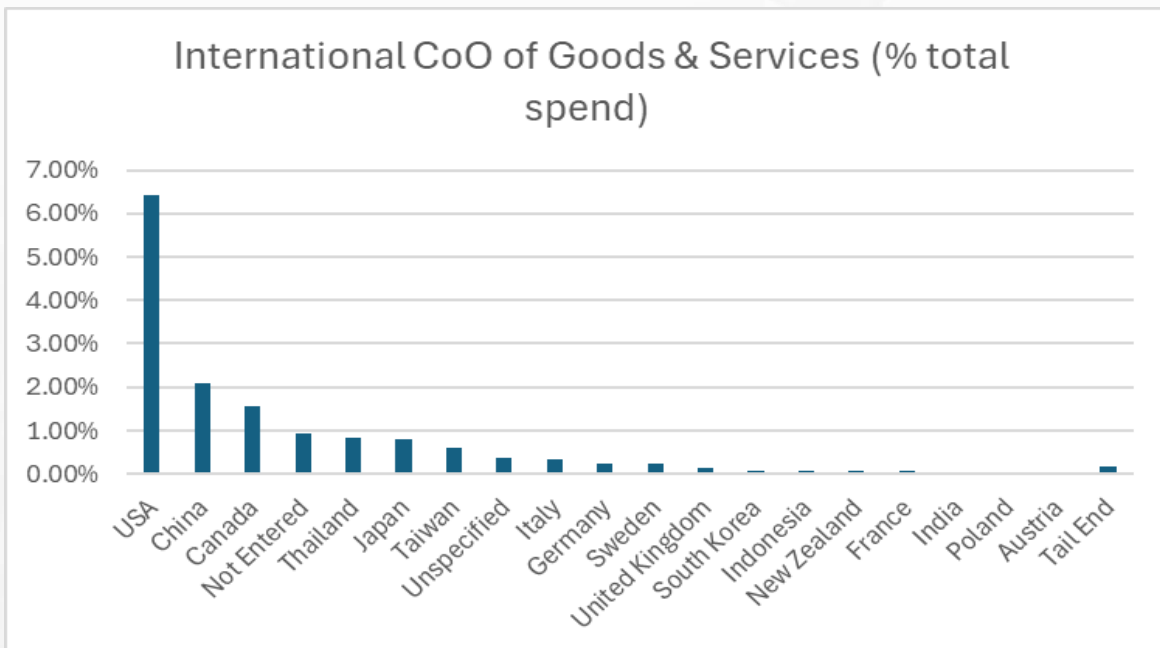
Goods and Services Spend

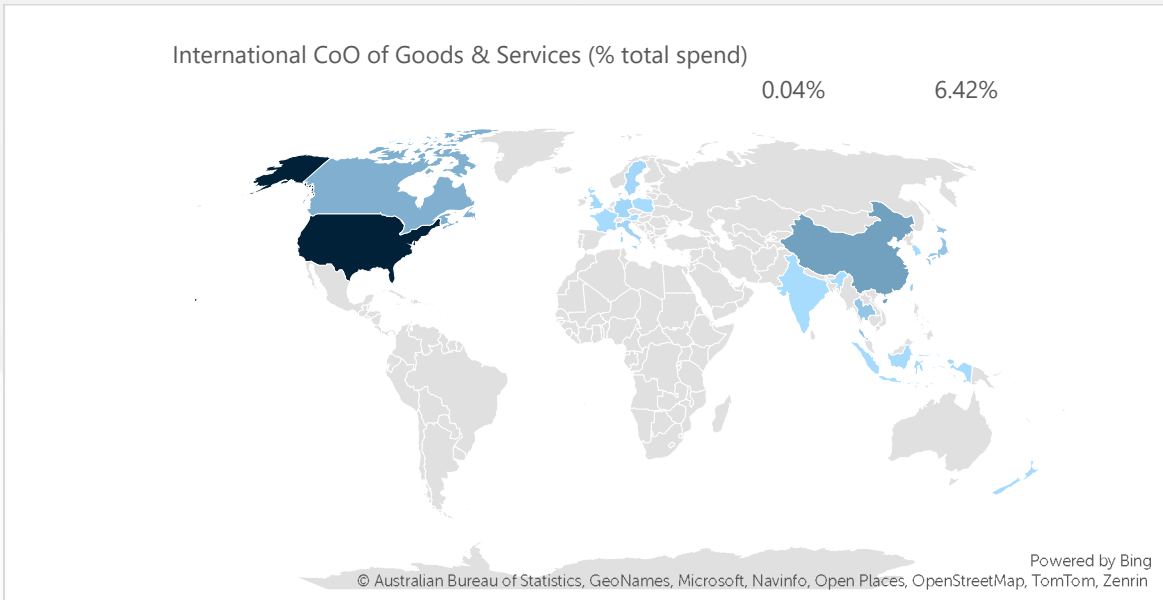
TasNetworks' total annual spend on goods and services for this reporting year was \$329M:

98% of total spend over this period was with companies based in Australia:



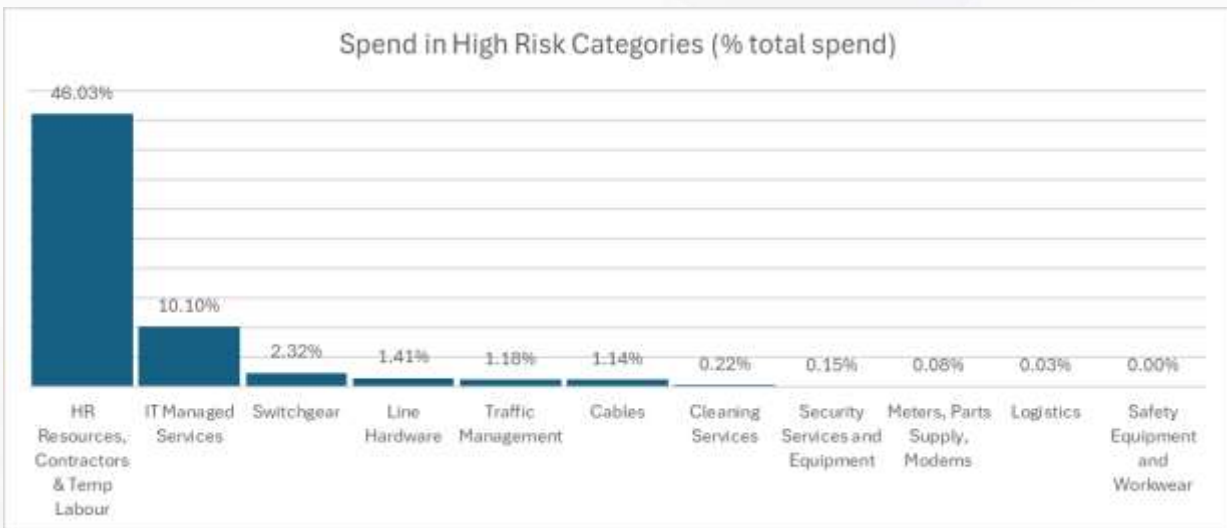
84.8% of total spend on goods and services was recorded with Australia as the country of origin (CoO):





The tail end spend is from across 27 countries, with a total value of \$612,193 and is made up of 27 countries.

Of TasNetworks' total spend, 63% of goods and services procured fell under Modern Slavery high risk categories:



Identifying Modern Slavery Risk Within Our Supply Chain

This year, TasNetworks has embraced the functionality of the Informed 365 platform – a customised, web-based application that was developed with the Energy Procurement Supply Association (EPSA) - to manage and automate Modern Slavery risk assessment at Tier 1 supplier level only. This tool has facilitated the first due diligence step in our process by sending supplier self-assessment questionnaires to all TasNetworks suppliers. The responses to these questionnaires supports TasNetworks due diligence and allows TasNetworks to recategorise risk for each vendor and formulate improvement plans with high-risk suppliers. Key details from our vendor responses have been represented under 'How we assess effectiveness of our actions'.

We have also undertaken a review of our supplier risk assessment platform options in preparation for the next reporting period. We are acutely aware of the escalating demands placed on our vendors to furnish detailed information, which is crucial for maintaining compliance and transparency in our Supply Chain.

Acknowledging the potential for supplier questionnaire fatigue, particularly among sole traders and small local enterprises, we are transitioning to a new risk assessment platform, FairSupply. This platform enables real-time evaluations of supply chain risks within TasNetworks, facilitating rapid identification of critical risk areas and opportunities for impactful due diligence. The insights garnered will enable us to concentrate on key risk areas beyond Tier 1 suppliers, adopting a focused and in-depth approach to vendor engagement as opposed to the existing broad and superficial method.

We expect that the implementation of FairSupply will enhance our dynamic interactions with vendors and bolster our risk assessment capabilities. Furthermore, this upgrade will reinforce our commitment to maintaining compliance with evolving Modern Slavery regulations.

This year, we have also initiated deep-dive due diligence conversations with two key suppliers. The first of these suppliers was engaged due to the risk associated with the presumed higher use of contracted and temporary labour within their immediate operations. The second supplier was engaged due to the variety of goods they provide from across a broad range of countries of origin.

Managing Modern Slavery Risk Within our Supply Chain

TasNetworks has taken deliberate steps to enhance our organisational framework, ensuring that roles and responsibilities related to managing Modern Slavery risks are defined and integrated into our updated business structure. This realignment allows us to bolster our oversight and intervention capabilities, ensuring that our efforts are both targeted and impactful.

Through the reporting period, TasNetworks and its subsidiaries has taken actions to address its risks of Modern Slavery, including by:

Modern Slavery Working Group: We established a cross-functional Modern Slavery Working Group that meets monthly to review actions and propose improvements. This group includes representatives from all subsidiaries and various TasNetworks functions including Business Services, Governance, Procurement, Category Management and Legal.

Industry Consortium Participation: We continue to actively participate in monthly nationwide consortium meetings with EPSA, sharing best practices and staying updated on industry-specific risks.

I365 Tool Training: Teams from TasNet Connections and 42-24 underwent training on the i365 vendor risk assessment tool, extending our vendor assessment capabilities to our subsidiaries.

Responsible Procurement Training: We successfully launched a new online training module on Responsible Procurement, achieving a 79% completion rate within the first month of its release. This module is set to become part of our mandatory Code of Conduct training for all employees starting in 2025.

Sourcing Policy Updates: We introduced a Responsible Procurement Policy, which has absorbed our superseded Modern Slavery Policy. The Responsible Procurement Policy provides a comprehensive approach to the ethical sourcing spectrum beyond Modern Slavery, including environmental, social, and governance values. This is supported by the Responsible Procurement Standard and the new Strategic Sourcing Guideline.

Whistleblower Policy: This policy was updated and recommunicated with all employees. The process of investigation of disclosures and procedural fairness is captured within this policy. The Whistleblower Policy is available publicly on the TasNetworks website.

Accessibility: Our Code of Conduct, Responsible Procurement Policy and Environment and Sustainability Policy have been made accessible on our website for contractors.

MLPL Initiatives: Prior to separating from TasNetworks Group in March 2024, MLPL developed their own Modern Slavery policies and framework, including compulsory selection criteria for all tendering activities.

Inclusion of Anti-Slavery Clauses: All new contracts with suppliers continue to include anti-slavery clauses, a practice that started in 2020. This year, we have reviewed all contracts that were created prior to 2020. 91 of these are set to expire in the next reporting period and will be renewed with the inclusion of the Modern Slavery clause. The remaining seven contracts are under review for necessary updates.

Tracking System: A new reporting mechanism between Warehouse and Category Management teams has been set up to track and resolve discrepancies in the CoO data between purchase orders and received goods.

Supplier Reviews: We conducted two extended due diligence reviews of suppliers. The findings from these reviews have informed our future engagement strategies.

Modern Slavery Response & Remediation Guideline:

This year, in the absence of a published remediation guideline, TasNetworks would have remediated any instances of modern slavery through the following steps:

1. Investigate and Verify
2. Remediate harm to workers
3. Mitigate and prevent future harms
4. Escalate
5. Incident Reporting and Tracking
6. Review

This guideline is in draft for approval for 2024-25 publication. It offers detailed structured guidance and delineates practical steps essential for addressing instances of modern slavery or related exploitation that TasNetworks has caused, contributed to, or is directly linked to.

How We Assess Effectiveness of our Actions

To assess the effectiveness of our modern slavery actions, we have established a framework led by the Modern Slavery Working Group. This group convenes monthly to review the completion of scheduled actions and to integrate any new necessary measures. This structured approach ensures continuous monitoring and updating of our strategies and policies in alignment with our business objectives and compliance requirements.

Our assessment process includes several key activities: Firstly, we conduct a monthly review through the Modern Slavery Working Group, which facilitates regular engagement and feedback across various departments including Procurement, Contract Management, Governance, and Legal, as well as our subsidiaries. This helps in maintaining a cohesive strategy across all arms of the business. Secondly, we have a mandatory questionnaire for all new procurement requests to evaluate potential risks associated with new vendors. Additionally, we monitor annual expenditure in high-risk countries and industries, and track the CoO for procured goods and services by percentage spend.

To enhance our risk assessment capabilities, we have recently onboarded a new platform that supports a more automated and comprehensive risk evaluation up to Tier 10 of our supply chain. This tool is pivotal in keeping our processes up to date with the latest legislative changes and in proactively managing vendor risks.

Furthermore, our effectiveness is also measured through specific Key Performance Indicators (KPIs), which include the completion rate of internal modern slavery training programs, the inclusion of modern slavery clauses in contracts, and the frequency of in-depth discussions with suppliers. These KPIs help in quantitatively assessing the impact and reach of our modern slavery initiatives, ensuring that

we are not only compliant but also proactive in our approach to reducing modern slavery within our operations and supply chain.

Supplier Engagement:

The supplier engagement data over the last two reporting periods highlights developments in our approach to managing Modern Slavery risks within our supply chain:

Expansion in Supplier Engagement:

During the 2023-24 reporting period, a total of 367 suppliers were engaged to assess Modern Slavery risks using the Informed 365 Self-Assessment Questionnaires (SAQs). Out of these, 238 suppliers submitted the questionnaire, 33 began but did not complete it, and 96 did not start the questionnaire. Among the 238 respondents, no suppliers were identified as high or very high risk for Modern Slavery impact according to the i365 Slavery Risk Index.

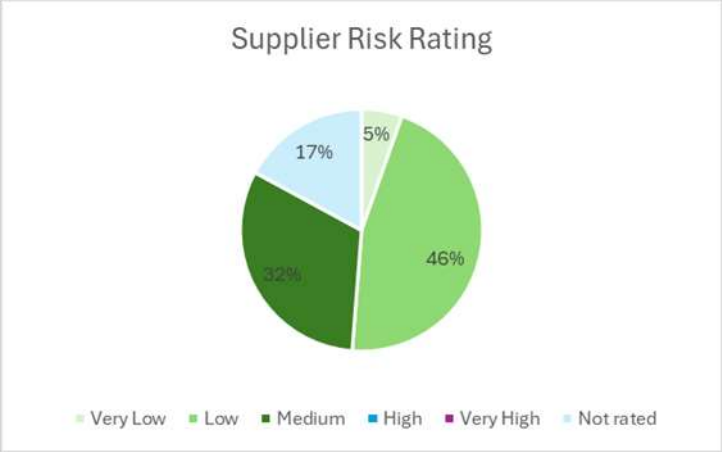
This contrasts with engagement during the 2022-23 reporting period where only 22 suppliers were approached: 15 submitted the questionnaire, 2 started but did not complete, and 5 did not start the questionnaire. Similar to the 2023-24 period, no suppliers were identified as high or very high risk in the previous period.

This represents a significant increase in the number of suppliers engaged in this reporting period versus last, demonstrating a substantial broadening of our engagement scope and a more proactive approach in assessing Modern Slavery risks within our supply chain.



Risk Identification:

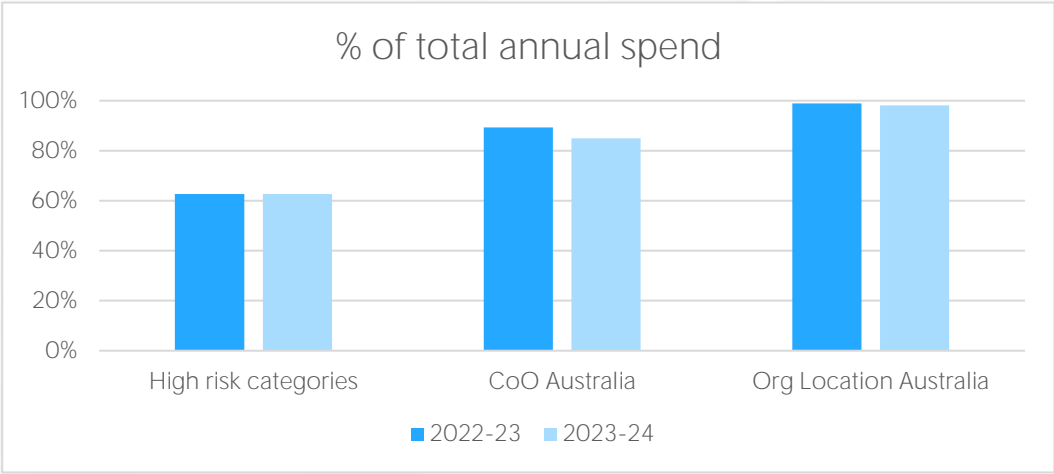
Despite the increased engagement and completion of SAQs, no suppliers were identified as high or very high risk for Modern Slavery impact in the 2022-23 or 2023-24 reporting periods. This consistency suggests that while our engagement scope has expanded, the risk profile of our suppliers concerning Modern Slavery has remained stable.



These trends reflect our proactive efforts to enhance supplier engagement and compliance with Modern Slavery regulations. The significant increase in the number of suppliers engaged and the SAQs completed underscores our commitment to a thorough and expansive assessment of Modern Slavery risks across our supply chain.

Spend:

There was a significant increase in TasNetworks total spend from \$261,729,469 in the 2022-23 period to \$329,466,923 in the 2023-24 period, indicating a growth of approximately 26%. This increase reflects both TasNetworks’ expanding operations and procurement activities, and the cyclical spending habits associated with the final year of this revenue reset period.



Country of Origin:

There was a small increase in the proportion of spend on goods and services originating from international sources (country of origin), from 11% in 2022-23 to 15% in 2023-24. This equates to an increase from \$27,922,423 to \$49,919,360, which could indicate better CoO data capture during the purchasing process.

Organisational Location:

The spend with suppliers with organisations based in Australia remained relatively stable as a percentage of total spend, moving from 99% in 2022-23 to 98% in 2023-24. However, the actual spend increased from \$258,848,446 to \$323,559,014.

Spend with organisations based outside of Australia, although still a small portion, doubled from 1% to 2% of the total spend, increasing from \$2,878,064 to \$5,907,609.

High-Risk Categories:

The proportion of spend in high-risk categories remained constant at 63% over the two years. However, the actual spend in these categories increased from \$164,102,596 to \$206,513,098, aligning with the overall increase in total spend.

Reported instances of Modern Slavery:

There have been no reported instances of Modern Slavery from our suppliers, nor through the TasNetworks Whistleblower hotlines during this reporting period. This is in line with the results from last reporting period.

Continuous Improvement

Our continuous improvement journey in managing Modern Slavery risks within our supply chain is structured around several strategic initiatives aimed at enhancing due diligence, training, and compliance monitoring. The key components of our proposed journey:

Review of Governance Framework: Our Supply Chain governance framework is being reviewed to incorporate all Environmental, Social, and Governance (ESG) Supply Chain initiatives, ensuring a holistic approach to corporate responsibility.

New Risk Assessment Tool: We are introducing a new tool capable of assessing up to Tier 10 of our supply chain and allowing for supplier pre-assessment of Modern Slavery risks. A successful pilot trial has been completed. This tool will be employed in the next reporting period to enable more targeted due diligence.

Deepening Due Diligence: We are transitioning from broad use of SAQs to building stronger partnerships with suppliers. This involves a shift from broad to more focused and in-depth due diligence, particularly across Tier 1 and 2 suppliers, concentrating on high spend and high-risk sourcing countries and industries.

We will continue to engage with identified high/moderate risk suppliers to understand the due diligence processes they undertake to identify risks of Modern Slavery in their supply chains.

ESG Supplier Code of Conduct and Strategy: We are developing an ESG Supplier Code of Conduct and incorporating tailored ESG strategies and contract clauses into pilot trials across four categories, including agreed KPIs for suppliers.

Targeted Internal Training: Further training will be developed and deployed, particularly for the Procurement and Commercial teams, to ensure those who interact directly with our suppliers are well-equipped to identify and manage Modern Slavery risks. Furthermore, our existing Responsible Procurement training will be integrated into our Code of Conduct training and made mandatory for annual completion by all employees, including contractors.

Development of Internal Dashboards: An internal dashboard is being developed to track spend and measure compliance against supplier-stated CoO, facilitating more informed vendor conversations and targeted education. We are committed to refining our reporting capabilities by improving our systems and their utilisation to produce cleaner, more accurate data. This includes the creation of an internal spend dashboard to better track and analyse procurement data.

These initiatives represent our commitment to not only comply with Modern Slavery regulations but also to lead in the development of more ethical and sustainable supply chain practices. Through these strategic improvements, we aim to enhance our ability to monitor, assess, and mitigate Modern Slavery risks effectively across our entire supply chain.

Case Study 1

Modern Slavery Risk Mitigation in the Supply Chain of a Fleet Maintenance Provider

Introduction: A contracted service provider for the maintenance and repair of both heavy and light fleet vehicular assets is part of a larger organisation listed on a major stock exchange. The size of the parent company mandates the provider to comply with the Act, requiring the submission of Modern Slavery statements and the maintenance of robust processes and policies to mitigate associated risks.

Identification of Potential Risks: The complexity and global reach of the provider's supply chains for automotive parts, coupled with the high demand for skilled labour, initially flagged this vendor as a potential concern for Modern Slavery risks. The use of subcontracted services and labour hire agencies, common in such industries, often complicates the transparency of labour practices, increasing the risk of Modern Slavery.

Assessment and Engagement: A detailed assessment was conducted through a questionnaire during a meeting with the General Manager of the provider's Tasmanian branch. The engagement aimed to evaluate the provider's awareness and management of Modern Slavery risks within its operations and extended supply chains.

Key Findings:

Compliance and Awareness: The provider is compliant with the Act, demonstrating an understanding of Modern Slavery issues and acknowledging the potential existence of such practices within its supply chains.

Risk Management: To the best of their knowledge, the provider has not been involved in any Modern Slavery practices or related investigations. The organisation conducts responsible sourcing audits, predominantly on their Original Equipment Manufacturers, to ensure compliance throughout the supply chain.

Education: The provider offers education and awareness training on Modern Slavery to its employees.

Employment Practices: The provider ensures that all employees are provided with clear conditions of employment. The use of labour hire agencies is restricted to sourcing candidates that are directly employed by the provider.

Whistleblowing Policies: The organisation maintains a whistleblowing and reporting policy, encouraging transparency and accountability within its operations.

Conclusion: The proactive measures taken by the provider to address and mitigate the risks of Modern Slavery within its operations and supply chains reflect a robust commitment to corporate social responsibility and ethical business practices. This case study not only highlights the effectiveness of the provider's strategies but also serves as a benchmark for other companies in similar sectors to emulate.

Next Steps: Given the findings from the initial assessment and the ongoing need to ensure compliance and mitigate risks associated with Modern Slavery, the next steps in due diligence with this supplier will be structured to deepen the engagement and continuously monitor compliance. These will include completing audits, including employee interviews and document verification, and regular meetings with the supplier to discuss ongoing compliance and improvements in their Modern Slavery practices.

Case Study 2

Enhancing Modern Slavery Compliance in the Supply Chain of a Key Industrial Supplier

Introduction: One of our key suppliers of tools and hardware has demonstrated a forward-thinking approach since our engagement earlier this year. As a subsidiary of a larger parent company, this supplier has committed to rigorous compliance practices to mitigate Modern Slavery risks within its extensive supply chain.

Supplier Engagement and Audit Practices: The supplier conducts annual audits that include surveys and site visits. The supplier has audited 77% of its local suppliers and 40% of its international suppliers, focusing particularly on regions in Asia and North America. These audits extend to prospective suppliers as part of a proactive approach to compliance.

Challenges in Supplier Awareness: One significant challenge identified is the lack of understanding among suppliers about what Modern Slavery entails. To address this, the supplier has developed fact sheets tailored for different countries. These one-pagers explain the concept of Modern Slavery and provide guidance on how suppliers can engage their own suppliers to ensure compliance.

Long-term Engagement and Continuous Improvement: The supplier has a longstanding practice of conducting site visits for audits, which has been ongoing for eight years. These visits assess culture, operations, and health and safety standards. Recently, the supplier moved these audits to a calendar-year schedule and has committed to revisiting suppliers every two years to ensure no changes in compliance. This approach helps in gradually expanding the number of suppliers audited each year and maintaining continuous engagement.

Modern Slavery Statements and Compliance Tracking: The supplier has already issued its third Modern Slavery statement. Their Chief Operating Officer ensures that each key account is aware of Modern Slavery issues. However, tracking the Country of Origin remains a challenge, similar to the challenges faced by TasNetworks and many contemporaries in our industry. The supplier is actively working to develop an easier method of tracking and confirming the Country of Origin, with plans to enhance visibility in e-catalogues.

Technological Enhancements: The supplier is updating its e-catalogue and online purchasing systems to improve compliance tracking. Currently, compliance information is sent out in PDF format and manually inputted into spreadsheets, covering only tier-one suppliers, including transport.

Conclusion: The supplier's proactive and systematic approach to Modern Slavery compliance, combined with its willingness to innovate and improve its systems, sets a strong example for effective supply chain management. By continuously enhancing its audit processes, increasing supplier awareness, and improving technological tools for compliance tracking, the supplier is not only adhering to legal requirements but also contributing to the broader fight against Modern Slavery in the industrial sector.

This statement was approved by the Board of TasNetworks in their capacity as principal governing body of Tasmanian Networks Pty Ltd on 21 October 2024. The TasNetworks Board approved the statement on behalf of the TasNetworks Group.



Roger Gill, Chair of the TasNetworks Board
21 October 2024



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