

Modern Slavery Statement

FY2020

GDI (EII) Pty Limited

Contents

1	About GDI	2
1.1	About us	2
1.2	Statement from Chairman	2
2	Reporting Criteria 1 & 2	4
2.1	Operating model	4
2.2	Operations and supply chain	4
3	Reporting Criteria 3	6
3.1	Operational and supply chain risks	6
4	Reporting Criteria 4	9
4.1	Actions taken to assess and address risk	9
5	Reporting Criteria 5	11
5.1	Effectiveness assessment	11
5.2	Future roadmap	11
6	Reporting Criteria 6	12
6.1	Process of consultation with owned or controlled entities	12

1 About GDI

1.1 About us

GDI (EII) Pty Limited (ACN 154 766 524) (GDI (EII)) is an unlisted investment vehicle that wholly owns the Allgas natural gas distribution network (“Allgas Network” or “Allgas”). GDI (EII) Pty Limited has 100% ownership of the trading entity Allgas Energy Pty Limited (ACN 009 656 446) (Allgas).

Allgas has three wholly owned subsidiaries which do not trade, Allgas Toowoomba Pty Limited ACN 009 655 645 (which holds equipment assets), Allgas Pipelines Operations 1 Pty Limited ACN 154 784 853 (which holds the investment in Allgas Pipelines Operations Pty Limited), and Allgas Pipelines Operations Pty Limited ACN 076 666 807 (which holds easements).

In this statement, when we refer to “GDI” it is a reference to GDI (EII) and Allgas, which are both reporting entities under the Modern Slavery Act 2018 (Cth).

The Allgas Network extends from Brisbane, south of the Brisbane River, to the northern tip of New South Wales, with separate networks in Toowoomba and Oakey. It is supplied with natural gas from a variety of upstream producers that connect into APA’s East Coast Grid via the Roma – Brisbane Pipeline (“RBP”). The Allgas Network connects to the RBP at Oakey, Toowoomba and Brisbane.

The Allgas Network consists of 3,850km of pipelines and distribution mains which deliver gas to c.116,000 end users in QLD and NSW. Its major customers are energy retailers including AGL (c.41% of revenue) and Origin Energy (c.43%).

Allgas is regulated under the National Gas Law and has been subject to light regulation since July 2015. Accordingly, tariffs are negotiated directly with customers.

APA Group (“APA”) (20% equity owner) provides operations and maintenance and corporate services to GDI via a long term services agreement. It is responsible for the supply chain of GDI and their owned or controlled entities.

1.2 Statement from Chairman

It is my pleasure to introduce this first Modern Slavery Statement for GDI. This statement covering the financial year ending 30 June 2020, describes how we are assessing and mitigating the risk of modern slavery in our business and our supply chain. This GDI Modern Slavery Statement is in line with APA’s overall Modern Slavery Statement, which its MD / CEO and Board have committed to.

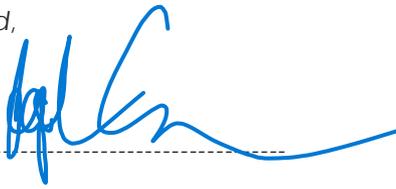
As a leading Australian natural gas network business, GDI is committed to the principles of the Commonwealth Modern Slavery Act (Cth) 2018 and to meeting our obligations. We are making important changes to improve our management of modern slavery risks right across our operations and in our supply chain.

Modern Slavery Statement
FY2020

This Statement sets out the work we have completed to date and, consistent with our commitment to continuous improvement, describes how we will work to deepen our understanding of our supply chain and the impact we have on the people we rely on to provide the products and services important to GDI. This statement has been approved by the GDI Board.

*This statement was approved by the board of GDI (EII) on behalf of GDI (EII) and Allgas
24th February 2021*

Signed,

A handwritten signature in blue ink, appearing to read "HG", written over a horizontal dashed line.

Hugh Gleeson

Chairman

24th February 2021

2 Reporting Criteria 1 & 2

2.1 Operating Model

GDI is operated by APA under the terms of a long term services agreement in which APA performs all the services necessary for the management of the gas distribution network including managing GDI's operations, procurement policies and procedures, and supply chains.

2.2 Operations and supply chain

In FY2020, APA on behalf of GDI procured services from c.340 suppliers and contractors registered in their procurement systems. These ranged from large multinational businesses to small family owned operations located in the regions and communities in which they operate.

In total, \$27 million dollars was spent in their supply chain, operating the businesses and developing and delivering capital growth projects.

The top 5 categories of spend were:

1. Minor Works Contractors
2. Operations special Services
3. Fleet
4. Government and Statutory Charges
5. Meters Services and Equipment

These 5 categories represent approximately 85% of GDI's spend in the FY2020 period.

While GDI's work is confined to Australia, the supply chain is nevertheless global, and with products and services sourced from locations such as the United States of America, China, Republic of Korea and Italy. GDI relies on, and has the backing of the APA overall Supply chain philosophy, strategy and practices, as detailed below.

Given that it manages GDI's suppliers, which are a subset of its own suppliers, APA undertook the supply chain assessment in this statement. As part of that assessment, APA categorised suppliers as "direct" or "indirect" suppliers. "Direct" procurement refers to the goods and services acquired to deliver the revenue generating services to customers. "Indirect" procurement refers to the products and services acquired to effectively operate the business.

The supply chain review undertaken was primarily limited to tier 1 suppliers. Tier 1 represents those suppliers from whom APA directly procure products and services. Tier 2 refers to the sub-suppliers of the Tier 1 suppliers.

Modern Slavery Statement
 FY2020



The following table shows GDI's main areas of operation and its corresponding supply chains.

Area	Main Operations	Supply Chain
Network Operations and Capital Delivery	Operation of gas distribution networks	<ul style="list-style-type: none"> • Industrial construction materials and equipment sourced directly and indirectly from Europe, North America and Asia • Australian based construction and maintenance contractors • Pipe and fitting products
Head Office	Corporate functions*, such as: <ul style="list-style-type: none"> • Finance • People Safety and Culture • Information and technology • Procurement • Risk, Compliance, Insurance, Legal & Sustainability • Environment & Safety *The GDI head office is APA's head office. All corporate functions are provided by APA staff. In the same way APA provides all operational support.	<ul style="list-style-type: none"> • Fleet management • Professional services • Information Technology • Safety clothing and personal protective equipment • Telecommunications • Recruitment and labour hire • Office products • Corporate real estate and facilities • Marketing and advertising • Travel and accommodation

3 Reporting criteria 3

3.1 Operational and Supply Chain Risks

Initial identification of modern slavery risk

GDI relies on APA's analysis of its own operational and supply chain risks in order to respond to reporting criteria 3 because APA provides GDI with operations and maintenance and corporate services and its suppliers are a subset of APA's suppliers.

In FY2019 APA analysed their suppliers and established their Tier 1 direct and indirect product categories across their supply chain, including those of GDI. This enabled them to complete an initial assessment of product and service category risk levels.

In FY2020, APA went a step further by engaging external expertise, an artificial intelligence (AI) platform and data analytics to help identify potential high-risk suppliers. Using this technology, APA mapped their product and service categories against the United Nations Standard Products and Services Codes (UNSPSC) and reviewed their highest spend categories. APAs detailed FY2019 spend information has been further analysed to provide improved analysis by:

- Country or geographic location risk
- Product category risk - as aligned to the United Nations Standard Products and Services Codes (UNSPSC)
- Supplier risk

The analysis considers third party data based on the Global Modern Slavery Index 2018, Dow Jones third party data on known sanctions, enforcements and politically exposed persons, adverse media relating to human rights and recognised "social hotspot" database information to assess the social lifecycle of a product throughout the supply chain.

The focus for FY2020, the first reporting year under the Act, has been on Tier 1 suppliers, i.e. those suppliers with whom APA has a direct contractual agreement, the majority of which are based in Australia.

Modern slavery risk in operations

GDI does not have any employees. APA staff work on the networks on behalf of GDI. Its operational risk is assessed as low.

Modern slavery risk in investments

GDI does not hold any investments outside of the entities being reported on in this Statement and detailed in section 1.1.

Modern slavery risk in the supply chain

APA

GDI's primary supplier is APA, which provides operations and maintenance and corporate services to GDI via a long term services agreement.

APA's employees and contractors operate mostly in mainland Australia and are considered low risk with regards to child labour, forced labour, or other modern slavery practices. APA maintains high standards for human rights in their workplace to ensure they minimise the likelihood of modern slavery risk factors. Key activities include:

- Health and safety is their highest priority. They want to ensure everyone goes home safe every day, and to protect the communities and environments where they operate.
- As part of employee recruitment and on-boarding processes APA undertake visa and health checks.
- Protecting the health and wellbeing of their people. APA consider health and wellbeing as caring for the whole person, at work and beyond.
- APA maintains an inclusive and diverse workplace where discrimination, bullying and harassment is not tolerated.
- APA provides leave entitlements in excess of statutory requirements and other benefits enabling employees to enjoy the right to family, recreation, and work-life balance.
- APA trains their employees in their obligations regarding lawful and appropriate behaviour.
- APA's employees are free to associate and enter into employment agreements that meet the requirements under the National Employment Standards (NES), including requests for flexible working arrangements, parental leave, long service leave, as examples.

GDI accepts APA's assessment that its operational modern slavery risk is low.

APA's suppliers

APA considers people in their supply chain, and consequently that of GDI, to be at higher risk of modern slavery practices than their direct employees. The process for identification of high-risk suppliers had two stages.

They started by defining what GDI does and where. The business involves the operation and maintenance of the existing asset base, and the construction of new assets, within Australia. Categories were identified of products or services based on purchasing information with the following risk factors:

Modern Slavery Statement

FY2020

- Use of low-skilled, contract, and/or migrant labour in certain aspects of construction activities
- Subcontracting and use of third-party labour hire agencies
- Procurement of specific construction, engineering, and associated materials
- Some supplier operations in countries with weak or opaque commitments to human rights.

This allowed APA to identify supplier industries and products that were more likely to be exposed to modern slavery.

The second stage of the risk assessment process was a more detailed assessment of the purchasing information. This involved mapping, and then interrogating the purchasing information from the financial systems utilising an artificial intelligence platform. Line item spend information for the procurement categories of products and services was mapped to international standard product codes and analysed at country, product and supplier level to identify supplier information where modern slavery practices may exist. Output from this process identified the following potentially higher-risk suppliers across the product and service categories and other supplier industries:

- Engineering and major works at operational and construction sites
- Infrastructure fixed equipment, pipe fittings, sleeves, and valves
- Office goods and services, in particular electrical equipment
- Protective and safety clothing.

4 Reporting criteria 4

4.1 Actions taken to assess and address risk

In the twelve-month period July 2019 to June 2020 APA, on its own behalf and on behalf of GDI, worked to set the foundations and obtain an initial understanding of their modern slavery risks. This will form the basis for further activity in FY2021 and beyond in accordance with their roadmap.

Modern slavery working group

A modern slavery working group was formed in response to the initial draft legislation with a role to investigate the impacts and plan for the implementation of modern slavery due diligence across APA and GDI (given their common supply chains). External advice from experienced experts has also been sought to provide additional guidance on the approach.

APA Code of conduct

As set out in the Code of Conduct, APA supports human rights consistent with the United Nations Universal Declaration of Human Rights. They also recognise the traditional rights of Indigenous peoples and respect those sites, places, structures and objects that are culturally or traditionally significant. APA has no tolerance for using suppliers and contractors who engage in exploitative behaviours of modern-day slavery such as child labour, debt bondage, inhumane treatment of employees and forced or compulsory labour. Given that GDI has no employees, this code governs how GDI operates.

Whistleblowing

APA encourages all staff to speak up when something is not right. During the twelve-month period APA's Whistleblower Policy was updated to reflect updated legislation. The Policy applies to everyone working for, and with APA, including their directors and officers, employees and contract staff, consultants, suppliers and contractors or a relative, dependant or spouse of any of these individuals, who want to report a concern or issue about the behaviour of APA or its people. The Policy is available on the APA external web site. Given that APA operates GDI and engages its suppliers, this policy also provides a grievance mechanism for suppliers of GDI (and the APA employees who work on GDI's networks or provide other support services).

Risk management and supplier risk assessment

APAs risk management framework complies with ISO31000:2018 and informs their risk management approach for modern slavery. During the FY2020 period, an initial Modern Slavery Risk Management Framework and procedure was developed which sets out the risk-based approach for supplier analysis and due diligence.

Modern Slavery Statement FY2020

In accordance with the risk management approach the data provided by the artificial intelligence tool allowed for the initial identification of suppliers where modern slavery risk may arise across the very high, and high risk rated product categories.

Supplier due diligence

APA's top 250 suppliers participate in the APA Supplier Prequalification (ASP) Program, hosted on the Avetta platform. During the year, along with other Avetta industry participants, APA developed a uniform modern slavery questionnaire which was issued to all suppliers in the ASP Program, including a number of GDI's suppliers. The Avetta platform provides a central repository for all their key supplier information, including safety performance, financial data, and importantly the supplier's position and level of maturity with respect to awareness and mitigation of modern slavery in their supply chains.

Utilising modern slavery data analytics provided through a third-party artificial intelligence platform, the suppliers were classified into risk categories from low to very high risk. All the suppliers in the very high-risk category were reviewed. Using the APA risk management approach, they also identified the top 50 suppliers in the high-risk category for further assessment and review. This identified the suppliers in the higher risk categories where APA intends to undertake more focussed supplier due diligence as part of the FY2021 program of work. Information from the ASP Program will be considered as part of the due diligence work on priority Tier 1 suppliers in FY2021.

During the reporting period, APA also updated key contract templates to incorporate human rights and modern slavery provisions for all new procurement contracts, including those for GDI.

Product and supplier analysis for safety and protective clothing

APA recognised the inherent modern slavery risks associated with textiles and clothing product categories and undertook an organisation-wide review of existing and prospective safety clothing suppliers, extending into their supply chains to the manufacturing level. APA undertook a procurement process to engage with suppliers who could demonstrate that their products were ethically sourced and manufactured.

APA's prospective suppliers engage in globally recognised programs to assist them in ensuring their supply chains are ethical and sustainable. These are programs such as Worldwide Responsible Accredited Production (WRAP), one of the world's largest independent facility certification programs with a focus on apparel, footwear and sewn product categories; Sedex Members Ethical Trade Audit (SMETA), which provides a globally-recognised way to assess responsible supply chain activities and good practice in ethical audit technique, and; Ethical Clothing Australia, an accreditation body working collaboratively with local textile, clothing and footwear businesses to ensure their Australian supply chains are legally compliant. In FY2021, APA intends to narrow down its suppliers for all safety clothing with greater confidence that employees are clothed in ethically sourced and manufactured products supplied by APA.

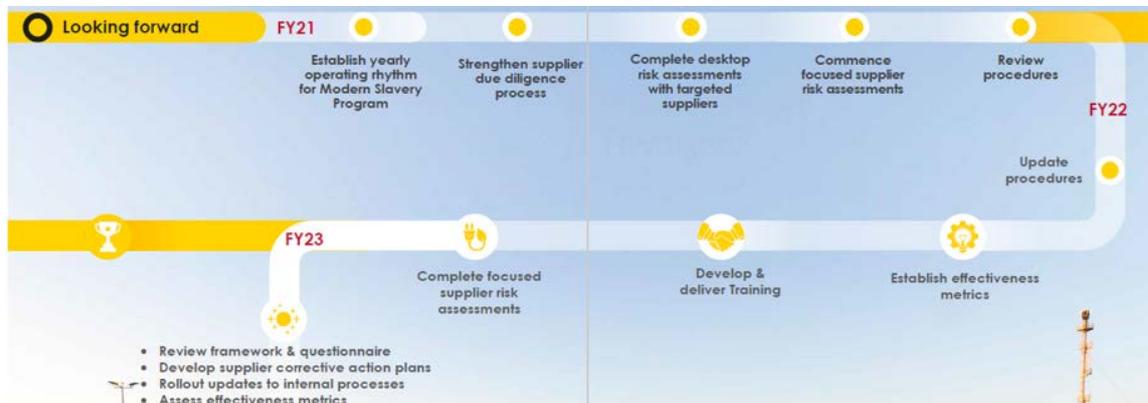
5 Reporting Criteria 5

5.1 Effectiveness assessment

As part of the future roadmap APA intends to establish effectiveness metrics to monitor the success of actions to identify, assess and manage the risk of Modern Slavery practices in their operations and supply chains.

5.2 Future roadmap

The roadmap for FY2021 is based on a model of continuous improvement. The program operating rhythm and roadmap will be reviewed annually.



6 Reporting criteria 6

6.1 Process of consultation with owned or controlled entities

GDI (EII), Allgas and their owned or controlled entities (which do not trade) have a common directorship and executives. They also share a supply chain, which is managed by APA. Accordingly, they have a common modern slavery risk in their operations and supply chains, which is described in this statement.

The members of all of the GDI boards are common and have been notified of the key requirements of the Modern Slavery Act and the actions undertaken to address and access the risk of modern slavery risks as detailed in this statement.