



Modern Slavery Statement

FY2022



Introduction

ACKNOWLEDGEMENT OF COUNTRY

We acknowledge Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of this land and we pay our respect to their Elders past, present and future.

BOARD APPROVAL

This Modern Slavery Statement (**Statement**) is jointly made by:

- Ausgrid Operator Partnership (ABN 78 508 211 731) (**Ausgrid**);
- Ausgrid's subsidiary, Ausgrid Management Pty Ltd (ACN 615 449 548) (**Ausgrid Management**);
- Ausgrid Asset Partnership (ABN 48 622 605 040) (**Ausgrid Assets**); and
- Ausgrid Assets' subsidiary, Ausgrid Finance Pty Ltd (ACN 615 343 005) (**Ausgrid Finance**),

(together, the **Ausgrid Group** and each an **Ausgrid Group Member**), pursuant to the *Modern Slavery Act 2018* (Cth) (the **Act**) enacted on 1 January 2019. This Statement is for the financial year 1 July 2021 to 30 June 2022 (the **reporting period**) and is approved and endorsed by the respective Boards of the Ausgrid Group Members, which are their principal governing bodies.



Dr Helen Nugent AC
Chairman Ausgrid Group

7 December 2022

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AUSGRID ANNUAL ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORTING SUITE



We also provide several disclosure documents on specific ESG topics. Please refer to the Ausgrid website to access these publications.

Chairman of the Board message



This Statement outlines how the Ausgrid Group is managing its modern slavery risks in our operations and supply chains.

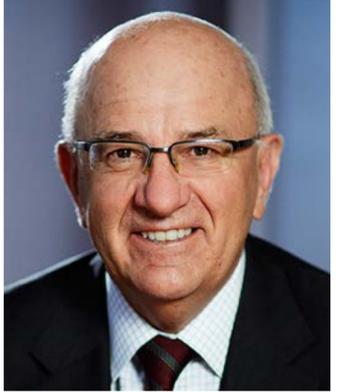
Human rights are an important issue, and organisations such as Ausgrid have a critical role in ensuring that the goods and services we buy do not support or contribute to modern slavery. The Ausgrid Group commits to respecting the human rights of our employees, the communities we operate within, and those we indirectly engage with through our supply chain.

The Board of each Ausgrid Group Member has approved and endorsed this Statement as required by the Act.

Dr Helen Nugent AC
Chairman Ausgrid Group

The Board considers the measures highlighted in this document, combined with the Ausgrid Group's strong values, ethics, and proactive engagement with our business partners, are helping to reduce modern slavery risks.

CEO message



The leadership team of the Ausgrid Group oppose the use of modern slavery practices.

We recognise the importance of human rights and the need to provide protections to those who support our organisation through the goods and services we procure.

Through our newly developed Modern Slavery Roadmap, we will continue to harness opportunities to identify and mitigate modern slavery risks in the areas that we can control and influence.

The measures detailed in this document provide a strong framework for reducing the risk of modern slavery practices in our supply chains and operations.

Richard Gross
CEO Ausgrid Group

In fulfilling our purpose to 'connect communities and empower lives', we ensure that our own workforce can work in a safe and healthy environment, have freedom of association, and are remunerated fairly.

About this Modern Slavery Statement

The Ausgrid Group is committed to human and labour rights and to the global eradication of modern slavery in all its forms.

Ausgrid and Ausgrid Assets (and their respective subsidiaries) each had a consolidated revenue of at least \$100 million during the reporting period and as such, are classified as reporting entities pursuant to the Act.

This Statement excludes the Ausgrid Group's affiliate, PLUS ES, which has submitted its own Modern Slavery Statement. This Statement has been prepared by addressing the mandatory criteria for content set out in the Act.

In general terms, modern slavery captures situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom and includes the following categories of serious exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.

We welcome the measures implemented by the Act and are pleased to communicate our ongoing and developing response to tackling this serious and important issue in this Statement.

This Statement records our areas of risk, the actions we have taken and are taking, and how we measure the effectiveness of these actions in eliminating the risk of modern slavery in connection with our business and supply chain.

We will continue to work with our business partners to raise awareness of this issue, communicate our expectations and take actions to eliminate modern slavery risks in our business.

Our Purpose

Connecting communities, empowering lives

Our Vision

Our vision is for communities to have the power in a resilient, affordable, net zero future

Our Values

- Work safe, live safe
- Customer-focused
- Commercially minded
- Collaborative
- Honest and accountable
- Respect

About the Ausgrid Group

Our structure

Ausgrid is a partnership carried on under that name by:

- a. Blue Op Partner Pty Ltd (ACN 615 217 500) as trustee for Blue Op Partner Trust;
- b. ERIC Alpha Operator Corporation 1 Pty Ltd (ACN 612 975 096) as trustee for ERIC Alpha Operator Trust 1;
- c. ERIC Alpha Operator Corporation 2 Pty Ltd (ACN 612 975 121) as trustee for ERIC Alpha Operator Trust 2;
- d. ERIC Alpha Operator Corporation 3 Pty Ltd (ACN 612 975 185) as trustee for ERIC Alpha Operator Trust 3; and
- e. ERIC Alpha Operator Corporation 4 Pty Ltd (ACN 612 975 210) as trustee for ERIC Alpha Operator Trust 4.

Ausgrid Assets is a partnership carried on under that name by:

- a. Blue Asset Partner Pty Ltd (ACN 615 217 493) as trustee for Blue Asset Partner Trust;
- b. ERIC Alpha Asset Corporation 1 Pty Ltd (ACN 612 974 044) as trustee for ERIC Alpha Asset Trust 1;
- c. ERIC Alpha Asset Corporation 2 Pty Ltd (ACN 612 975 023) as trustee for ERIC Alpha Asset Trust 2;
- d. ERIC Alpha Asset Corporation 3 Pty Ltd (ACN 612 975 032) as trustee for ERIC Alpha Asset Trust 3; and

- e. ERIC Alpha Asset Corporation 4 Pty Ltd (ACN 612 975 078) as trustee for ERIC Alpha Asset Trust 4.

A consortium comprising IFM Investors, AustralianSuper and APG Asset Management holds a 50.4% partnership interest in Ausgrid and Ausgrid Assets. The New South Wales (**NSW**) State Government, through entities established in accordance with the Electricity Retained Interest Corporation Act 2015 (NSW), holds a 49.6% partnership interest.

Ausgrid Management is a subsidiary of Ausgrid, and Ausgrid Finance is a subsidiary of Ausgrid Assets. Ausgrid and Ausgrid Assets have effective control over their respective subsidiaries.

Within the Ausgrid Group, the Ausgrid Group Members hold the following general responsibilities:

- Ausgrid is the Ausgrid Group’s primary operating entity and is responsible for operating, maintaining and building the electricity network and engaging with customers and suppliers for goods and services;
- Ausgrid Assets holds the electricity network assets on behalf of the Ausgrid Group;
- Ausgrid Management is responsible for employing individuals who perform work on behalf of Ausgrid; and

- Ausgrid Finance is responsible for obtaining finance from external lenders on behalf of the Ausgrid Group.

The Ausgrid Group collectively has 2,836 employees based across our 26 depots in NSW and our head office in Sydney. 92% of our employees (excluding labour hire and contractors) are covered by an enterprise agreement and our employees are free to associate with the unions that represent their sector.

Our operations

The Ausgrid Group’s core business is to provide electricity distribution network services. We do this by building and operating assets and delivering non-network solutions to ensure our customers have safe and reliable access to electricity at an efficient and reasonable price.

The Ausgrid Group’s network of substations, powerlines, underground cables and power poles spans across Sydney, the Central Coast and the Hunter region in NSW, connecting our customers and their communities. Our network has powered the lives of our customers for over a century.

To operate our network, we maintain 512,811 power poles, 48,185km of power lines and underground cables, 237 large electricity sub-stations and 33,179 small distribution substations.

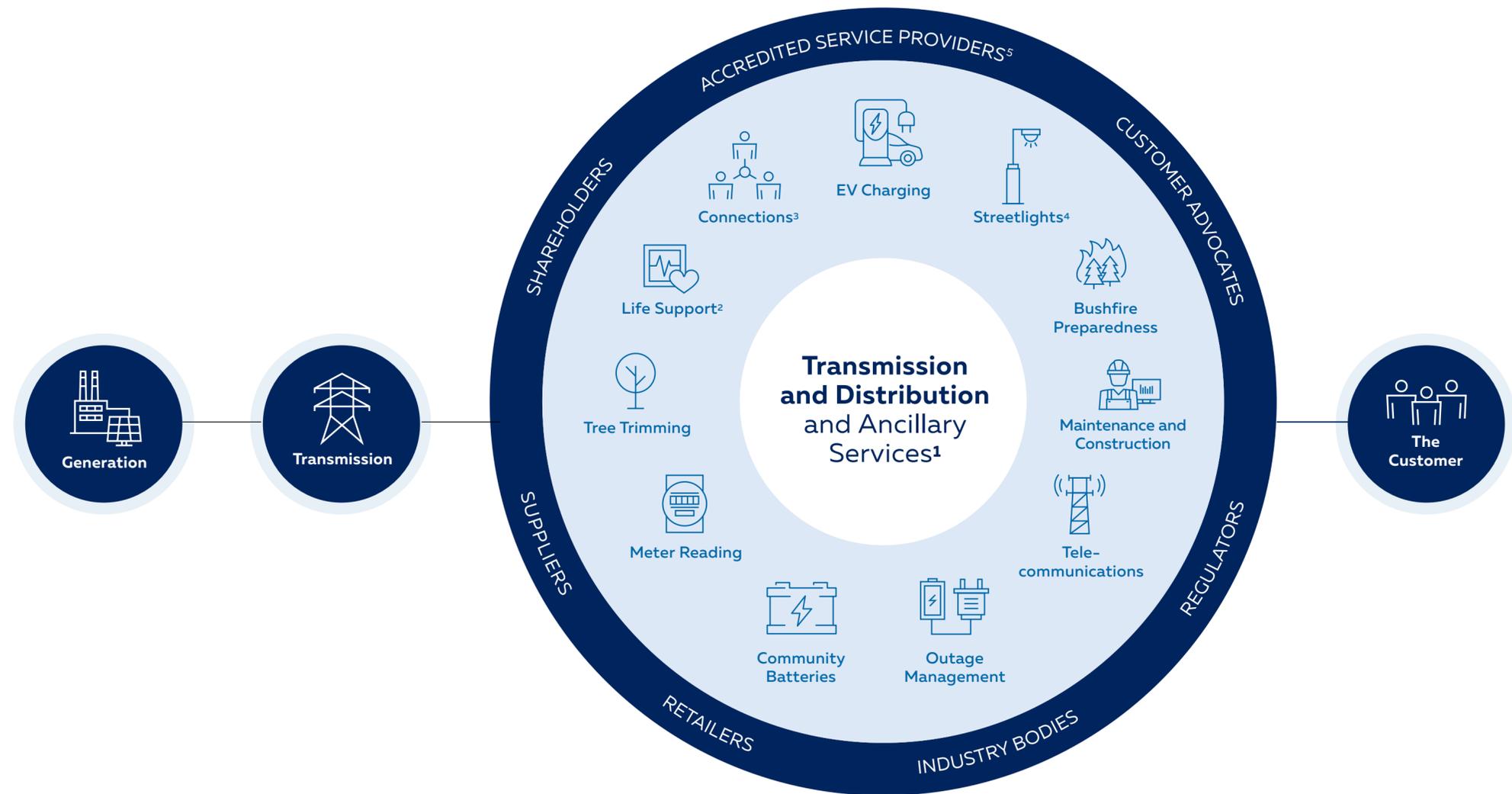
We provide more than 257,155 streetlights for 33 council areas across Sydney, the Central Coast and the Hunter region, and maintain these so they keep our communities safe.

We provide a safe and reliable network that involves us undertaking maintenance works and construction, trimming vegetation, and conducting helicopter and ground patrols. This helps to protect our customers, in particular our life support customers, communities and network from bushfires, power outages and storm impacts.

We have our own telecommunications fibre network on our infrastructure, which is also used by third parties and assists in our communities staying connected.

We provide electricity distribution network services to 1.8 million homes and businesses across Sydney, the Central Coast, and the Hunter region in NSW. Residential customers make up 90% of our customer base, but business accounts for 63% of total energy consumption.

Our value chain



KEY

- Ausgrid
- Third party

NOTES

- 1 Ancillary Services**
Non-routine services provided to individual customers
- 2 Life Support**
Keeping the power on for our vulnerable customers
- 3 Connections**
These include solar panels, emerging technologies such as batteries, connecting new customers and upgrading existing customers
- 4 Streetlights**
Maintenance to keep our communities safe and upgrading to LED for more energy efficiency
- 5 Accredited Service Providers**
Third parties authorised to work on or near our network on behalf of customers

Our supply chain

Our network tariffs are approved by the AER on an annual basis, while our regulated revenue allowance is approved by the AER once every five years. For the regulatory period from 1 July 2019 to 30 June 2024, the AER approved network revenue of approximately \$7.6 billion. This revenue allows Ausgrid to invest in its network so we can continue providing safe and reliable network services for our customers.

To support this significant investment, we utilise a global supply chain to provide the range of components and services we need from domestic and international suppliers. Our international supply chain covers Europe, North and South America, Asia, and the Middle East.

Many of the goods and services that we procure have complex supply chains containing multiple suppliers and manufacturers (including from overseas) providing the raw commodities, components, and services to produce the end-product or service.

The Ausgrid Group has 23 categories of goods and services that our external partners supplied to the Ausgrid Group in FY22. These categories cover the following:

- Industrial and electrical consumables
- Information technology (IT) hardware
- Operational technology (OT) hardware
- Cables
- Streetlighting equipment
- Other manufactured components
- Switchgear
- Property
- Construction
- Network services and maintenance
- IT services
- Overhead line supports
- Fleet
- Engineering and technical services
- Secondary systems
- Equipment hire
- Transformers and equipment
- Corporate services
- IT software
- Telecommunications
- Human resources services
- Professional services
- Training and development

FY22 key statistics

\$502m

spent on the purchase of goods and services in FY22.

3,618

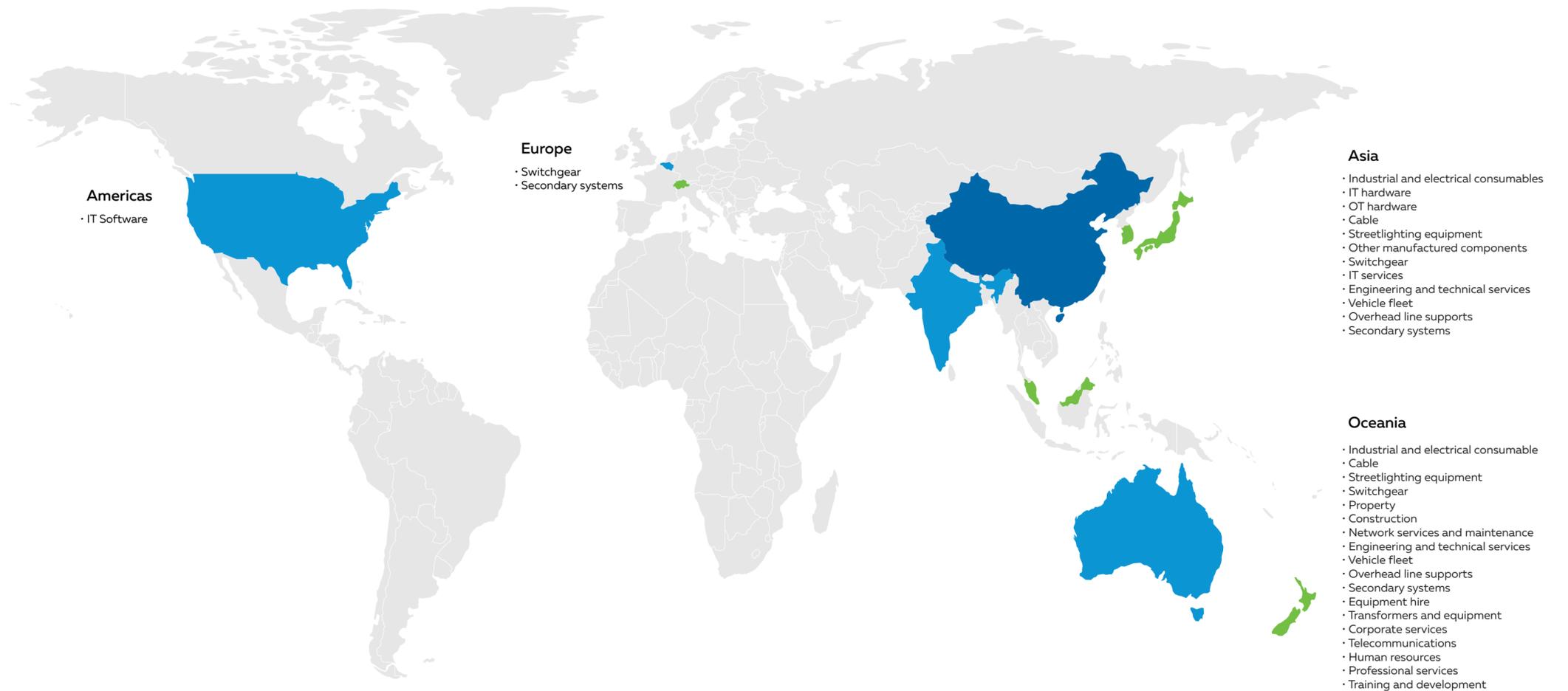
the Ausgrid Group procures goods and services from 3,618 suppliers.

23

categories of goods and services procured from Europe, North and South America, Asia and the Middle East.

Our supply chain

Ausgrid's suppliers of goods and services



KEY

- Primary and secondary
- Primary
- Secondary

NOTES

This map shows countries where Ausgrid has contracts to source goods and services. Countries marked as secondary suppliers are those that provide goods and services to Ausgrid contracted suppliers.

These secondary suppliers are a sample of suppliers and service providers based on our initial supply chain mapping. We will continue to engage with our primary suppliers to strengthen our supply chain mapping and improve our supply chain visibility.

Our supply chain risks



The complex nature of our supply chain means there are risks that the Ausgrid Group may be linked to modern slavery practices.

As outlined in "Our Supply Chain" on page 6, the Ausgrid Group has 23 categories of goods and services that it procures. We assessed each of these categories to determine their level of risk for modern slavery practices.

From our risk-based assessment we identified four of these 23 categories as higher risk. These are higher risk due either to their country of origin and/or as a result of the internationally recognised modern slavery risks associated with the category of goods or services.

Sources used to inform our assessment include the: Global Slavery Index; Responsible Investment Association Australasia; and Minderoo Foundation.

Identifying our higher risk areas allows us to prioritise and focus our efforts on those areas with the greatest potential for the existence of modern slavery.

Our higher risk categories are identified as: industrial and electrical consumables, IT hardware, OT hardware, and cables.

COVID-19 has had a direct impact on global supply chains and operations. This has resulted in greater worker vulnerability and increased the risk of modern slavery in the delivery of goods and services to Ausgrid. Ausgrid has taken additional measures to work with its suppliers to understand the potential impact of COVID-19 on the security of supply of goods and services and worker health and safety. See next page for further details.

Working with our suppliers to reduce modern slavery risk

Ausgrid engaged with the market in FY22 for facilities maintenance services. Segments of this industry are considered high risk for modern slavery.

Part of the tender process included a focus on modern slavery risk reduction with an increased level of due diligence. This was achieved through the assessment of policies, procedures, and requests for additional information.

Areas subjected to further review included the supplier's terms of employment, subcontractor engagement practices and other mechanisms aimed at improving working conditions.

In addition to our due diligence and review processes, we also incorporated explicit modern slavery compliance requirements in the contract. This included obligations for the supplier to maintain their own policies and procedures, to mitigate the risk of modern slavery, and to include equivalent provisions with their subcontractor agreements.

Ausgrid higher risk categories



Industrial and electrical consumables

high volume, low value goods manufactured in Asia, including clothing and gloves



IT hardware

components manufactured in Asia



OT hardware

components manufactured in Asia



Cables

manufactured in Australia and Asia

Actions to actively manage our risks



We understand that modern slavery can be an invisible risk with its presence either not fully understood by all stakeholders or it occurring at arm's length in our business transactions.

We believe that to tackle modern slavery risks, we need to actively manage these in multiple ways to increase awareness and have meaningful protections.

Our approach is to target actions across the following areas:

Policies and procedures

Having frameworks, policies and procedures across the Ausgrid Group that communicate our intent, expectations and assist in managing our modern slavery risks.

These frameworks, policies and procedures will continue to evolve to capture our progression and developing maturity.

Due diligence

Conducting regular risk-based assessments to identify our risk areas to inform our mitigation approach and next steps for improvement.

Proactively engaging with our suppliers and business partners, collaborating with our industry peers, and actively investigating areas of concern.

Continuous improvement and training

Identifying ways we can improve our management of modern slavery risks, implementing these into our business practices, and providing relevant information and awareness to our employees and external partners.

COVID-19

To manage COVID-19 impacts on our operations and to protect the health and safety of our employees and suppliers, we undertook a range of measures over FY21 and FY22:

- Ensuring that our suppliers can continue to provide essential goods and services to Ausgrid during the COVID-19 pandemic so that we could keep our network operational and continue to provide reliable network services for our customers.
- Implementing COVID safe plans with our suppliers and understanding measures they have in place to protect their workforce from COVID-19.
- Executing additional stringent procedures to provide workers with a safe environment and minimise the risk of infection.

Conflict and shortages

The last 12 months has seen supply chains continuing to be constrained. The impacts of COVID-19 have continued and have been compounded by product shortages of raw materials, increasing lead times and disruption of logistics.

The emergence of Geo-political tensions in Europe and escalating cost in international sea freight has seen Ausgrid maintain consistent open dialogue with its supply partners to proactively assess its ongoing supply chain risk.

Policies and procedures

We believe we have solid foundations for managing modern slavery. Our policies and procedures provide us with a platform for continual improvement and engagement with our supply chain.

Sustainable Procurement Policy

In recent years we have been working to make our organisation more sustainable. With procurement having such a large environmental, social and governance impact, we have developed our own Sustainable Procurement Policy that includes our commitments and considerations on social issues such as the responsible labour practices of our suppliers.

Procurement procedures

Our process for assessing tenders is mature and follows a rigorous process. We provide clear information on our requirements and expectations for our external partners. Our assessments are made on the cost and quality of suppliers' goods and services and on other important metrics such as health and safety, environmental and social performance, and how they address and manage modern slavery risks.

To demonstrate that our suppliers have awareness of modern slavery risks, and are taking action to address these risks, we require suppliers to:

- agree to be bound by our External Partner Code of Conduct which explicitly requires them to identify and mitigate risks, and eliminate any forms of modern slavery;
- comply with our policies and procedures which address modern slavery; and
- respond to surveys regarding modern slavery as part of our tender processes.

External Partner Code of Conduct

Our External Partner Code of Conduct communicates our expectations of our external partners and their supply chains in providing goods and services to the Ausgrid Group. It outlines our expectations, encourages positive behaviours, and seeks to mitigate negative practices that impact on social, environmental, governance and economic performance (collectively referred to as the 'Four Pillars').

In particular, the social pillar sets out our expectations for our external partners to drive the most positive social impact, and mitigate negative social impacts, to provide the best outcomes for our communities. This includes specific requirements in relation to human rights, labour rights, health and safety, inclusiveness and supply chain diversity.

As part of our engagement with our suppliers, we require them to be familiar with our External Partner Code of Conduct so they can undertake actions that are consistent with the outlined expectations. Our contracts with suppliers also typically compel them to comply with our External Partner Code of Conduct.



Extract of External Partner Code of Conduct

Human Rights

Ausgrid recognises that human rights are universal and fundamental rights that preserve the inherent freedom, dignity and equality of all human beings. External partners will comply with the International Bill of Human Rights and other international standards to ensure all human rights are upheld throughout their operations and supply chain. External partners will seek to identify risks, mitigate risks and eliminate any forms of modern slavery including human trafficking, involuntary servitude, forced labour, bonded labour, forced marriage or the worst forms of child labour in their operations and supply chain.

Labour Rights

External partners will comply with all applicable laws related to wages, employment conditions, working hours and legally mandated benefits. External partners will allow employees the freedom to associate, to collectively bargain and to be represented by a union.

Policies and procedures

UN SDG 8 Decent work and economic growth

We have aligned our organisation with five of the 17 UN Sustainable Development Goals (SDGs) that are most important to our customers and relevant to our business: SDG 5 Gender equity; SDG 7 Affordable and clean energy; SDG 8 Decent work and economic growth; SDG 11 Sustainable cities and communities; and SDG 13 Climate action. SDG 8 Decent work and economic growth, addresses the health and safety of our workforce and communities, and the need to eradicate forced labour and end modern slavery.

By aligning with these SDGs, including by way of the steps set out in this Statement, we are striving to do our part to promote and contribute to the achievement of these global goals and make the world a better place.

It is our intent to further link our business activities and goals to these SDGs so we can better communicate our performance and alignment with these in future years.

Contract templates

Each of our standard legally approved template agreements, that form the basis of our contractual relationships with our suppliers, contain a requirement that the counterparty comply with any relevant domestic or foreign statutes, regulations, rules, or instruments.

HS000-Y0136

FORCED LABOUR and DEBT BONDAGE POSITION STATEMENT – MODERN SLAVERY

Overview

Ausgrid is committed to human and labour rights and the global eradication of modern slavery in all its forms. This Statement outlines our approach to addressing forced labour and debt bondage.

Ausgrid applies the *Commonwealth Modern Slavery Act 2018* definition of modern slavery, which includes forced labour and debt bondage.

Forced labour occurs when individuals are compelled against their will to provide work or service through the use of force, fraud, or coercion.

Debt bondage is where labour services are provided as a means of repayment for a loan and any of: (1) the debt is manifestly excessive; (2) the reasonable value of the services is not applied toward repaying the debt; or (3) the length and nature of the services are not respectively limited and defined.

Ausgrid supports the *UN Guiding Principles on Business and Human Rights* and these guide our response to modern slavery.

Our concerns in our supply chain

Forced labour and debt bondage is an issue of concern to Ausgrid.

We take steps to mitigate and monitor the risk that forced labour or debt bondage is used by organisations with which Ausgrid directly partners. However, we are also concerned with organisations further down our supply chain where we have less control and influence.

Our concern for forced labour and debt bondage in our supply chain is exacerbated by the economic and labour shocks attributed to the COVID-19 pandemic, climate change, and armed conflict.

Ausgrid commits to developing its capability to identify and mitigate any risks of forced labour or debt bondage in our operations and services, as well as our supply chain, and remediate this practice to the extent that doing so is within our control and influence.

Our Actions

Ausgrid publishes an annual Modern Slavery Statement that sets out our values, risk areas, actions undertaken, and how we measure effectiveness in identifying and mitigating modern slavery risks (including forced labour and debt bondage) in connection with our business and supply chain.

Our workforce

Ausgrid supports actions to provide: healthy, safe workplaces; the rights of association; freedom to move employment; fair and equitable pay; and not to discriminate on gender, religion, or sexual orientation.

Our approach

To tackle modern slavery risks, our approach is to target actions across the following areas:

- Policies and procedures that put obligations on us and our suppliers such as our [Code of Conduct](#), [Sustainable Procurement Policy](#) and [External Partner Code of Conduct](#).
- Due diligence through regular risk-based assessment to identify our risk areas and inform our mitigation approach. We also actively engage with our suppliers, business partners, and industry peers, and investigate areas of concern.
- Continuous improvement and training to further develop our response.

Ausgrid supports five of the United Nations Sustainable Development Goals (SDGs) that best align with our business operations. One of these is UN SDG 8 – Decent Work and Economic Growth, which has a specific target for modern slavery, Target 8.7.

UN SDG Target 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

Our commitments

We are committed to:

- Not directly partnering with or supporting new suppliers that use forced labour or debt bondage. In the event we discover that one of our existing suppliers uses forced labour or debt bondage, to actively engage in remediation including referrals of victims to support systems, to the extent that doing so is within our control and influence.
- Taking measures to identify and mitigate the risk of forced labour and debt bondage in our business operations, and through dealings with third parties.
- Assigning appropriate governance to oversee this Statement and its implementation.
- Adhering to all relevant legislation and adopting suitable practices in accordance with relevant international labour and human rights standards to safeguard workers against forced labour and debt bondage.

Document Owner: CFO Page 1 of 1 Version: 1
Approved By: CEO UNCONTROLLED IF PRINTED Approval Date: June 2022

Our latest [human rights related policy](#) addresses our concerns on Forced Labour and Debt Bondage.



Forced Labour and Debt Bondage Position Statement

As part of our commitment to human and labour rights and the global eradication of modern slavery in all its forms, the Ausgrid Group published a Forced Labour and Debt Bondage Position Statement in FY22 to address our concerns on these issues.

This Statement outlines our concerns in our supply chain and details our actions and commitments to identify and mitigate risks of forced labour and debt bondage in our operations and services, as well as our supply chain, and remediate this practice to the extent that doing so is within our control and influence.

Our intent with this Statement is to communicate to our suppliers our position on these practices, to assist in mitigating these risks. It is in response to our concern with organisations further down our supply chain where we have less control and influence.

We are committed to developing its capability to identify and mitigate any risks of forced labour or debt bondage in our operations and services, as well as our supply chain, and remediate this practice to the extent that doing so is within our control and influence.

Due diligence

Risk-based assessment

The Ausgrid Group has conducted a risk-based assessment of our modern slavery risks to identify our higher risk, high risk and lower risk categories of goods and services we procure internationally and domestically. Our risk-based assessment reviewed the risks associated with the industries and countries from which those goods or services are procured.

To help inform our risk-based assessment, we surveyed our suppliers in our four higher risk categories of industrial and electrical consumables, IT hardware, OT hardware, and cables. The purpose of our survey was to assess:

- the improvements of our suppliers in their modern slavery processes, such as the development of a Modern Slavery Statement or applicable industry code of conduct;
- if they had experienced any modern slavery incidents in their organisation or supply chain; and
- if they or their supply chain, to their knowledge, use bonded labour (recruitment fees), Uygher labour, or source lithium from the Democratic Republic of Congo.

This information allows us to prioritise our efforts to first address higher risk areas and help give us greater knowledge and awareness of the actions of our suppliers.

Where appropriate, we will also take actions in respect of our high and lower risk areas, although it is our intent due to the size of our procurement activities to primarily focus on our higher risk areas in the coming year.

We will regularly review our risk-based assessment to maintain our awareness of any changes in our operations that may affect our risks.

Industry collaboration

Through our engagement with our industry peers, our aim is to identify any risks early in the relationship with our external partners and to set expectations.

Our industry peers are using many of the same suppliers that are unique to distribution network service providers (**DNSPs**) and engagement within our peers has allowed us to share learnings and build our capacity in managing modern slavery risks.

Ausgrid is a member of the Energy Procurement Supply Association (**EPSA**) for DNSPs where we have been collaborating to standardise our questions on modern slavery to our common suppliers. This common approach assists in improving our shared industry understanding and management of risk areas.

Supplier engagement

Working with our industry peers does not abrogate our own responsibilities in managing this important issue. When any of our goods or services are procured via a tender process, we require the tendering organisation to complete a modern slavery survey to assist us in assessing their eligibility.

Modern slavery is a complex issue and we wish to encourage honest reporting by our supply chain partners. If modern slavery is identified in our external partner's business or supply chain, our approach is to encourage efforts for them to have this addressed before any other action is taken by us. Where modern slavery is in their supply chain, we ask that they work with their subcontractors and suppliers to rectify the issue and retain employment for those affected.

With modern slavery recognised as being endemic in the lower parts of supply chains, we wish to encourage open dialogue about its existence and efforts to change behaviour for the better, rather than create an environment where information may be withheld.

Through our surveys, External Partner Code of Conduct, Sustainable Procurement Policy, and our alignment with

UN SDG 8 - Decent work and economic growth, we are sending clear signals on how we believe our external partners should ethically conduct their business.

Continuous improvement and training

We are committed to continuous improvement in all areas of our business, including our modern slavery response. In FY22 we continued our improvements through the following actions:

- developing and publishing our Position Statement on Forced Labour and Debt Bondage, to highlight our concern and awareness on this practice and outline our efforts to mitigate this risk;
- engaged third party expertise to assist with the completion and analysis of supplier risk assessment questionnaires;
- rolling out our internal online training for modern slavery to the Executive Leadership Team, senior managers and all contract managers in the business;
- incorporation of modern slavery compliance requirements into our facilities maintenance contract, as a step to applying this to other tenders;
- commencing discussions with strategic suppliers to understand what activities they are carrying out to meet modern slavery obligations; and
- developing a three-year modern slavery improvement roadmap.

Our Modern Slavery Roadmap

This year we partnered with KPMG Banarra, specialists in human rights and social impact management, to develop a three-year roadmap and implementation plan to improve Ausgrid’s maturity in relation to modern slavery risk management.

Improvement actions were developed across five areas of focus as set out below:

1. Human rights and related policies

- Develop and implement a Human Rights Policy, risk appetite framework and leadership ambition
- Update related policies, procedures and training on a regular review cycle

2. Risk assessment and monitoring

- Enhance risk identification and assessment processes, including undertaking third party audits on operations and supply chains
- Develop and adopt a standard template for supplier performance improvement plans

3. Accountabilities and capabilities

- Review performance of relevant employees in relation to their accountabilities and responsibilities for modern slavery risk management
- Provide regular training to improve general awareness of modern slavery
- Review training assessments to determine if training is meeting outcomes

- Communicate updates to key policies and risk management processes to key contracted suppliers
- Engage with suppliers based on the outcomes of the updated risk assessment process
- Review outcomes of performance improvement plans

4. Communication and collaboration

- Develop internal reporting templates
- Provide tailored communication to employees
- Review internal reporting process to ensure efficacy in meeting stakeholders information needs
- Incorporate modern slavery management process into modern slavery statements and sustainability reporting
- Benchmark external reporting against industry best practice
- Maintain membership and share learnings with industry associations
- Collaborate to develop solutions to sector-wide issues

5. Grievance and remediation

- Develop and implement grievance response guidelines
- Review efficacy of grievance mechanisms and remediation by identifying and engaging with impacted stakeholders



Online training

Our focus with training is to raise awareness and understanding and translate this into actions that our employees can take.

We made sure we used case studies of examples of modern slavery in Australia to highlight that it can occur in any country. Our training covers: human rights issue of modern slavery; supply chains in businesses and how they can contribute to eliminating modern slavery; modern slavery issues for our business; how it applies at Ausgrid; and our employee obligations and responsibilities.

Measuring effectiveness and other information

Measuring effectiveness

We are committed to continuous improvement and measuring the effectiveness of our risk mitigation actions.

We measure the effectiveness of our modern slavery response based on the following:

- the quality of the responses we receive from our external partners on how they are managing modern slavery;
- the number of reported incidents;
- self-reporting from our external partners of an identified or suspect modern slavery issue; and
- the quality of such reporting.

Actions that we plan to commence to measure effectiveness include:

- at least annually, reviewing the actions we have taken to check their effectiveness;
- reviewing our existing higher risk suppliers to ascertain if any circumstances have changed; and
- measure our progress against our three-year Modern Slavery Roadmap.

Consultation with Ausgrid Group entities

Our procurement function provides services for all members of the Ausgrid Group. This procurement function was involved in the preparation of this Statement and works with all areas of the Ausgrid Group to make sure that collective business needs are met.

Other consultation

We work continually with the EPSA to develop a consistent industry approach to modern slavery that promotes transparent and efficient engagement and communication.

Other information about this Statement

For the purposes of the Act and this Statement, modern slavery means conduct which would constitute:

- a. an offence under Division 270 or 271 of the Criminal Code; or
- b. an offence under either of those Divisions if the conduct took place in Australia; or

- c. trafficking in persons, as defined in Article 3 of the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime, done at New York on 15 November 2000 ([2005] ATS 27); or
- d. the worst forms of child labour, as defined in Article 3 of the ILO Convention (No. 182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, done at Geneva on 17 June 1999 ([2007] ATS 38).

Procurement Community of Practice

In addition to the Ausgrid Group Risk Committee, Ausgrid has developed a Procurement Community of Practice (PCoP) group. The PCoP consists of Executive General Managers, Heads of Procurement, the Sustainability Manager and Procurement Leaders.

The PCoP, amongst other responsibilities, review and manage organisational impacts and risks as they relate to Procurement, including modern slavery risks.



connecting communities,
empowering lives

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