

# Modern Slavery Statement

2023



Join the change

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## About this Statement

This Modern Slavery Statement (**Statement**) is made pursuant to s16(1) of the Modern Slavery Act 2018 (Cth) (**Act**) and sets out the risks of modern slavery in AGL Energy Limited's (**AGL's**) operations and supply chains, the actions taken to assess and address those risks during the financial year, and how we assess the effectiveness of those actions.

This Statement is submitted as a joint statement and applies to all brands and legal entities which form part of the AGL Group.

The Statement covers the financial year ending 30 June 2023 (**FY23**) and applies to AGL, the AGL entities considered reporting entities under the Act (which are listed in Appendix A), and the owned and controlled subsidiaries of AGL (**AGL Subsidiaries**). A full list of AGL Subsidiaries is included in our FY23 Annual Report. The Statement also covers all brands which are part of the AGL Group, including:

- AGL
- Southern Phone Company
- Perth Energy
- Powerdirect
- Connect Now
- Click Energy
- OVO Energy
- Energy360

References to 'AGL', 'we', or 'our' throughout this Statement includes all AGL Subsidiaries covered by this Statement, unless otherwise specified.

## Board approval

This Statement was approved by the Board of Directors of AGL, which is the holding company of the AGL Subsidiaries on 12 December 2023.



Patricia McKenzie  
Chair

## Forward Looking Statements

*The Statement contains a number of forward-looking statements in relation to AGL and the AGL Subsidiaries. This includes statements regarding AGL's intent, beliefs, goals, objectives, opinions, initiatives, commitments or current expectations with respect to AGL's business and operations, and risk management practices in so far as they relate to our management of modern slavery risk.*

*Any forward-looking statements are based on the current expectations, best estimates and assumptions of AGL's management as at the date this Statement was approved by the AGL Board, but they may be affected by a range of factors which could cause actual results to differ materially including but not limited to financial, market, risk, regulatory and other relevant environments that will exist and affect AGL's business and operations in the future. These forward-looking statements are not guarantees or predictions of future performance, and are subject to known and unknown risks, uncertainties and may involve significant elements of subjective judgement and assumptions as to future events that may or may not be correct and be beyond AGL's control.*

*Except as required by applicable regulations or by law, AGL does not undertake any obligation to publicly update or review any forward-looking statements, whether because of new information or future events. Forward-looking statements speak only as of the date of this Statement. Past performance cannot be relied on as a guide to future performance. No representation or warranty, express or implied, is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forward-looking information contained in this Statement. AGL cautions against reliance on any forward-looking statements.*



AGL Energy recognises the Aboriginal and Torres Strait Islander peoples as the Traditional Owners of the lands on which we work, and acknowledge those communities' continuing connections to their lands, waters and cultures. We pay our respects to their Elders, past and present.

# Message from AGL's CEO

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I am pleased to present AGL's Modern Slavery Statement for FY23.

At AGL, we believe that energy makes life better, and that through working in partnership with our customers and communities, we can take action to shape a better future for all. We respect the dignity and human rights of all people and are committed to doing our part to eradicate all forms of modern slavery within our operations and the operations of our business partners and suppliers.

Throughout FY23, we have continued to develop and mature the actions we take to identify, assess and address the risks of modern slavery, building on the work reported in our previous Statements. This year, we have:

- obtained a greater level of understanding of the risks present in our supply chain, through conducting data analytics over our FY23 supplier spend and through conducting an analysis of our direct and indirect solar supply chain;
- developed a protocol for the conduct of supplier 'social audits' and commenced conducting these audits, which are being used to further analyse and improve the conduct of our higher risk suppliers; and
- developed a specific investigation and remediation approach that is tailored to address modern slavery grievances, including adopting a 'victims first' approach to any such investigations.

**We also continue to build awareness of the risks of modern slavery within our organisation and the actions we can all take to address this risk, through a variety of events, training sessions and educational programs.**

To date, our assessments have not identified any confirmed instances of modern slavery in our operations or supply chains. However, we acknowledge that in a complex and globally connected business, not all such instances may be identified.

While we are proud of the progress we have made since our first Statement in 2020, we know that stakeholder expectations regarding the management of our modern slavery risk continues to grow. AGL welcomes this expectation, and as we progress our strategy to connect our customers to a sustainable future, transition our energy portfolio and deliver on our Climate Transition Action Plan (**CTAP**), we remain committed to acting ethically and responsibly as we play our part, alongside the global response, in eradicating modern slavery.

A handwritten signature in black ink, appearing to read 'Damien Nicks'. The signature is fluid and cursive, with a large loop at the end.

**Damien Nicks**  
Managing Director  
& CEO

# 1. AGL's Structure, Operations and Supply Chain

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## 1.1 Our Structure and Operations

Proudly Australian for over 185 years, AGL is an Australian company (ABN: 74 115 061 375), registered in New South Wales. AGL supplies energy and other essential services to residential, small and large businesses and wholesale customers. AGL is committed to providing our customers simple, fair and accessible essential services as they decarbonise and electrify the way they live, move and work.

AGL operates the largest electricity generation portfolio within the National Electricity Market of any ASX-listed company. Our portfolio comprises coal and gas fired generation, renewable energy sources such as wind, hydro and solar, batteries and other firming technology, and gas production and storage assets. We are building on our history as one of Australia's leading private investors in renewable energy to now be a leader in the business transition to a lower emission, affordable and smart energy future in line with the goals in our CTAP. As well as key decarbonisation targets across a 12-year roadmap, the **CTAP** includes our commitment to continue to advocate for a responsible transition that balances energy reliability and affordability with the need to decarbonise, and our commitment to work with and support our people and communities through a responsible and orderly transition. A summary of the progress made against our CTAP commitments over FY23 is set out in our FY23 TCFD Report, available on our [website](#).

### Principal activities

The principal activities of AGL throughout FY23 comprised the operation of energy businesses and investments, including electricity generation, gas storage, the sale of electricity and gas to residential, business and wholesale customers, and the retailing of broadband and mobile services.

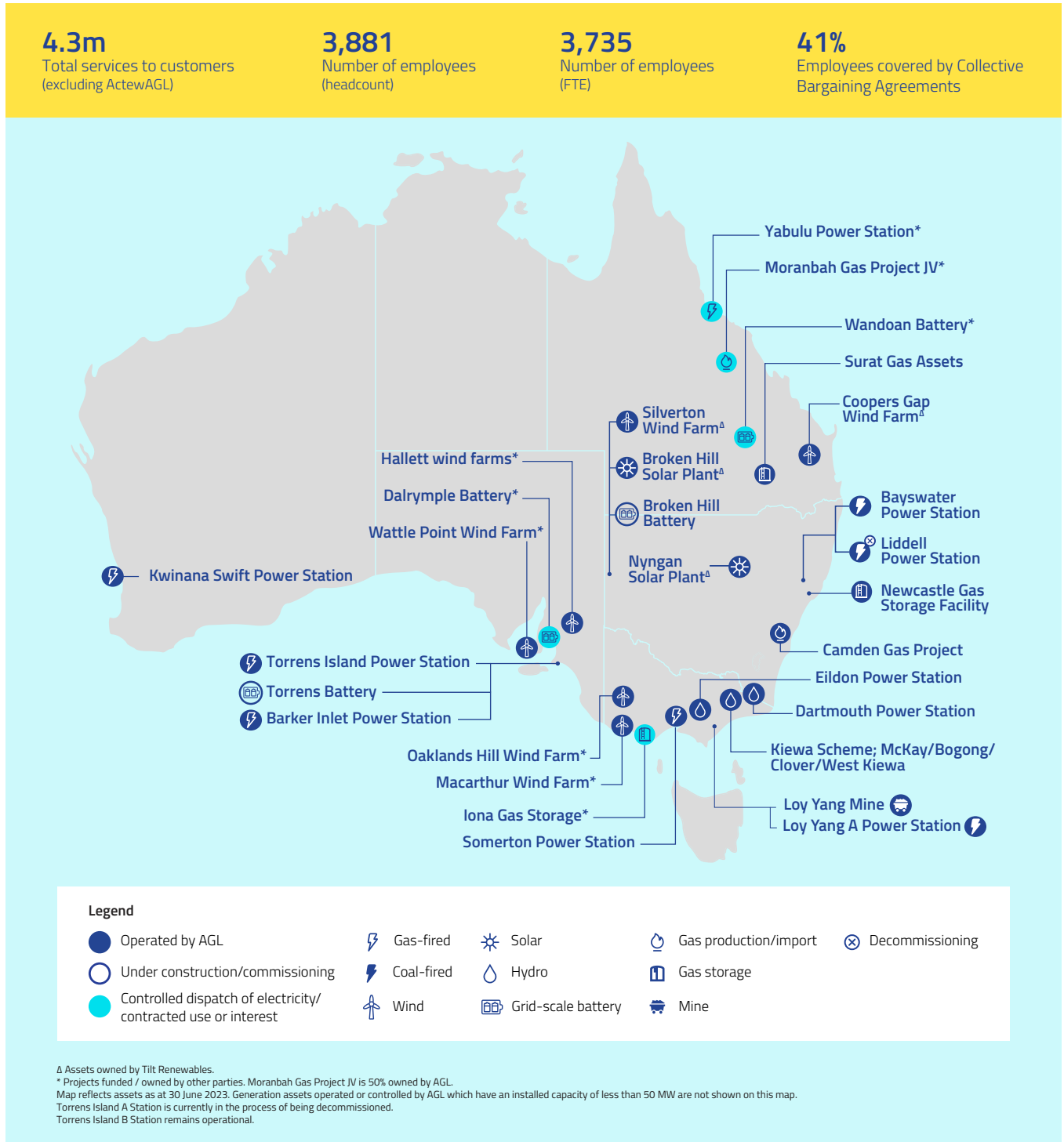
AGL manages its business in three key operating segments, Customer Markets, Integrated Energy, and Investments which are summarised as follows:

- **Customer Markets** – comprises the Consumer and Large Business customer portfolios responsible for the retailing of electricity, gas, broadband/mobile/voice, solar and energy efficiency products and services to residential, small and large business customers. Customer Markets sources its energy from Integrated Energy at transfer prices that reflect wholesale energy costs in each state, along with other energy costs such as those arising from environmental schemes. Customer Markets also includes sales, marketing, brand, and AGL's customer contact and call centre operations.
- **Integrated Energy** – operates AGL's power generation portfolio and other key assets, including coal, gas and renewable generation facilities, natural gas storage and production facilities, and development projects. Integrated Energy runs a large trading operation to manage price risk associated with procuring electricity and gas for AGL's customers, manages AGL's obligations in relation to renewable energy schemes, and controls the dispatch of AGL's owned and contracted generation assets, gas offtake agreements and associated portfolio of energy hedging products.
- **Investments** – comprises AGL's interests in the ActewAGL Retail Partnership, Tilt Renewables, Energy Impact Partners Europe, OVO Energy Pty Ltd and other investments including investments into joint ventures.

# 1. AGL's Structure, Operations and Supply Chain (continued)

The map below shows the energy assets which we operate or invest in as of 30 June 2023.

The Traditional Owners of the lands on which we work are identified in our Reconciliation Action Plan, available on our [website](#). We acknowledge those communities' continuing connections to their lands, waters and cultures and pay our respects to their Elders past and present.



# 1. AGL's Structure, Operations and Supply Chain (continued)

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## Subsidiaries and Acquisitions

As at 30 June 2023, AGL has two subsidiaries which do not fully operate within AGL's standard management processes.

- as detailed in AGL's FY22 Statement, AGL completed the acquisition of Energy 360 Pty Ltd (**Energy360**) on 29 April 2022; and,
- as detailed in AGL's FY21 Statement, AGL acquired a 51% stake in OVO Energy Pty Ltd (**OVO**) in April 2021.

Whilst both Energy360 and OVO maintain some processes outside of AGL's standard processes, AGL continues to maintain management oversight and control over both of these subsidiaries. The structure, operations and supply chains of Energy360 and OVO, are summarised below.

## Energy360 Structure, Operations and Supply Chain

The structure and operations of Energy 360 remains consistent with the FY22 reporting period. The Energy360 group of companies consists of Energy 360 Pty Ltd, Access Way SPV Pty Ltd (**Access Way**) and Carbon Green Pty Ltd (**Carbon Green**) and is comprised of 19 employees.

Access Way and Carbon Green are wholly owned by Energy 360 Pty Ltd.

Energy360's business operations consist of the design, engineering, manufacture, installation, commissioning and servicing of biogas flares and biogas delivery systems. It also designs and engineers fit for purpose technology for companies with an organic waste stream for the purpose of generating biogas that provides those companies with baseload energy. Energy360's supply chain included 281 suppliers with an addressable spend of \$8 million in FY23. Its main categories of suppliers include biogas equipment manufacturers and distributors, subcontractors, transport companies, steel (stainless and mild), electrical control panels and components. The majority of Energy360's suppliers are based in Australia, but it also utilises overseas suppliers, particularly German based companies, who supply fabricated equipment that requires specialist skills and expertise to manufacture.

Access Way was established to develop an anaerobic digestion plant in Queensland and is not currently trading. Carbon Green is also not currently trading.

Further information detailing how Energy360 identifies and manages its modern slavery risks is set out in section 3.1.1 of this Statement.

## OVO's Structure, Operations and Supply Chain

The structure and operations of OVO remains consistent with the FY22 reporting period. As an energy retailer, OVO retails electricity to residential customers in New South Wales, Queensland, South Australia and Victoria. The OVO team consists of 55 employees who are all based in Melbourne, focusing on simplicity, ease of service and encouraging more renewable energy into the grid. OVO provides customer service and billing capabilities through billing platforms and a contact centre located in Melbourne. OVO also manages its wholesale market risk through hedging strategies which provide acceptable management of wholesale costs and prudential requirements.

OVO's supply chain includes 128 direct suppliers who provide a variety of goods and services with an addressable spend of approximately \$44 million in FY23. Key categories of spend for the period included wholesale electricity expenses, network tariffs charged by distributors, labour charges, IT services (including software) and office expenses. The majority of OVO's addressable spend was to Australian-based suppliers (although some of these are subsidiaries of foreign owned entities).

OVO's supply chain also includes the procurement of energy and energy-related products for its customers and operations.

Further information detailing how OVO identifies and manages its modern slavery risks is set out in section 3.1.2 of this Statement.

# 1. AGL's Structure, Operations and Supply Chain (continued)

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## 1.2 Our Supply Chains

AGL has a large and diverse supply chain consisting of approximately 4,000 direct suppliers that enable us to supply goods and services to our residential, business and wholesale customers. Over the course of FY23 AGL's procurement addressable spend totalled approximately \$1.75 billion. Key categories of spend included repairs and maintenance (approximately 21%), professional engineering services (approximately 6%), contingent labour (approximately 5%), and professional IT services (approximately 3%).

A key component of AGL's supply chain includes the procurement of energy-related products for our customers and operations, referred to as 'Wholesale Markets'. This includes electricity, gas and other fuel, renewable certifications and other contractual relationships with third parties to manage pricing risks.

### Wholesale Markets

In FY23, AGL's Wholesale Markets supply chain included the following key types of supply arrangements:

- electricity supplied to our customers predominantly purchased from the Australian Energy Market Operator (**AEMO**), which is a legislated body that manages the electricity and gas systems and markets across Australia. Various power generation companies, both domestic and foreign owned, supply the electricity procured by AEMO.
- gas and other fuel for generation, including coal, purchased from upstream producers or other wholesalers, with additional contracting of required transportation and transmission services to deliver to AGL's sites or customers.
- investments for the development of new renewable generation, which involve entering long-term contracts, known as Power Purchase Agreements (PPA), for the offtake of electricity and renewable certificates from these projects.
- renewable certificates purchased from producers through standalone contracts or PPAs.
- certified carbon offsets, also known as carbon credits, purchased from projects that reduce, remove or capture emissions from the atmosphere. AGL procures these offsets to support AGL's Carbon Neutral program that is offered to our customers.

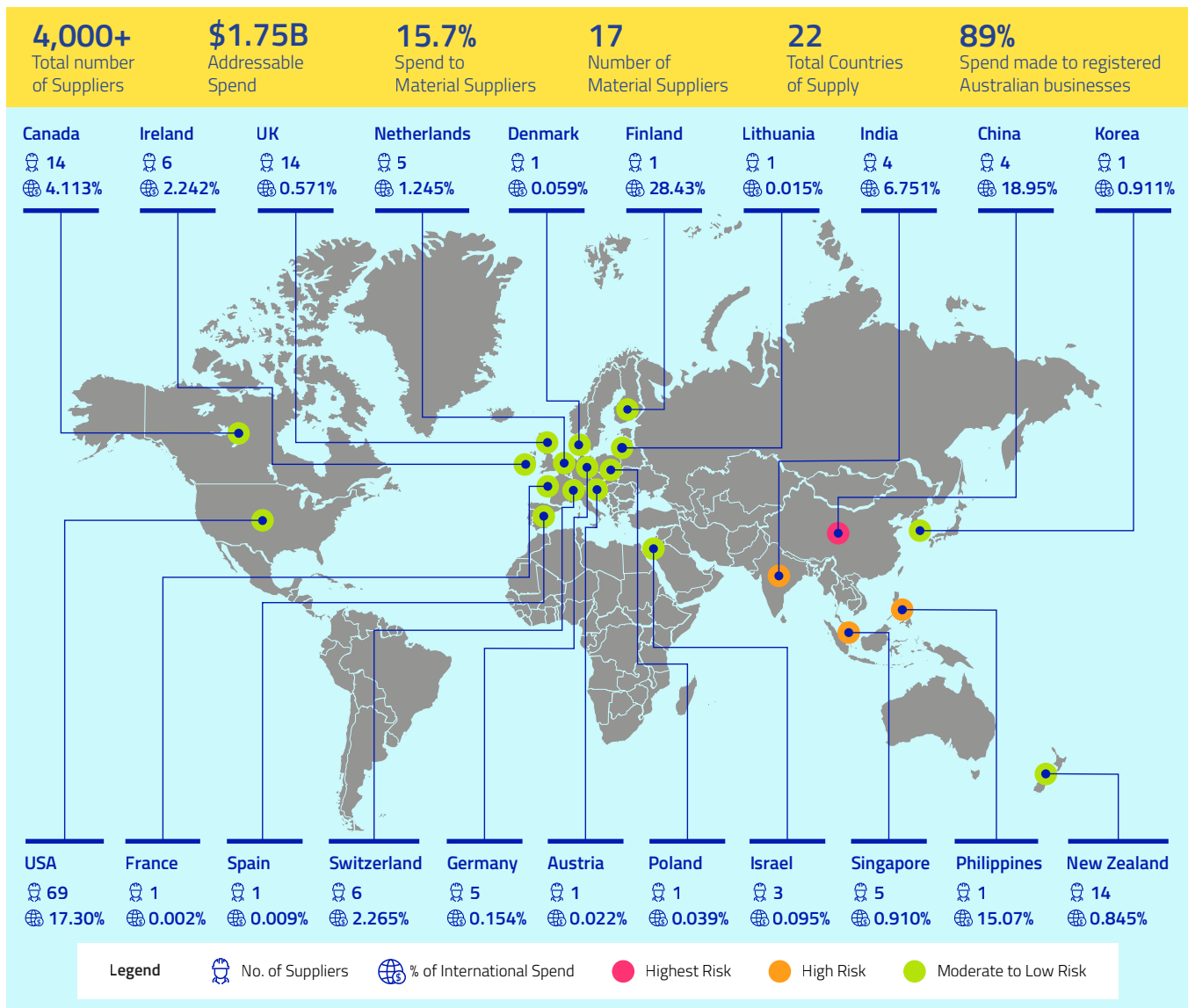
The Wholesale Markets business area within Integrated Energy also maintains contractual relationships with counterparties to manage price risk.

# 1. AGL's Structure, Operations and Supply Chain (continued)

## AGL's International Procurement Spend

AGL recognises that the location of its suppliers plays a major role in driving the inherent modern slavery risks that may be present in our supply chain. Approximately 10% of AGL's FY23 spend was associated with international suppliers.

The below map sets out the countries of AGL's international spend, the number of suppliers and includes the geographic risk level for each country, which AGL uses as part of its sourcing due diligence process. Further detail on AGL's sourcing due diligence process is documented in section 2.3.2 of this Statement.



**Note:** Direct Suppliers are AGL's Tier 1 suppliers with whom AGL has direct contracts.

Material Suppliers are AGL's Tier 1 suppliers who are assessed as posing a very high or extreme risk to AGL according to AGL's Fully Integrated Risk Management (FIRM) matrix. For example, they may provide strategically important products or services to AGL.

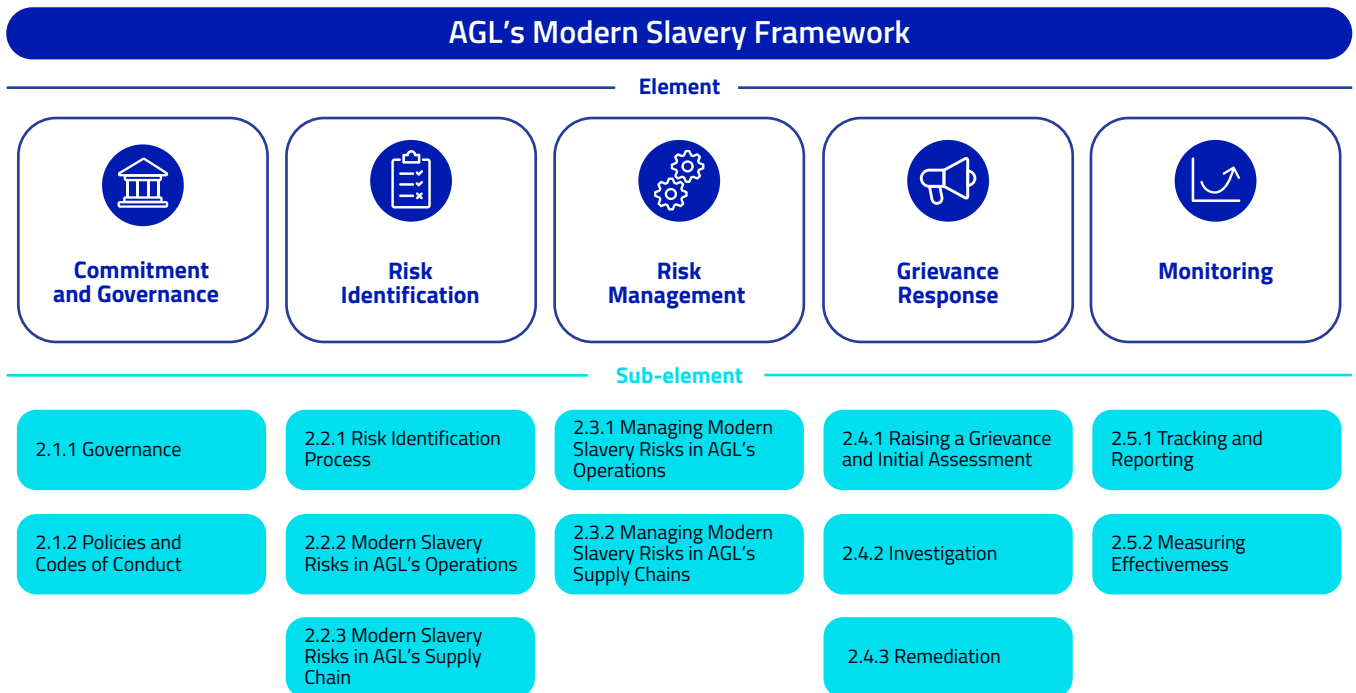


# 2. Managing Modern Slavery at AGL

As detailed in our FY22 Statement, AGL’s Modern Slavery Framework (Framework) sets out the approach we take to managing our modern slavery risks, and to support the development of prioritised improvements in a coordinated and focused manner.

In FY23 we continued to enhance the Framework as part of our commitment to continually improve the management of modern slavery risks across our operations and supply chain. The Framework is comprised of 5 elements and 12 sub-elements referenced in the diagram below. In FY23 the following minor enhancements were made to the Framework:

1. the addition of “Measuring Effectiveness” within the Monitoring element to better reflect AGL’s commitment to continuous improvement, and to more explicitly align the Framework with the requirements set out in the Act.
2. renaming the Grievance Response element (from ‘Grievance Mechanism’) and separating the sub-elements into “Raising a Grievance & Initial Assessment,” “Investigation” and “Remediation” to better articulate how AGL’s grievance processes are specifically tailored for modern slavery related grievances.



## 2. Managing Modern Slavery at AGL (continued)



### 2.1 Commitment & Governance

The 'Commitment and Governance' element sets out AGL's approach to setting an appropriate 'tone from the top' and governing the management of modern slavery risk, and includes the key policies, frameworks and standards in place that detail AGL's commitment to effective management of modern slavery risk.

#### Our purpose and values

AGL's policies are underpinned by our purpose and values. In 2023, we reviewed and refreshed our purpose and values after substantial consultation with our people. Our refreshed purpose, '*Powering Australian Life*' reflects our commitment to provide reliable, sustainable, and affordable energy solutions for millions of homes and businesses as we play a leading role in Australia's energy transition. It also represents our readiness to embrace opportunities and face into challenges as we navigate the changing energy industry landscape and find innovative ways to make a positive impact for generations to come. We believe energy makes life better, and that through working in partnership with our customers and communities, we can take action to shape a better future for all, including a future free of modern slavery.

#### AGL's Values

Together our purpose and values guide our why and our how – what we stand for, and how we go about doing things. Our purpose guides our thinking and our decisions, while our values define our behaviours. They guide us in delivering our strategies, programs and projects so that we continue to perform and deliver for our customers, communities and stakeholders in a challenging environment.

**Bring on tomorrow.** Seize the opportunity. The work we do today impacts the Australia we leave for future generations. We don't have all the answers. But through continuous improvement and working together, we'll uncover opportunities that make history. For all of us. Bring it on.

**Can do. Will do.** Make things happen. We show up with a positive attitude. We're resilient, confident, and flexible in the way we work. Combine this with our expertise and insight, we always deliver. For ourselves, each other, and our customers.

**Be safe. Be supportive.** Be a good human. Upholding a safe environment at work is on all of us. So we back ourselves and we back each other. Creating a culture where everyone feels included, heard and safe, every day.

## 2. Managing Modern Slavery at AGL (continued)

### 2.1.1 Governance

AGL has defined clear roles, responsibilities and accountabilities for the management of modern slavery related risks throughout the organisation. In FY23, the following key roles, responsibilities and accountabilities existed across the organisation to assist with the management of modern slavery risk:

#### AGL Board

The AGL Board is ultimately responsible for the governance of AGL. The role of the Board is to safeguard AGL's interests and to protect and foster sustainable value creation whilst taking into account the interests of shareholders, employees, customers and the communities in which AGL operates. AGL's Board retains specific responsibility for the social and ethical impact of AGL's activities, in addition to approving and monitoring AGL's risk management framework, which includes the management of AGL's Modern Slavery related risks. The Board and relevant Board sub-Committees receive regular updates on progress made relating to AGL's Modern Slavery risk management and related initiatives. In addition, the Board's governance role includes the approval of policies relevant to the management of modern slavery, and the approval of AGL's annual Modern Slavery Statement.

#### Group Audit

AGL's Internal Audit function (Group Audit) provides independent and objective assurance to AGL on the effectiveness of governance, risk management and internal controls, and periodically provides assurance over the management of AGL's modern slavery risks. Group Audit performed an internal audit of the Framework in FY23. Further details on the internal audit performed are documented in section 2.5.2 of this Statement.

#### Managing Director & Chief Executive Officer (MD & CEO) and Executive Team (ET)

The Board has delegated to AGL's MD & CEO the authority to manage AGL's day-to-day affairs. Each member of AGL's ET is accountable for ensuring that their respective business area has a sound system of risk management and internal control that aligns to AGL's Risk Management Policy. This includes ensuring the complete and accurate identification, assessment, treatment and monitoring of risks relating to Modern Slavery, and the implementation of AGL's policies relating to Modern Slavery risk. Two members of AGL's ET (AGL's CFO and General Counsel & Company Secretary) are executive sponsors of AGL's Modern Slavery Program.

#### Enterprise Leadership Team (ELT) (Direct reports to the Executive Team)

The ELT are responsible for implementing modern slavery risk management practices that are appropriate for the risks identified within their respective business area, aligned to AGL's Risk Management Policy and Risk Appetite. Many of the modern slavery related risks identified across AGL are owned by ELT members. A key role of the ELT is to ensure that the mitigation actions being taken or risk treatments underway are appropriate having regard to the level of modern slavery risk assessed.

#### Group Risk Compliance and Insurance (GRCI)

GRCI has carriage of the AGL enterprise-wide risk management function and is responsible for supporting the business to manage risks and compliance obligations, including those associated with human rights and modern slavery. The GRCI team also includes Modern Slavery subject matter experts (Modern Slavery SMEs), who provide support and advice to the Modern Slavery Working Group and where required, provide bespoke advice to the business on the management of operational and supply chain modern slavery risks.

#### Procurement

AGL's Procurement team is responsible for the design and effective implementation of AGL's procurement policies and standards, including policies and processes associated with the management of AGL's modern slavery risks (such as the identification of modern slavery supply chain related risks).

#### Business Unit

Business Unit teams are responsible for the day-to-day management of human rights and modern slavery risks associated with their business unit. Each business unit is responsible for identifying, assessing, and monitoring modern slavery risks and their treatment on an ongoing basis via the implementation of processes and controls to manage modern slavery risk in accordance with AGL's risk management processes. Each AGL Business Unit is required to identify key contacts to support the management of risks, including those relating to modern slavery.

#### Modern Slavery Working Group (Working Group)

The Working Group is comprised of a cross functional group of senior business stakeholders that are responsible for driving the implementation of AGL's agreed modern slavery risk management initiatives to adequately manage and continuously improve our modern slavery risk profile. The composition of the Working Group is reviewed on an annual basis to ensure the Working Group is comprised of relevant stakeholders from across the business.

The responsibilities associated with tracking and reporting on the progress made on initiatives that manage and mitigate our modern slavery risks are documented in section 2.5.1 of this Statement. Reflecting the increasing complexity associated with the management of modern slavery risk and AGL's commitment to continuing to enhance the maturity of our practices in this area, a new permanent role has been added to the GRCI team to provide additional dedicated support to the business to manage our modern slavery risk. From FY24 the Modern Slavery Risk Manager will work with AGL's Business Units to identify improvement opportunities and continue to refine and monitor existing modern slavery related risks.

The Modern Slavery Risk Manager will also take a leading role in the design and delivery of training and awareness campaigns to ensure stakeholders (both internal and external) are aware of AGL's obligations, the steps they need to take to manage these obligations, and the methods through which grievances can be raised.

## 2. Managing Modern Slavery at AGL (continued)

### 2.1.2 Policies and Codes of Conduct

Throughout FY23, AGL continued to affirm its commitment to ethical behaviour and to the prevention and eradication of modern slavery in our operations and supply chain via well-defined and established policies approved by AGL's Board. AGL's key policies underpinning this commitment remained consistent with those policies referenced in the FY22 Statement, and include the following:

Relevance to Modern Slavery Management AGL's Code of Conduct (Code)	Actions Taken to Operationalise
<ul style="list-style-type: none"> <li>• Affirms AGL's commitment to playing an active role combatting modern slavery in our operations and supply chains, and to continuously review and improve AGL's approach to addressing the risks of modern slavery.</li> <li>• Requires the following from AGL people:               <ol style="list-style-type: none"> <li>1. Act in a way that upholds and respects human rights – including taking steps to address modern slavery in our operations and supply chains.</li> <li>2. Speak up if you suspect modern slavery or a breach of human rights in relation to AGL's operations and supply chains.</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• In accordance with the Code of Conduct's usual review cycle, the Code was updated and approved by the AGL Board in June 2023. Updates reflected AGL's new purpose and values and included specific expectations for AGL people relating to human rights and modern slavery.</li> <li>• The Code of Conduct is required to be reviewed at least every two years and is due to be reviewed again in June 2025.</li> <li>• Initiatives in FY23 to promote awareness of the updated Code included:               <ol style="list-style-type: none"> <li>1. an 'All AGL People' email from AGL's General Counsel &amp; Company Secretary encouraging personnel to read and become familiar with the updated Code.</li> <li>2. an email to all ELT members to encourage leaders to ensure their teams are aware that the Code had been the subject of an update.</li> <li>3. articles posted on AGL's intranet site; and, on AGL's internal communication platform to spread awareness of the updated Code.</li> </ol> </li> <li>• The revisions to the Code were incorporated into AGL's annual compliance training program which was rolled out across the business in the first half of FY24.</li> <li>• AGL's Ethics Panel continued to oversee the administration of the Code in FY23 and is responsible for reviewing any concerns reported or alleged breaches (such as those which may indicate a potential instance of modern slavery) to identify any common causes, systemic issues or themes that require further investigation or action by management.</li> </ul>
<h4>AGL's Whistleblower Protection Policy</h4> <ul style="list-style-type: none"> <li>• Encourages people (both AGL and non-AGL) to raise potential misconduct, which is broadly defined to include conduct associated with modern slavery or human rights violations (in addition to other categories of misconduct).</li> <li>• Sets out the various ways concerns or grievances can be raised at AGL and confirms that reports may be made via phone, email or letter and can be made anonymously and inside or outside of business hours.</li> <li>• Confirms that "Your Call" (a service available 24 hours a day, 7 days a week) has been engaged by AGL to provide external, third-party whistleblower services.</li> <li>• Specifies that the Board will receive, at least quarterly, a summary of disclosures made under the Policy, which is to include the number and type of issues raised, how matters are being investigated (if applicable), whether those disclosures have been substantiated and the outcome. Disclosers are not identified as part of this reporting.</li> </ul>	<ul style="list-style-type: none"> <li>• In accordance with the Whistleblower Protection Policy's usual review process, the Policy was updated and approved by the AGL Board in June 2023. Updates were made to further align the Policy with ASIC recommendations, including visual aids to clearly illustrate AGL's reporting channels, providing further clarity on reportable conduct, and additional information on how legal protections work.</li> <li>• AGL's Whistleblower Protection Policy is required to be reviewed at least every two years and is due to be reviewed again in June 2025.</li> <li>• Initiatives to promote awareness of the Policy mirrored those initiatives taken to promote the updated Code.</li> <li>• The Ethics Panel continue to oversee the administration of the Policy and review any concerns reported or alleged breaches to identify any common causes, systemic issues or themes that require further investigation or action by management.</li> <li>• Refresher training on the Whistleblower Protection Policy was provided to the Board in June 2023.</li> <li>• A Guide for Eligible Recipients was prepared to support eligible recipients with their compliance with the law and the Policy. The guide has been provided to AGL's non-executive directors and to the ET.</li> <li>• AGL's updated Whistleblower Protection Policy has been incorporated into our annual compliance training program which was rolled out across the business in the first half of FY24.</li> </ul>

## 2. Managing Modern Slavery at AGL (continued)

Relevance to Modern Slavery Management	Actions Taken to Operationalise
<b>AGL Human Rights Policy</b>	
<ul style="list-style-type: none"> <li>• Sets out AGL's commitment to respect the dignity and human rights of AGL's employees, customers, suppliers and the communities in which we operate or who are affected by our operations.</li> <li>• Confirms AGL's commitment to operate in a manner consistent with the laws and jurisdictions in which our business operates, including those relating to human rights and modern slavery, and to operate to the highest standards of integrity, fairness and ethical conduct.</li> <li>• This policy is guided and informed by internationally and domestically recognised human rights standards, including the Universal Declaration of Human Rights, the International Labour Organisation's Declaration of Fundamental Principles and Rights at Work, the United Nations Guiding Principles on Business and Human Rights, and the United Nations Global Compact Principles.</li> </ul>	<ul style="list-style-type: none"> <li>• In accordance with the Human Rights Policy usual review process, the Human Rights Policy was updated and approved by the AGL Board in December 2022. Updates to the policy aim to reflect current practices and more clearly align with available guidance in relation to Human Rights, including the Commonwealth Government's Modern Slavery Act 2018 Guidance for Reporting Entities. To assist with grievance reporting, the contact details for our third party operated call centre, Your Call were added to the Human Rights Policy.</li> <li>• AGL's updated Human Rights Policy has been incorporated into its annual compliance training program which will be rolled out across the business in FY24.</li> <li>• AGL's Human Rights Policy is required to be reviewed at least every two years and is due to be reviewed again in December 2024.</li> </ul>
<b>AGL Supplier Code of Conduct</b>	
<ul style="list-style-type: none"> <li>• Sets out the minimum Environmental, Social and Governance (ESG) standards of behaviour required from AGL suppliers, and explicitly defines AGL's expectations and requirements in so far as they relate to human rights, labour practices and modern slavery.</li> <li>• AGL's Supplier Code of Conduct has been developed in alignment with the United Nations Global Compact principles and the International Labour Organisation's Declaration on the Fundamental Principles and Rights at Work.</li> </ul>	<ul style="list-style-type: none"> <li>• All AGL precedent contracts with suppliers require the supplier to read, understand and be compliant with AGL's Supplier Code of Conduct.</li> <li>• AGL precedent contracts also provide AGL with the right to issue a supplier with a questionnaire to assess the supplier's performance compared to the requirements set out in the Supplier Code of Conduct.</li> </ul>

## 2. Managing Modern Slavery at AGL (continued)



### 2.2 Risk Identification

Throughout the reporting period AGL took proactive steps, aligned to its Risk Management Policy and standard risk management practices summarised in section 2.3 below, to identify and assess the risks of modern slavery inherent to AGL's operations and supply chain.

#### 2.2.1 Risk identification Process

To inform our review and update of modern slavery related risks relevant to AGL's business operations and supply chain for FY23, we considered a range of potential modern slavery risk indicators drawn from external sources including the Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities. These risk indicators reflect the likely areas of inherent risk given our business operations and help our teams to ensure they are identifying all relevant material risks. This reporting period, our identification of relevant risk indicators was supported by a third-party specialist business and human rights advisory firm.

Based on AGL's assessment supported by the assistance of this third party, the following key modern slavery related risk indicators were assessed to be relevant to AGL's business operations and supply chain.



**Vulnerable populations:** Groups of people more likely to be exposed to harm, or unable to advocate for themselves in exploitative situations. The level of worker vulnerability, and risk of poor labour practices and exploitation are recognised to be higher in contexts where base skill labour is relied upon.



**High risk business models:** Business models that rely on third parties for the provision of services – often labour hire. Outsourcing reduces company visibility over third-party recruitment practices and provision of worker entitlements.



**High risk sectors or categories:** Products and services regarded as having more significant inherent modern slavery risk including industries that rely heavily on low-skilled labour and/or involve menial and repetitive work, often performed at night-time or in remote locations.



**High risk geographies:** Countries or regions which are known to have higher human rights (and modern slavery) risks. High risk geographies include countries and regions vulnerable to bribery and corruption, or without strong labour laws and governance.

Informed by the above key risk indicators, AGL undertook the following key activities to review its modern slavery risk profile for FY23:

1. AGL's Modern Slavery SMEs collaborated with business unit risk teams to reassess the modern slavery risks across each business unit's value chain;
2. We considered material changes to AGL's structure, operations and supply chains since the FY22 Statement, to determine whether any change occurring throughout FY23 had an impact on our modern slavery risks. This analysis took into account changes in product / service offerings, internal restructures, changes to processes, and investments / acquisitions made throughout the year;
3. AGL engaged an independent third-party consultant to conduct data analytics to more fully understand the modern slavery risks inherent within our supply chain. Further details on this assessment can be found below;
4. AGL's Modern Slavery SMEs reviewed the external environment for updates to modern slavery risk areas; and,
5. Input on the risks identified was sought from AGL's Modern Slavery Working Group.

As a result of the above activities, two additional risks, *Carbon Offsets* and *Construction*, have been added to AGL's modern slavery supply chain risk profile in FY23.

## 2. Managing Modern Slavery at AGL (continued)

### Data analytics assessment of AGL's supply chain data

As noted above, to further inform AGL's understanding of the modern slavery risks inherent within our supply chain, AGL engaged an independent third-party consultant to conduct an inherent modern slavery risk assessment over direct suppliers who were engaged throughout the course of FY23.

The objectives of this assessment were to:

1. assess the completeness of AGL's modern slavery risk profile by analysing our direct supply chain;
2. obtain a better understanding of the modern slavery risks that exist within AGL's supply chain; and
3. support the identification of risk-based steps AGL could take to address the modern slavery risks within its supply chains.

### Methodology

The following steps were taken to assess the inherent risk of modern slavery within AGL's supply chain:

1. AGL extracted all spend data associated with direct suppliers across the reporting period. Spend data included relevant supplier information such as geographic location and spend category.
2. AGL's internal spend categories were mapped to Global Industry Category Standard (**GICS**) sub-industries, which is a global industry taxonomy.
3. the third-party utilised their supplier assessment methodology to assess each GICS sub-industry and unique supplier location combination across three modern slavery risk factors: forced labour<sup>1</sup>, child labour and human trafficking. The risk factors were weighted across geographic risk, industry risk and the industry controversy risk to produce a calculated inherent modern slavery risk score across the sub-industries which could range from low, medium-low, medium, medium-high through to high.<sup>2</sup>

As an outcome of the above steps, risk sub-categories were identified based on the average risk ratings assigned to each supplier for each risk factor; forced labour, child labour and human trafficking.

### Key Insights into our Modern Slavery Risk Profile

The following key insights were identified from this data analytics assessment:

- AGL's highest inherent risk of modern slavery continued to be associated with semiconductor equipment suppliers (which relate to the procurement of solar modules and associated goods) operating in China. The data analysis identified these suppliers as having a medium-high average risk across all forms of modern slavery.
- The majority of AGL's addressable spend (more than 95% is attributed to suppliers with a calculated modern slavery risk of medium or lower).
- A review of the sub-categories has confirmed that the AGL risk profile has captured those modern slavery risks that are material to AGL's operations and supply chain.

### Leveraging United Nations Guiding Principles on Business & Human Rights to manage modern slavery risk

United Nations Guiding Principles on Business & Human Rights sets out foundational principles, including requiring that businesses (a) avoid **causing or contributing to** adverse human rights impacts through their own activities, and address such impacts when they occur; and (b) seek to prevent or mitigate adverse human rights impacts that are **directly linked** to their operations, products or services by their business relationships, even if they have not contributed to those impacts.


Based on an assessment of modern slavery practices via the 'cause, contribute to, or be directly linked to modern slavery' approach, AGL has determined via its risk assessment process that it is more likely that AGL is directly linked to modern slavery rather than causing or contributing to modern slavery practices through its operations and supply chain. The potential direct links have been summarised in the following tables set out in section 2.2.2 and 2.2.3 below.

1. Forced labour for the purposes of the data analytics exercise included slavery, servitude, deceptive recruiting and debt bondage.  
2. Geographic risk weighting (30%) – as AGL supplier data is predominantly made up of direct suppliers located in Australia, for both goods and services, the weighting was adjusted to prioritise industry risk rather than geographic risk. Industry risk weighting (50%) – determined for each modern slavery risk factor for all 163 GICS sub-industry and country combinations by assessing risk factors known to contribute to an increased likelihood and impact of the risk in that industry. The controversy risk weighting (20%) – determined for each ESG risk factor for each of the 163 GICS sub-industry and country combinations based on a literature and media review completed by the third-party consultant to identify controversies in the industry.

## 2. Managing Modern Slavery at AGL (continued)

### 2.2.2 Modern Slavery Risks in AGL's Operations

Considering the nature of AGL's business operations and identified risk indicators, the following key modern slavery risks were identified within AGL's operations in FY23:

Operations		Key Risk Indicators	Cause, Contribute or Directly Linked Analysis
<b>Offshore Labour</b>	AGL engages offshore labour through third parties in geographies which are inherently more likely to face modern slavery risks (including labour hire services, data processing and call centre personnel). This includes AGL's technology support personnel and call centre personnel who are located in the Philippines and India, which are both considered at high geographic risk of modern slavery. Accordingly, workers may be subject to forced labour or child labour. AGL has comparatively less visibility over practices employed through these arrangements outside of Australia.	 	<b>Directly Linked:</b>  Hypothetical scenario: Unethical recruitment practices associated with offshore labour in AGL's call centres in India or the Philippines may result in call centre personnel being charged recruitment fees and therefore being subject to debt bondage.
<b>Engagement of labour via third parties (including subcontracting)</b>	AGL utilises third party recruitment firms to engage on-shore contingent labour (e.g., to provide fixed-term administrative assistance). AGL also engages with third parties for the provision of services (such as maintenance and cleaning at our operational sites or the installation of solar panels), who may sub-contract aspects of the service delivery to other organisations, all of which may involve the use of migrant workers and involve low barriers to entry for labour hire providers. In these cases, AGL has comparatively less visibility over practices employed through these contracting arrangements. For example, workers may be engaged to work in remote areas, which significantly increases the complexity of required oversight by AGL as well as by regulators, unions and third-party labour providers due to the remoteness of a site.	 	<b>Directly Linked:</b>  Hypothetical scenario: AGL engages third party suppliers to install solar panels in metro as well as remote regional areas who may use and exploit migrant workers and thereby subject these workers to conditions of forced labour.
<b>Acquisitions, Investments and Joint Ventures</b>	Depending on the sector, acquisitions, investments in, or partnerships with other organisations can expose AGL to high-risk business models, vulnerable populations, or high-risk geographies. We expect that acquisitions, investments and joint venture activity will increase over time as we seek to transition our energy portfolio, working towards our ambition to add ~12 GW of new renewable generation and firming capacity by 2035.	  	<b>Directly Linked:</b>  Hypothetical scenario: AGL invests in a joint venture arrangement for the development of renewable energy. The venture may have immature procurement practices which may result in materials and products being sourced from manufacturers who are engaging in modern slavery practices.



## 2. Managing Modern Slavery at AGL (continued)

### 2.2.3 Modern Slavery Risks in AGL's Supply Chain

The table below details the key modern slavery risks that may be present in AGL's supply chains:

Supply Chain	Key Risk Indicators	Cause, Contribute or Directly Linked Analysis
<p><b>Solar Supply Chain</b></p>	<p>The procurement of solar related products is considered a high-risk industry for modern slavery due to risks present throughout the supply chain. Specifically, the manufacturing of solar panels and components and the polysilicon used in some solar products have been associated with the exploitation of Uyghur and Kazakh minorities in Xinjiang, China.</p> <p>Transportation services relied on for the procurement of solar related products also have a high exposure to modern slavery practices, most prevalent in the maritime industry due to constrained costs, a fragmented system of regulatory oversight and limitations on the effective enforcement of conditions onboard vessels.</p> <p>In addition, solar installations have been assessed to be an area of modern slavery risk in the construction sector due to the common practice of utilising migrant workers, complex and informal subcontracting, labour hire involving multiple subcontracting arrangements, and low barriers to entry for labour hire providers. Where installations consist of large-scale solar installations in remote areas, the site's remoteness may significantly increase the complexity of required oversight by AGL as well as by regulators and unions. As a result, there are unique risks associated with these installations, which may heighten the risks associated with modern slavery.</p>	<p><b>Directly Linked:</b></p> <p>Hypothetical scenario: AGL sources solar modules or components that include components sourced, manufactured or transported using forced and/or child labour.</p>
<p><b>Sourcing of Batteries</b></p>	<p>AGL sources batteries for a wide variety of uses, including for grid scale large energy storage infrastructure, home batteries for retail customers, and for electronic equipment used throughout AGL (such as in laptop computers).</p> <p>The procurement of batteries is considered high-risk for modern slavery due to risks present throughout the supply chain. This is due to the sourcing of raw materials as well as manufacturing processes having a high exposure to modern slavery.</p> <p>Specifically, key resources used for batteries (including lithium and cobalt) may be sourced from regions associated with human rights abuses. It is estimated that between 15% and 30% of the cobalt used in lithium batteries, in which solar energy is stored, is sourced from artisanal mines in the Democratic Republic of the Congo – where forced and child labour is common<sup>1</sup>.</p>	<p><b>Directly Linked:</b></p> <p>Hypothetical scenario: AGL sources lithium batteries which include components or materials manufactured or sourced from the use of forced and/or child labour.</p>
<p><b>Sourcing of Electronic Goods (e.g., laptops, modems, and mobiles)</b></p>	<p>The electronics manufacturing industry is a high-risk industry for modern slavery due to the low profit margins and tiered production system typically associated with the industry. Manufacturing often takes place in less developed countries with minimal legal and regulatory protections, hence there may be less oversight over labour rights. In addition, modern slavery risks are present within the supply chains of these products, particularly in the sourcing of raw materials from high-risk geographies.</p>	<p><b>Directly Linked:</b></p> <p>Hypothetical scenario: AGL sources electronic goods such as modems and laptops for use in its corporate offices which include components or materials manufactured or sourced from the use of forced and/or child labour.</p>

## 2. Managing Modern Slavery at AGL (continued)

Supply Chain		Key Risk Indicators	Cause, Contribute or Directly Linked Analysis
<b>Cleaning, Maintenance and Security Services</b>	These categories of work have been assessed as relatively high risk due to factors including remote work locations, manual labour, on demand work and diminished visibility over subcontracting arrangements.		<b>Directly Linked:</b>  Hypothetical scenario: AGL engages third parties for the provision of cleaning services across its sites. The third parties engage migrant workers on temporary visas who may be subject to recruitment fees, debt bondage and conditions associated with forced labour.
<b>Power Purchasing of Renewable Certificates</b>	AGL enters long term PPAs, agreeing to purchase energy supply from power generators. PPAs typically require AGL to invest in the development of renewable assets, which are considered higher risk for modern slavery due to forced labour practices associated with the sourcing of materials required for utility-scale renewable assets.		<b>Directly Linked:</b>  Hypothetical scenario: AGL invests in a new utility scale solar farm. The entity developing the solar farm may have immature procurement practices, and source solar panels manufactured with the use of forced labour.
<b>Construction</b>	AGL works with third parties to construct grid scale renewable generation and firming generation to support the transition of AGL's energy portfolio.  Given AGL's ambition to deliver up to 12 GW of renewable and firming capacity by 2035, the risks of modern slavery associated with this development and construction will need to be proactively managed, given the propensity for construction projects to leverage complex operations and supply chains. Further details on our ambition to transition our energy portfolio are available in our CTAP.		<b>Directly Linked:</b>  Hypothetical scenario: AGL engages a principal contractor for the development of a grid-scale battery in regional Australia. The principal contractor engages sub-contractors for the project who subject their employees to poor working conditions that may be akin to forced labour or associated with debt bondage.
<b>Carbon Offsets<sup>2</sup></b>	AGL purchases carbon offsets in order to offer Carbon Neutral Products to our customers. The carbon offsets are sourced both domestically and internationally. Offsets from international markets are perceived to have higher risk in relation to modern slavery, compared to offsets sourced from within Australia. This is due to the relatively stricter laws and oversight in Australia compared to some overseas jurisdictions that have less governance over the activities engaged in to create the carbon offsets, and due to the variability of carbon standards in projects associated with carbon offsets.		<b>Directly Linked:</b>  Hypothetical scenario: AGL purchases carbon offsets on the international market that are associated with overseas sustainability projects. Such projects subject vulnerable populations to the conditions of forced labour.

Risks which have been added to AGL's Modern Slavery Risk Profile in FY23.

1. Cockayne, Huerta and Burcu. 'The Energy of Freedom? Solar energy, modern slavery and the Just Transition' pg. 5, 2002.
2. AGL has increased its procurement of international carbon offsets to meet an increased uptake of its Carbon Neutral program, and recognises that this increases our inherent modern slavery risk exposure due to human rights risks associated with the activities linked to the creation of carbon credits.

## 2. Managing Modern Slavery at AGL (continued)

### Modern Slavery Risks in AGL's Solar Supply Chain

In FY23 we continued to monitor credible allegations of modern slavery related practices associated with the solar supply chain. The solar supply chain is one of AGL's most material supply chain modern slavery risks and therefore the solar supply chain has continued to be an area of focus throughout the reporting period.

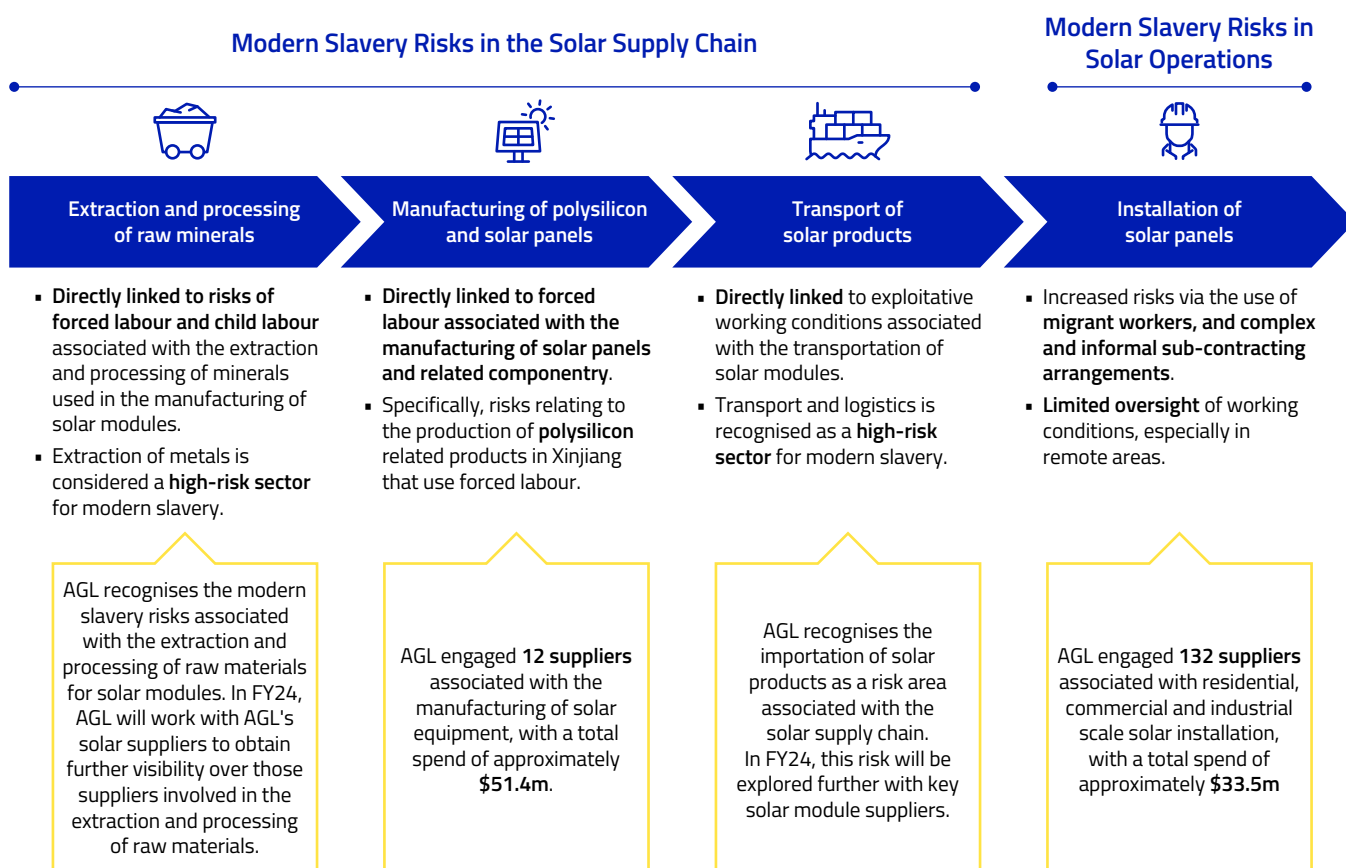
### Further understanding modern slavery risks within AGL's Solar Supply Chain

Our sourcing of solar panels and related equipment follows AGL's standard direct supplier due diligence process, which requires proactive engagement with potential direct suppliers to understand and assess the risks of modern slavery associated with their engagement. Recognising that modern slavery risks may be present at any stage throughout the solar supply chain and may be influenced by suppliers without a direct relationship with AGL, we are also increasingly focused on the risks present throughout the entire solar supply chain to further understand and manage this risk.

To obtain a deeper understanding of the modern slavery risks embedded within the sourcing of solar panels and related products, we mapped the solar supply chain using our existing understanding of modern slavery risks within the solar supply chain, details from the data analytics assessment described above, and advice received from other external third parties.

The outcomes of the solar supply chain mapping exercise are documented below, which consider:

1. the specific types of modern slavery which could potentially be present across the solar supply chain;
2. the UN Guiding Principles on Business & Human Rights (UNGPs) 'cause, contribute to, or directly linked' concepts; and
3. AGL's modern slavery risk indicators which drive AGL's modern slavery risk identification approach.



The above mapping identifies four modern slavery risk areas within the solar supply chain which we are exposed to, with supplier risks associated with solar panel manufacturing and solar installation currently best understood given the due diligence we undertake with Tier 1 suppliers. While this exercise has provided AGL with a deeper understanding of the solar supply chain and the modern slavery risks inherent at each stage of the supply chain, further work is required to more fully understand all the risks associated with the production and retailing of solar goods. In FY24, AGL will undertake initiatives with our major solar suppliers to further our understanding of modern slavery risks within the solar supply chain, focusing on risks which exist deeper within the solar supply chain where we do not have direct supplier relationships. Details on AGL's response to modern slavery within our solar supply chain are documented in section 2.3.2 of this Statement.

## 2. Managing Modern Slavery at AGL (continued)



### 2.3 Risk Management

AGL is committed to ensuring that risk management practices are embedded into all our business processes and operations in order to drive consistent, effective and accountable action, decision making and management practice. A strong risk management culture is critical to enabling AGL to achieve its strategic, operational and commercial objectives and can also be a source of competitive advantage. Modern slavery risk management, both at an operational and supply chain level, is embedded within AGL's risk management processes across the business and is managed in accordance with AGL's standard risk management and assessment processes and AGL's Risk Management Policy. Set out below are the key risk initiatives or activities implemented to manage the risks of modern slavery within our operations and our supply chains.

#### 2.3.1 Managing Modern Slavery in AGL's Operations

As noted in section 2.2.2 above, most of the risks of modern slavery identified within AGL's operations relate to the management of labour, including the risks of forced labour and child labour. Key initiatives undertaken to manage modern slavery in AGL's operations are detailed below.

##### Training & Awareness

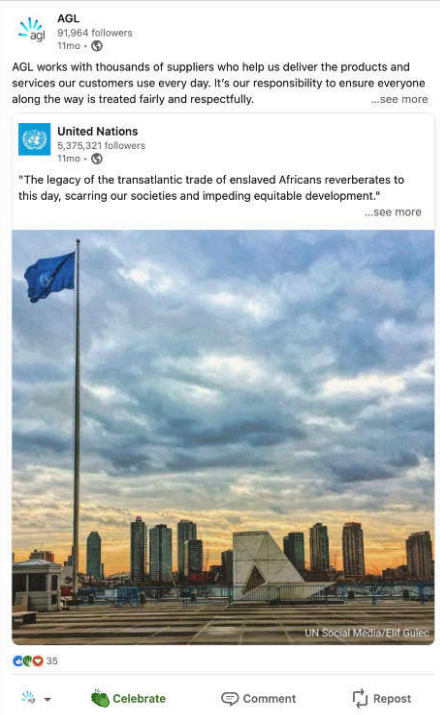
The effectiveness of AGL's processes and systems designed to identify and address modern slavery risk rely on stakeholder awareness of these processes and systems and the capability of our people. AGL remains committed to raising awareness within and outside of our organisation of the risks of modern slavery and increasing our collective capability to manage this risk effectively. In order to continue to raise awareness of the risk of modern slavery and our approach to managing this risk, a number of initiatives were completed in FY23 that built on awareness activities undertaken in previous periods, including the following:

Description of Initiatives	Audience	Key Highlights
<b>Targeted Modern Slavery Training</b>		
AGL's modern slavery SMEs provided targeted training to AGL teams that requested training or who were identified as requiring training to ensure modern slavery risks in their business area were being appropriately identified, assessed and managed.	<p>Various sessions were held across the business, with participants including key personnel from:</p> <ul style="list-style-type: none"> <li>AGL's Group Legal team, including personnel responsible for contracts associated with AGL's Major Projects, solar business, energy markets and acquisitions.</li> <li>AGL's Emerging Business team responsible for developing new AGL products and services.</li> <li>AGL's strategic procurement team, responsible for coordinating major procurement activities.</li> <li>AGL's Corporate Affairs team, responsible for broader ESG management and engaging with, and managing stakeholder expectations.</li> <li>AGL's Property &amp; Security Services team, responsible for property and security related services.</li> </ul> <p>Note the above is not an exhaustive list of the targeted training provided in FY23.</p>	<p>The training was tailored for each team. Training generally included, but was not limited to:</p> <ol style="list-style-type: none"> <li>The definition of modern slavery and why AGL is taking proactive and effective steps to manage the risk.</li> <li>The regulatory and ESG landscape associated with modern slavery, both within Australia and overseas.</li> <li>Key publications and literature associated with modern slavery risks relevant to the business area.</li> <li>Details on how AGL manages modern slavery risk in its operations and supply chain.</li> </ol> <p>In FY24, targeted training sessions and participation will be tracked, with a feedback mechanism developed to inform and improve on future training sessions to help AGL's modern slavery SMEs understand the extent to which modern slavery training is having an impact, and to provide feedback on how training and awareness initiatives can be improved.</p>
<b>Solar-specific Modern Slavery Training</b>		
Acknowledging the solar supply chain is a significant modern slavery risk area for AGL, specific training was provided to key personnel to uplift their understanding of the risk and steps that must be taken to manage the risk effectively.	<p>Training was targeted to team members involved in AGL's solar business including:</p> <ul style="list-style-type: none"> <li>Members of AGL's Sustainable Business Energy Solutions business area.</li> <li>Key personnel managing risks associated with AGL's Wholesale Markets business area.</li> <li>Key personnel in AGL's Major Projects team, in the Energy Hubs business area.</li> <li>Members of AGL's Modern Slavery Working Group.</li> <li>Key personnel from AGL's Legal team.</li> </ul> <p>A total of 71 participants attended this training.</p>	<p>AGL engaged an external specialist business and human rights advisory firm to design and facilitate training on the risks associated with the solar supply chain tailored to AGL's business context.</p> <p>Training content included:</p> <ol style="list-style-type: none"> <li>Stakeholder expectations specific to the management of modern slavery risks within the solar supply chain, including expectations from institutional investors, customers and other stakeholders.</li> <li>Details of the modern slavery risks across the solar value chain, specific to AGL's business context.</li> <li>A deep dive into the risks associated with the manufacture of solar modules and their installation.</li> <li>Key takeaways for participants on how AGL expects personnel to manage modern slavery risks within the solar supply chain, with specific reference to and discussion on the processes AGL has in place to manage these risks.</li> </ol> <p>The recording of the training has been added to AGL's Modern Slavery intranet site, accessible to all AGL employees.</p>

## 2. Managing Modern Slavery at AGL (continued)

Description of Initiatives	Audience	Key Highlights
<b>General Modern Slavery Training</b>		
To improve awareness of the risk and to ensure personnel across the business understand why and how it needs to be proactively and effectively managed.	The training invite was circulated to key stakeholders involved with the management of modern slavery risk across the business, with AGL's Modern Slavery Working Group communicating the training to key personnel within their teams.  A total of 117 participants attended this training.	Similar to the Solar Modern Slavery Training detailed above, AGL engaged an external specialist business and human rights advisory firm to design and facilitate training tailored to AGL's business context. Training content included: <ol style="list-style-type: none"> <li>1. Definitions of modern slavery, the relevance of modern slavery to AGL, and AGL's commitments to managing modern slavery, with specific call outs to AGL's Human Rights Policy.</li> <li>2. The regulatory and ESG landscape associated with modern slavery, both domestically and overseas.</li> <li>3. AGL's key modern slavery risks and how AGL manages these risks, across both its operations and supply chains.</li> <li>4. Key modern slavery red flags, and how AGL personnel are expected to respond if any AGL personnel identify red flags either in AGL's operations or supply chains.</li> </ol> The recording of the training has been added to AGL's Modern Slavery intranet site.
<b>Modern Slavery and Identifying Competition and Consumer Law Risks Training</b>		
Bespoke training on situations which may give rise to competition and consumer law risks when undertaking initiatives relating to modern slavery risk management.	The training was provided to key stakeholders involved with the management of modern slavery risk across the business, including but not limited to AGL's Group Legal team, AGL's Procurement team, key members of AGL's Sustainable Business Energy Solutions business area and members of AGL's Modern Slavery Working Group.  Over 70 participants attended this training.	This training identified situations where AGL's modern slavery risk management could give rise to competition and consumer law risks.  As an outcome of this training, the Modern Slavery and Competition and Consumer Law Guidelines were created and shared with relevant stakeholders. The guidelines and the recording of the training have been added to AGL's Modern Slavery intranet site.
<b>Annual Compliance Training</b>		
Annual compliance training is designed to maintain AGL's proactive compliance culture. It supports AGL personnel to live AGL's values by clearly outlining what is expected of all employees to ensure our behaviours are lawful, trustworthy, honest, inclusive and respectful.	All AGL personnel are required to complete the annual compliance training.  In FY23, 4505 personnel completed the compliance training with an enterprise-wide completion rate of 98%.	From a modern slavery perspective, AGL's annual compliance training module referenced key policies, policy commitments, and expectations required of AGL personnel, including but not limited to: <ol style="list-style-type: none"> <li>1. <b>AGL's Code of Conduct</b> and the expectations of employees to act in a way that upholds and respects human rights.</li> <li>2. <b>AGL's Human Rights Policy</b> and AGL's commitment to respecting the dignity and human rights of AGL's employees, customers and communities in which we operate.</li> <li>3. <b>AGL's Whistleblower Protection Policy</b>, including the various ways that AGL personnel can raise concerns about potential misconduct.</li> </ol>

## 2. Managing Modern Slavery at AGL (continued)

Description of Initiatives	Audience	Key Highlights
<b>Communications Campaigns</b>		
<p>Supporting the International Day for the Abolition of Slavery and socialising AGL's FY22 Modern Slavery Statement.</p> <p>Communication campaigns were specifically designed to raise awareness of modern slavery and to explain where more information can be found on AGL's modern slavery risk management.</p>	<p><b>Supporting the International Day for the Abolition of Slavery</b></p> <p>This campaign was targeted to all AGL personnel and was also shared externally by AGL on social media.</p> <p>Communications were also sent to senior management to explain the significance of the International Day for the Abolition of Slavery, with a request that management discuss the topic with their teams.</p> 	<p><b>Supporting the International Day for the Abolition of Slavery</b></p> <p>This communication campaign included the following:</p> <ol style="list-style-type: none"> <li>1. An article on AGL's intranet site to raise awareness of modern slavery risk across the organisation with reference to how AGL is managing these risks within its operations and supply chains.</li> <li>2. LinkedIn post by AGL supporting the International Day for the Abolition of Slavery.</li> <li>3. Messages on digital screens across AGL's offices directing staff to the article on the AGL intranet site and to additional resources on modern slavery risk management.</li> </ol> <p><b>Socialising AGL's FY22 Modern Slavery Statement.</b></p> <p>This communication campaign included the following:</p> <ol style="list-style-type: none"> <li>1. An article on AGL's intranet site communicating the release of AGL's Modern Slavery Statement and outlining the continuous improvement initiatives implemented throughout FY22 to assist with AGL's modern slavery risk management.</li> <li>2. A message to AGL's ELT, informing them of AGL's updated Modern Slavery Statement.</li> <li>3. Messages on digital screens across AGL's offices to promote AGL's existing FY22 Modern Slavery Statement</li> <li>4. Posts on AGL's internal social media platform promoting AGL's FY22 Modern Slavery Statement with a request that AGL personnel read the Statement.</li> <li>5. LinkedIn post by AGL (which was subsequently reposted by AGL executives) raising awareness of AGL's FY22 Modern Slavery Statement.</li> </ol>

## 2. Managing Modern Slavery at AGL (continued)

Description of Initiatives	Audience	Key Highlights
	<p><b>Socialising AGL's FY22 Modern Slavery Statement.</b></p> <p>This campaign was targeted to all AGL personnel but also shared externally by AGL on LinkedIn and re-posted by AGL executives.</p> <p>Below is the campaign message that was displayed across AGL's corporate sites to socialise AGL's FY22 Modern Slavery Statement:</p>  <div data-bbox="443 862 895 1373" style="background-color: #003366; color: white; padding: 10px;"> <p><b>Did you know there are 50 million modern slaves in the world?</b></p> <p>Read AGL's FY22 Modern Slavery Statement to understand how we are managing the risk of modern slavery in our operations and supply chain.</p> <p><a href="#">Learn more on The Source</a></p>  </div>	
<p><b>Hybrid Panel Discussion</b></p> <p><i>'Making a positive impact on modern slavery – panel discussion with Fairtrade ANZ and SereniTea'.</i></p> <p>AGL invited Fairtrade ANZ and SereniTea (AGL's Fairtrade certified tea supplier) to discuss and build awareness on how individuals and businesses can take positive steps to eradicate modern slavery. The session reminded the audience that as consumers we can make informed purchasing decisions that assist with the eradication of modern slavery.</p>	<p>This event was a hybrid event held in-person at AGL's Melbourne office with interstate and site personnel able to join the session online.</p> <p>Approximately 350 AGL personnel attended this event.</p>	<p>The event was opened by AGL's General Counsel and Company Secretary, who is an ET sponsor of AGL's Modern Slavery program.</p> <p>The event discussed the positive impacts that individuals and business can have on the eradication of modern slavery when engaging in responsible purchasing of goods and services.</p> <p>Joining the panel discussion was AGL's Senior Manager, Group Compliance, Governance and Privacy Officer, the CEO of Fairtrade ANZ, and Director of SereniTEA. The panel's facilitator was AGL's Entrepreneur-in-Residence.</p> <p>The panel canvassed the following areas for the purposes of discussion:</p> <ol style="list-style-type: none"> <li>1. What is modern slavery and what is the scale of the problem in the world today.</li> <li>2. The impact Fairtrade is having on those who are vulnerable and living in poor socio-economic conditions.</li> <li>3. What it means to be a Fairtrade certified product and how certification helps to support vulnerable populations who are at risk of modern slavery.</li> <li>4. The steps AGL is taking to assist with the eradication of modern slavery.</li> <li>5. Key takeaways on how individuals can do more in their domestic affairs to assist with the eradication of modern slavery.</li> </ol>

## 2. Managing Modern Slavery at AGL (continued)

Description of Initiatives	Audience	Key Highlights
<b>Updated Key Management Policies</b>		
Throughout FY23 key policies were updated in accordance with their usual review cycle.	All AGL personnel.	In FY23, AGL reviewed and updated the following key policies that assist with the management of AGL's modern slavery risk management: Code of Conduct, Whistleblower Protection Policy and Human Rights Policy.  Please refer to section 2.1.2 of this Statement on steps taken to promote these policies.
<b>Modern Slavery Intranet Site</b>		
The site houses key information on modern slavery and steps that must be taken to manage the risk.	All AGL personnel have access to AGL's modern slavery intranet site.	To assist personnel with the management of modern slavery risks in AGL's operations and supply chain, a modern slavery intranet site houses relevant policies, guidance and training material which is routinely updated by AGL's Modern Slavery SMEs. Over the year, AGL's modern slavery intranet site received 440 views from 127 unique users.
<b>Supplier Awareness</b>		
Supporting our suppliers to ensure they take steps to manage the risk of modern slavery in their operations and supply chains.	Suppliers who have been assessed as having an inherent moderate or higher risk of modern slavery are subject to AGL's Modern Slavery Questionnaire (MSQ). Once the MSQ is completed, the questionnaire is assessed to determine if the supplier needs to undertake corrective actions to further its management of modern slavery risk.	Further information on AGL's supplier due diligence process is documented in section 2.3.2 of this Statement.

1. The report, 'Global Estimates of Modern Slavery: Forced Labour and Forced Marriage' states there are 50 million people in situations of modern slavery on any given day.

### Case Study – Raising awareness and supporting continuous improvement across our supply chain

In June 2023, AGL partnered with Fairtrade ANZ and SereniTEA (a Fairtrade certified tea brand which provides tea to AGL's offices) to host a hybrid panel discussion at AGL's Melbourne office (and online) to raise awareness of modern slavery risks and the steps taken by AGL to manage the risk in our operations and supply chain. AGL's General Counsel and Company Secretary opened the session by emphasising AGL's commitment to respect, uphold and contribute to the realisation of human rights and explained that AGL is committed to continually improving its approach to the management of human rights within our operations and supply chain.

Panellists emphasised that our individual purchasing decisions can assist with the eradication of modern slavery. By way of example, the panel discussed how Fairtrade empowers disadvantaged artisans, workers and farmers, especially in developing countries to create their own sustainable livelihoods through employment, regular income, improved working conditions and more direct access to markets. As a result, consumers can be assured that a Fairtrade certified product is associated with just working conditions and is free from child labour and forced labour.

Approximately 350 AGL personnel attended the session, all of whom received a detailed account of the management steps AGL has put in place to proactively manage the risk of modern slavery in our operations and supply chain.



*Photo: AGL's panel discussion with Fairtrade ANZ and SereniTEA. Panellists from left to right – Senthil Nathan of Fairtrade ANZ, Damien Schulze and Julie Hirsch of AGL.*



## 2. Managing Modern Slavery at AGL (continued)

### Stakeholder Engagement

AGL recognises that the eradication of modern slavery is a complex undertaking that requires a collaborative response from governments, businesses, and the international community. In FY23, AGL continued to work collaboratively with broader stakeholder groups including:

	<b>Clean Energy Council's Risk of Modern Slavery Working Group (RMS Working Group):</b>	<b>UN Global Compact Network Australia (UNGCA) – Modern Slavery Community of Practice:</b>	<b>Australian Council of Superannuation Investors Limited (ACSI)</b>
<b>Purpose of Stakeholder Engagement</b>	<p>The RMS Working Group provides Clean Energy Council members with a forum to:</p> <ol style="list-style-type: none"> <li>1. share actions and experiences in meeting the reporting requirements under the Act; and</li> <li>2. discuss and collaborate on efforts to manage modern slavery risks within their supply chains.</li> </ol>	<p>The Modern Slavery Community of Practice is an interactive forum which meets quarterly, providing a forum for members to discuss the challenges and opportunities facing Australian businesses with respect to the identification, management, and communication of modern slavery risks.</p>	<p>ACSI provides a voice on financially material environmental, social and governance (ESG) issues. ACSI members include Australian and international asset owners and institutional investors with more than \$1trillion in funds under management.</p> <p>In April 2023, ACSI released its research into the third annual cycle of company reporting under the Modern Slavery Act and invited engagement from companies to discuss their modern slavery statements.</p>
<b>Outcomes to address Modern Slavery</b>	<p>During the period, AGL signed the Clean Energy Council's Pledge Against Modern Slavery, which is a commitment to work towards the operations and supply chains of participants to be free of adverse human rights impacts. The Pledge was signed by AGL's General Counsel and Company Secretary.</p>	<p>Our participation as a UNGCA member provided AGL with an opportunity to gain further insight into the risks associated with modern slavery and the proactive steps that can be taken to manage those risks. Attending various UNGCA forum meetings and events allowed AGL to hear how other UNGCA members are managing their modern slavery risks. These inputs were considered by AGL's Modern Slavery SMEs and assisted to inform AGL's modern slavery risk profile.</p>	<p>AGL engaged with ACSI to discuss how we can improve our modern slavery practices and reporting. AGL has acted on the feedback received from ACSI in the preparation of this Statement.</p>

In addition to the above, AGL also provided a response to the Review of Australia's Modern Slavery Act 2018 Issues Paper. This response is available on AGL's website [here](#).

### 2.3.2 Managing Modern Slavery in AGL's Supply Chain

Throughout FY23 AGL managed the modern slavery risk in its supply chain by engaging in the following activities.

#### Ongoing Supplier Due Diligence

In FY23 AGL continued to proactively identify, assess and address the risks of modern slavery across the AGL supply chain, in accordance with the procurement principles and procedures detailed in AGL's FY22 Statement. These principles and procedures are required to be followed by all employees to ensure the consistent application of procurement principles across the organisation.

## 2. Managing Modern Slavery at AGL (continued)

### Due diligence of suppliers

AGL employs a risk-based approach to the engagement of its suppliers and has embedded a modern slavery risk assessment process into its sourcing processes, which is detailed below.

### A High Level Overview of Our Modern Slavery Risk Assessment Process

#### 1. Sourcing Risk Checklist

Before the commencement of any sourcing activity and as required by AGL's Source to Contract Standard, a Sourcing Risk Checklist is completed by the business sourcing owner. Amongst other things, the completion of the checklist provides an inherent modern slavery risk rating by assessing the procurement activity against AGL's modern slavery risk indicators, with the rating determining any further due diligence initiatives that must be completed before making a decision to onboard a supplier. In circumstances where the Sourcing Risk Checklist assesses the inherent modern slavery risk rating as moderate or above, the business must complete the following additional sourcing steps.

#### 3. Reputational Background Check

A Reputational Background Check on the supplier is completed using a third-party platform that provides information on Environmental, Social and Governance claims or issues that relate to the supplier. Answers to the Modern Slavery Questionnaire are compared to relevant findings in the background check as part of the Modern Slavery Assessment.

#### 4. Modern Slavery Evaluation/ Agree Corrective Actions

An AGL Modern Slavery SME reviews the Modern Slavery Questionnaire and Reputational Background Check report. On completion, the SME provides the business contract owner with the outcome of this evaluation. These outcomes may include recommendations and any corrective actions that must be completed prior to the supplier's engagement.



#### 2. Modern Slavery Questionnaire

The business contract owner arranges for the supplier to complete AGL's Modern Slavery Questionnaire. This questionnaire has been developed with the assistance of a third-party specialist modern slavery consultant to assess the residual modern slavery risk of the supplier. It includes a series of questions that provide AGL with relevant additional information relating to how the supplier identifies, assesses and manages its modern slavery risks. Questions include whether the supplier has relevant policies, processes and systems in place to govern and manage modern slavery risks, and whether the supplier has encountered any instances of modern slavery or received any reports of modern slavery via its grievance mechanisms.

#### 5. Negotiate Using Precedent Contracts

On completion of due diligence activities and on the successful selection of a supplier, contract negotiations commence and, in most cases, the AGL precedent contract will be used for the procurement activity. The precedent contract references AGL's Supplier Code of Conduct and requires suppliers to familiarise themselves with the Code. The standard clause provides AGL with the right to issue the supplier with a questionnaire seeking information about the supplier's approach to business and performance of the contract compared to the Supplier Code of Conduct. Should AGL identify any non-compliance with the AGL Supplier Code of Conduct, we may require the supplier to provide us with a corrective action plan. Should the supplier fail to comply with the plan, then AGL may choose to exit the supplier relationship. Details on when AGL may exit a supplier relationship are documented in section 2.4.3 of this Statement.

### AGL's response to modern slavery within our solar supply chain

In FY23, AGL continued to enhance the management of modern slavery risks associated with our solar business, with the following key initiatives being undertaken:

- 1. Ongoing engagement with major supply partners** – AGL's solar business has identified 21 major supply partners within its solar installation business, which include suppliers of solar modules, inverters, batteries and module framing. Our ongoing engagement with key suppliers includes periodic meetings, management of corrective actions (where applicable) and ongoing discussions relating to modern slavery risk management. Our major supply partners are representative of 60.7% of total supplier spend within our Sustainable Business Energy Solutions business.
- 2. Social audits of solar suppliers** – during the reporting period, independent Sedex<sup>1</sup> approved auditors were engaged to undertake social audits over four key solar module suppliers based in China.

These audits leveraged the SMETA (Sedex Members Ethical Trade Audit) audit methodology, which audits suppliers across the four pillars of labour standards, health and safety, environmental performance and business ethics. The completion of these audits by AGL's independent certified social auditor resulted in the identification of 39 non-conformances of varying levels of materiality. Each of these non-conformances has been raised with the respective suppliers as part of the audit process and discussed in our ongoing modern slavery risk management with these suppliers, with the express intention of working with the supplier to ensure these non-conformances are appropriately remediated to AGL's satisfaction.

AGL continues to engage with our audit providers and module suppliers for the purposes of scoping audit assessments that will be completed in FY24. In addition, future audits are likely to include coverage of high-risk Tier 2 suppliers, targeting suppliers of polysilicon, as well as other Tier 1 suppliers within our solar supply chain.

1. Sedex is a global technology company that provides data, insights and professional services to improve sustainability in supply chains.

## 2. Managing Modern Slavery at AGL (continued)

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3. **Training of key personnel across our solar business** – AGL engaged with a specialist business and human rights advisory firm to conduct specific training on solar related modern slavery risks which was tailored to AGL's solar business. All personnel within AGL's solar installation business were invited to this training. Further details on this training can be found in section 2.3.1 of this Statement.

### Solar Supplier Social Audit Process

Our solar business has partnered with a SEDEX approved auditor to evaluate suppliers assessed as high risks for modern slavery. A high-level overview of the audit process is detailed below:

1. **Scope:** AGL will discuss the audit scope with key suppliers with the intention of assessing the supplier against the SMETA audit methodology and the four pillars of labour standards, health and safety, environmental performance and business ethics.
2. **Conduct Audit:** The auditor will conduct the audit and review evidence as required to verify the supplier's performance against each pillar of the SMETA methodology. To meet the standards associated with SMETA audits, the auditor will complete a review of relevant supplier documentation and will also conduct a site audit.
3. **Communicate Findings:** The auditor will communicate the audit findings (including non-conformances) with the supplier prior to finalising the audit report and providing the finalised report to both the supplier and AGL. The auditor will discuss with the supplier how to remediate non-conformances identified in the report.
4. **Follow-up Audit:** If a non-conformance is identified, a follow-up audit is undertaken by the auditor to verify that the non-conformance is remediated. A follow-up audit is scheduled every three months until the non-conformance is adequately remediated.

### Due diligence of Wholesale Markets' counterparties

As noted in our FY22 Statement, transactions engaged in by our Wholesale Markets business unit follow a separate process to centrally procured goods and services due to the nature of the activities performed, the risks associated with these activities and the need to comply with relevant regulatory requirements.

All new Wholesale Markets counterparties involved in the physical supply of commodities must complete a **'Know Your Customer' questionnaire** as part of the onboarding process. The questionnaire is assessed, and the counterparty is screened using an end-to-end third-party due diligence screening and monitoring workflow tool to identify and assess any modern slavery risks associated with the counterparty. Any high risks identified during the onboarding process are escalated to AGL's Modern Slavery SMEs to determine if any corrective actions are required before proceeding with the engagement. Once onboarded, the Wholesale Markets team performs ongoing monitoring of these counterparties.

## 2. Managing Modern Slavery at AGL (continued)

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### Ongoing Supplier Management

Sourcing activities mandated under AGL's Source to Contract Standard to manage risk exposure are complemented by the risk management activities prescribed by AGL's Supplier Management Standard. The Supplier Management Standard supports the ongoing management of risk, including modern slavery risk, throughout the life of the contract via a requirement for business units to appoint a business contract owner for each procurement contract owned by the business unit. The business contract owner must actively manage the supplier and risks associated with the procurement activity. To the extent the supplier has corrective actions to implement to improve its modern slavery risk management practices, the contract owner is required to oversee the completion of these actions with the supplier.

Further, AGL's Supplier Code of Conduct Questionnaire is used to periodically assess a supplier's compliance against the minimum ESG requirements set out in AGL's Supplier Code of Conduct. AGL's material suppliers are required to complete the questionnaire on an annual basis where corrective actions may be issued to the supplier to meet the requirements of AGL's Supplier Code of Conduct.

Due to the updates to AGL's Procurement Process (further detailed below), the completion of the Supplier Code of Conduct Questionnaire was delayed and will be completed within the first half of the FY24 period. In the interim, regular contract management meetings continued to be held with all material suppliers throughout FY23 and AGL is not aware of any material supplier breaching the Supplier Code of Conduct.

In FY23, the Wholesale Markets business area continued the ongoing monitoring of counterparties via a third-party due diligence system, which allowed the team to monitor counterparties' for any human rights related enforcement activity. The system continually monitors counterparties and provides alerts when the risk profile of the counterparty changes. The alerts are reviewed and where necessary, are discussed with the counterparty which may result in corrective actions being put in place to address the issue. During FY23, no alerts were raised against counterparties which required remediation action to be taken.

### Increasing customer awareness

During the reporting period, AGL observed increasing general awareness from our customers of the importance of modern slavery risk management, and an increase in questions specifically relating to AGL's modern slavery risk management practices. AGL's procurement and modern slavery risk management teams received significantly more enquiries as to AGL's practices both as part of tendering activities and business as usual contract management.

In particular, AGL observed an increase in customers and prospective customers wanting to understand AGL's modern slavery risk management as it relates to our solar business. AGL welcomes this increasing level of awareness, and in response we have delivered detailed presentations to a number of our customers on our approach to managing modern slavery risk. Based on feedback received through these interactions, AGL's existing and prospective customers value AGL's transparent approach to communicating our modern slavery risk management processes. We intend to continue this ongoing engagement with our customers to help share good practice and industry related challenges.

## 2. Managing Modern Slavery at AGL (continued)

### Updates to AGL's Modern Slavery Risk Assessment Process

During FY23, AGL undertook a program of work to review and update AGL's procurement processes, in order to improve both the efficiency of processes and the tracking of procurement process compliance. The program of work was led by our Procurement Operations team and involved stakeholder engagement across AGL's business, including engagement with AGL's Modern Slavery SMEs. The core deliverables relevant to modern slavery risk management (which are planned to be operationalised across FY24) are summarised in the table below:

Item	Description of Update	How this will impact AGL's modern slavery risk management.
<b>Updating AGL's Sourcing Risk Checklist (SRC)</b>	<p>As described above, the Sourcing Risk Checklist is completed to understand the risks associated with a sourcing activity. Updates to the SRC included:</p> <ul style="list-style-type: none"> <li>• Converting the manual SRC to an online tool to facilitate a more accessible and transparent sourcing process, improve governance and reporting relating to each sourcing activity, and to increase efficiency and effectiveness through automation of the sourcing risk management process.</li> <li>• Updating the questions within the SRC, including the questions which screen suppliers for inherent modern slavery risk. The questions were reviewed and updated to better align with AGL's current modern slavery risk indicators.</li> <li>• Updating AGL's high risk geographies and high-risk sectors / categories in alignment with recent developments of known cases and allegations associated with modern slavery and human rights violations.</li> </ul>	<ul style="list-style-type: none"> <li>• The online SRC will provide AGL's Modern Slavery SMEs with increased transparency over suppliers assessed as having an inherent risk of modern slavery.</li> <li>• The updated questions within the SRC will allow AGL to better assess a supplier's inherent risk of modern slavery. Supplier assessments will be made using updated information relating to AGL's modern slavery risk indicators, specifically high-risk geographies, and high-risk sectors and categories.</li> </ul>
<b>Updating AGL's Modern Slavery Questionnaire</b>	<p>As described above, the Modern Slavery Questionnaire is completed by suppliers to allow AGL to evaluate the residual modern slavery risk of the supplier and to identify any required corrective actions. AGL engaged a specialist business and human rights advisory firm to assist in updating AGL's Modern Slavery Questionnaire.</p> <p>The updated evaluation process empowers the contract owner to complete an initial assessment of the Modern Slavery Questionnaire which builds further awareness and capability across the organisation. Where the initial assessment of the Modern Slavery Questionnaire results in a high residual risk rating, or where a red flag is identified by the contract owner, AGL's Modern Slavery SMEs will be engaged to support the assessment process.</p>	<ul style="list-style-type: none"> <li>• The updated questionnaire has been developed to provide further assistance to the contract owner to evaluate a supplier's modern slavery risk.</li> <li>• The updated approach will clearly identify when contract owners need to seek advice from AGL's Modern Slavery SMEs about a supplier's modern slavery risk management practices.</li> <li>• Guidance material has been developed to support contract owners with the assessment of the Modern Slavery Questionnaire completed by a supplier. This guidance material supports the contract owner to evaluate responses to each question within the Modern Slavery Questionnaire, determine where responses are not satisfactory, and to develop corrective action plans that are to be agreed with the supplier in the instance where the supplier requires an uplift to its modern slavery risk management practices.</li> <li>• A supplier with a high risk of modern slavery can be subject to a modern slavery deep-dive and / or social audit, which will be completed together with AGL's modern slavery SME. Further detail on AGL's deep-dive and social audit approach is set out below.</li> </ul>

During FY24, AGL will finalise the above program of work and develop a change management program to implement these enhancements to AGL's modern slavery risk assessment process across the organisation.

## 2. Managing Modern Slavery at AGL (continued)

### Modern Slavery Deep Dive and Social Audit Guidelines

In line with the commitments set out in our Human Rights Policy, AGL aims to partner with suppliers who share our values and who are capable of meeting the expectations set out in our Supplier Code of Conduct in relation to managing human rights risks, including those relating to modern slavery. This includes our expectation that suppliers 'make all reasonable efforts to ensure their business operations and supply chain are not engaged in, or complicit with slavery'.

As an adjunct to AGL's modern slavery risk assessment process documented in section 2.3.2 and to ensure we are partnering with suppliers that meet our expectations, AGL engaged an external specialist business and human rights advisory firm to develop a Modern Slavery Deep Dive and Social Audit Guideline to provide guidance on when AGL should consider engaging in further investigation of a supplier's modern slavery risk management processes. The guidelines are aimed at providing AGL with a better understanding of the modern slavery risks associated with high-risk suppliers and focus on two key discretionary actions that may be implemented by the business.



Following the Modern Slavery Risk Assessment, the Modern Slavery Deep Dive is applied where AGL may determine that additional information is required from a supplier after reviewing the Modern Slavery Questionnaire. This deep dive involves a desktop review of the supplier alongside direct engagement with the supplier's management where practical. The Modern Slavery Deep-Dive will help to validate a supplier's response to the Modern Slavery Questionnaire and allows AGL to better understand a supplier's modern slavery risk management practices, including any additional controls that may be needed to manage a supplier's specific modern slavery risk exposure. As such, the deep-dive process may involve:

- requesting the supplier to provide previous audit reports associated with their modern slavery management.
- conducting further document reviews relating to actions taken by the supplier to assess and manage modern slavery risks, including evidence supporting actions taken to address their risks of modern slavery.
- conducting formal interviews with the supplier to better understand their actions to assess and address modern slavery risks.

Following the completion of the Modern Slavery Deep-Dive, the guideline also provides guidance on factors that may indicate a social audit of the supplier is warranted. Social audits can support our work to manage modern slavery risks in our supply chains by providing a tool to help the business understand working conditions at supplier sites. The utilisation of a social audit can provide the business with an 'on the ground' assessment of a supplier's practices and can help identify issues that need to be addressed by the supplier. The guideline states that the business can contemplate a social audit in circumstances where the Modern Slavery Questionnaire and deep dive have not allowed AGL to conclude that the supplier is managing its modern slavery risk appropriately.

The social audit guideline provides guidance to the business on the relevant factors to consider when engaging in a social audit, including how to select an appropriate social auditor, the social audit standards that should be used by the social auditor, and how AGL should respond when non-conformances are identified.

In FY24, AGL will integrate these guidelines into our existing Modern Slavery Risk Assessment process which will involve:

1. socialising the guidelines with AGL's Modern Slavery Working Group and relevant stakeholders across the business;
2. conducting training sessions across relevant business areas; and,
3. updating AGL's Modern Slavery intranet site with relevant information on the guidelines.

#### CASE STUDY – Ongoing engagement and remediation of Social Audit Findings

In May 2022, AGL's first social audit was undertaken over one of AGL's solar module suppliers based in China against the four pillars of the SMETA audit methodology. The audit identified 12 non-conformances, with the most notable relating to excessive working hours and the payment of insufficient wages and benefits.

These non-conformances were raised as part of our ongoing monthly engagement with the supplier throughout FY23, with our expectations communicated to the supplier that the non-conformances be resolved as a matter of priority.

A follow up audit was undertaken in April 2023. This audit noted that prior findings relating to insufficient wages and benefits had

been successfully rectified, however, a non-conformance was again raised relating to excessive working hours. While a repeat finding, this non-conformance was raised due to the auditor being unable to verify working hours due to inconsistent record keeping (rather than as a result of confirmed excessive working hours). AGL continues to work with this supplier, supporting their efforts to remediate audit findings and generally improve their human rights and modern slavery related practices.

A third audit will be undertaken in FY24 to reassess the supplier's conformance to appropriate working hours by its employees (in addition to the broader coverage of this audit). AGL continues to closely and proactively monitor this supplier.

## 2. Managing Modern Slavery at AGL (continued)

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### **Managing Modern Slavery Risk Associated with Major Projects**

In order to deliver on our strategy to connect our customers to a sustainable future and to transition our energy portfolio, AGL will engage in a variety of major energy transition related projects in the future. While the nature of the projects will vary, AGL will be required to understand and take proactive steps to manage the modern slavery risks associated with these projects. Major projects of this nature will likely involve hundreds of suppliers and complex supply chains, all of which introduce a high level of complexity for the effective management of modern slavery risk. To manage the risk, AGL will also need to work with and seek assurances from our major contractors to confirm the contractors are taking effective steps to manage the risk in their operations and supply chain. In preparation for a likely increase in projects of this nature, in FY23 AGL put in place the following processes to govern the receipt of such assurances:

#### **Request for Proposal – Modern Slavery Assurance**

As part of our tender process associated with all major projects, an authorised representative of the major tenderer must provide AGL with written confirmation that to the best of its knowledge and having conducted reasonable due diligence:

1. the tenderer has effective risk management practices in place to manage the risk of modern slavery in its operations and supply chains;
2. the tenderer is not aware of any modern slavery practices or related grievances in the operations and supply chains of its subcontractors; and
3. no matters or circumstances have arisen that have or may significantly affect this certification or the tenderer's ongoing compliance with the above two items.

#### **Contract clause – Modern Slavery Assurance**

AGL's standard modern slavery clause in AGL's major project contracts has been amended to require the major contractor to provide AGL with a list of intended subcontractors to be engaged to deliver the major project. Prior to engaging any subcontractors, the major contractor is required to carry out reasonable due diligence on a subcontractor's historical compliance, and ability to comply with modern slavery laws, and to reasonably consider that the subcontractor does not engage in modern slavery and has effective modern slavery risk management practices in place to manage the risk of modern slavery in its operations and supply chain. The clause contains an ongoing obligation on the major contractor to notify AGL if it becomes aware of any actual or potential breach of its contractual modern slavery obligations, and in these circumstances must promptly take, and procure that any relevant subcontractor take, appropriate remediation actions.

The clause requires a precondition to be met before the notice to proceed can be issued by AGL. The precondition requires the major contractor to provide AGL with a Modern Slavery Certification (Certification). The terms of the Certification are broadly consistent with those prescribed for the written confirmation required for a Request for Proposal described above, but the Certification requires the major contractor to certify that both it and its appointed subcontractors have effective modern slavery risk management practices in place. Further, the Certification provides a mechanism to deal with situations where the actual / potential risk of modern slavery has been identified in a subcontractor's supply chain. In such instances, the Certification must describe the modern slavery risk, include details of how the risk is to be mitigated and managed and how the effectiveness of such actions is to be assessed.

The Certification must be re-issued by the major contractor at either 3 or 6 month intervals and must cover all engaged subcontractors and any subcontractors the major contractor intends to engage. A failure to provide the Certification in accordance with the contract is an event of default.

## 2. Managing Modern Slavery at AGL (continued)

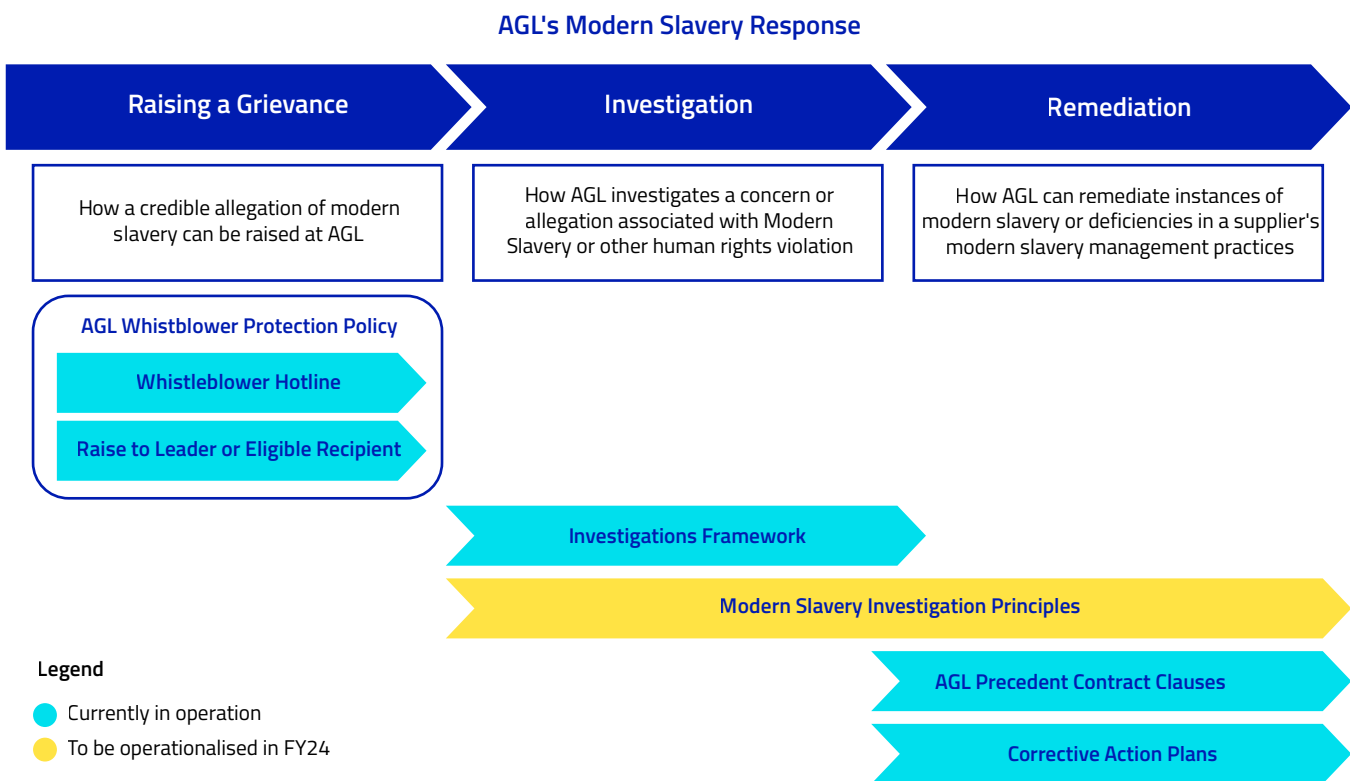


### 2.4 Grievance Response

AGL applies a 'victim's first' approach when receiving, investigating and responding to an allegation or confirmed instance of modern slavery. In FY23 AGL took further steps to codify this approach by preparing a set of principles that are required to be followed in those instances where AGL becomes aware of a credible allegation of modern slavery relating to our business activities or relationships, including our supply chain. The principles, which will be operationalised in FY24, support AGL to implement our commitment to respect human rights (including freedom from slavery), as called out in our Human Rights Policy and thereby provide a framework to inform our approach to:

1. investigate an allegation of modern slavery and, where appropriate, remediate any identified modern slavery harm; and
2. exit a supplier relationship due to modern slavery concerns.

The modern slavery management principles are complementary to AGL's existing processes and governance documents which are summarised in the diagram below.



A hypothetical scenario that applies AGL's Modern Slavery Grievance Response can be found in Appendix C.

#### 2.4.1 Raising a Grievance and Initial Assessment

As documented in AGL's FY22 Statement, there are various ways in which our employees can raise concerns about conduct occurring at AGL or in relation to AGL. AGL's Code of Conduct encourages employees and contractors to report to their immediate leader circumstances where the Code of Conduct has been breached (or where there is a reasonable suspicion of a breach). Should it be necessary, a matter can also be reported directly to AGL's People & Culture team or to the responsible Executive Team member.

Suppliers are also required to notify AGL of any actual or suspected breach of the Supplier Code of Conduct by the supplier or by their supply chain. As was the case in FY22, current and past employees, officers, contractors, suppliers (including employees of suppliers) and their associates throughout the reporting period were able to report and express any concerns relating to AGL's activities and suspected violations of our policies, values and/or legal requirements via our Whistleblower Protection Policy. AGL's Supplier Code of Conduct also requires that AGL's suppliers read, understand and comply with AGL's Whistleblower Protection Policy and provide workers with access to AGL's Whistleblower Protection Policy. Further details on AGL's Supplier Code of Conduct can be found in section 2.1.2 of this Statement.

A summary of the grievance channels in our Whistleblower Protection Policy and work undertaken throughout FY23 to further operationalise these channels is set out in the table below.



## 2. Managing Modern Slavery at AGL (continued)

Grievance Channel	Operationalisation of the channel
<b>Raise to Leader or Eligible Recipient</b>	In FY23, AGL's Whistleblower Protection Policy was updated, and a communications campaign was undertaken to raise awareness internally about the Policy and how to speak up about potential misconduct in accordance with the Policy. Further details of this campaign can be found in section 2.1.2 of this Statement.
<b>Whistleblower Hotline</b>	In FY24, AGL will undertake various initiatives to further increase awareness of AGL's Whistleblower Hotline, which will include: <ol style="list-style-type: none"> <li>1. re-positioning the policy on AGL's external website so it is more prominent and easier to access;</li> <li>2. promoting AGL's grievance mechanism to high-risk suppliers and their workers, and,</li> <li>3. exploring options to ensure that stakeholders and the communities in which AGL operates are aware that they are also eligible to raise grievances and understand that AGL will take a victims first approach in circumstances where an allegation relates to modern slavery.</li> </ol>

Once a grievance is raised, senior management will conduct an initial assessment of the grievance to determine if it should be investigated. Where appropriate and where possible, AGL may invite the discloser to provide AGL with further information about the grievance.

During the FY23 reporting period, no grievances or allegations relating to modern slavery or human rights violations were reported via AGL's grievance reporting mechanisms.

### 2.4.2 Investigation

In FY23, AGL continued to leverage the AGL Investigation Framework, which sets out the minimum standards that must be followed for investigations conducted by AGL. All investigations are tailored to address the specific allegations that are the subject of the investigation. The Framework provides guidance in relation to investigations concerning the AGL Whistleblower Protection Policy in addition to providing guidance on other more general investigations.

To provide further guidance on investigating allegations or concerns associated with modern slavery, AGL has developed the Modern Slavery Investigation and Remediation Principles which set out key principles for investigating a modern slavery or human rights related incident or allegation.

### 2.4.3 Remediation

The Modern Slavery Investigation and Remediation Principles provide guidance on the approach AGL should take where an investigation identifies that modern slavery harm (or other human rights harm) has occurred. The principles confirm that if AGL determines modern slavery has or is occurring, AGL should identify the nature of its involvement by considering whether it caused, contributed to, or is directly linked to the modern slavery harm in line with the UNGPs.

A summary of AGL's approach to remediation is detailed in the table below:

Degree of Involvement	Cause	Contribute	Directly Linked
<b>Definition</b>	AGL's actions or omissions directly resulted in modern slavery occurring.	AGL's actions or omissions significantly incentivise, enable or facilitate modern slavery or other human rights harm which would have been otherwise unlikely.	AGL's products, services or operations are connected to modern slavery or other human rights harm carried out by a third party, such as a supplier.
<b>Principles for Remediation</b>	<ul style="list-style-type: none"> <li>• Stop or prevent impact.</li> <li>• Provide for or cooperate in remediation.</li> <li>• Support victims where necessary.</li> </ul>	<ul style="list-style-type: none"> <li>• Stop or prevent contribution.</li> <li>• Use leverage to mitigate any remaining impact, as far as possible.</li> <li>• Provide for or cooperate in remediation.</li> <li>• Decide whether to continue the business relationship.</li> </ul>	<ul style="list-style-type: none"> <li>• Build or use leverage to prevent and mitigate the impact.</li> <li>• Demonstrate ongoing effort to mitigate impacts.</li> <li>• Take a role in remediation where possible.</li> <li>• Decide whether to continue the business relationship.</li> </ul>
<b>Hypothetical Example</b>	<i>AGL knowingly exploits its lower-skilled employees</i>	<i>AGL requires a contractor to reduce costs to a level that can only be met by the contractor exploiting its workers, and does not implement any controls to adequately mitigate this risk</i>	<i>AGL engages a supplier who subcontracts to another third party who engaged in modern slavery practices.</i>

Depending on our level of involvement (cause, contribute or directly linked), we will either develop a remediation action plan or encourage the relevant supplier to establish a corrective action plan. A supplier's corrective action plan will be required in circumstances where AGL determines that a supplier's modern slavery risk management practices are deficient. Implementation of the plan will ensure that the supplier conforms to the requirements of AGL's Supplier Code of Conduct. Further details on AGL's supplier due diligence process and the application of corrective action plans can be found in section 2.3.2 of this Statement.

## 2. Managing Modern Slavery at AGL (continued)

Where necessary, and as part of a remediation plan implemented by AGL, a victims first approach will be adopted. This approach will consider how to appropriately engage with the victim-survivors and could result in AGL:

- where possible, engaging with victims in a transparent manner to ensure that there is fair and direct remediation which addresses their immediate needs.
- incorporating actions which address the immediate and longer-term needs of victim-survivors. This could include providing and ensuring that there is adequate access to legal and health services free from real or perceived imbalances of power, language barriers, intimidation and trauma.
- incorporating actions and relevant controls into processes and systems to prevent the harm from reoccurring.

As a last resort in the process of remediation, AGL may decide to exit the business relationship with a supplier. Situations where we may consider exiting a supplier relationship include circumstances where we are directly linked to modern slavery and the relevant supplier is unwilling to improve its practices and remediate its impacts, and where we have exhausted our options for building and using our leverage to change the supplier's practices.



### 2.5 Monitoring

Our approach to managing the risks associated with human rights constantly evolves as we learn from our experience and the experiences of others, and as we refine our processes and engagement with our suppliers.

#### 2.5.1 Tracking & Reporting

During the FY23 reporting period, AGL utilised the following mechanisms to track and report on the progress made on initiatives to manage and mitigate our modern slavery related risks:

1. **Board ARMC Reporting:** GRCI regularly reports material risks and compliance matters to the Audit & Risk Management Committee which is an AGL Board sub-Committee. The ARMC meets five times per year and its remit includes the responsibility to monitor the implementation of policies and procedures for identifying, assessing, monitoring and managing risk, including modern slavery risk. GRCI submits the Statement to the ARMC for its endorsement before it is approved by the Board.
2. **Reporting:** On a regular basis AGL's Modern Slavery SMEs provide status reporting to the General Manager GRCI and the Modern Slavery Working Group on the progress made on the modern slavery management initiatives being implemented throughout the reporting period.
3. **Engagement between GRCI and business unit risk and compliance teams:** GRCI plays an ongoing role in reviewing and supporting the progress made on agreed improvement initiatives and challenging progress where relevant.
4. **Engagement with the Modern Slavery Working Group:** The Modern Slavery Working Group regularly discusses the changing risk landscape associated with modern slavery, and the associated initiatives in place to address modern slavery risks.
5. **Periodic updates to the Executive Sponsors:** The General Manager GRCI provides regular updates to the Executive Sponsor for modern slavery, which includes a broad overview of progress made throughout the reporting period.

#### 2.5.2 Measuring Effectiveness

In FY23 Group Audit considered the design and implementation of AGL's modern slavery framework, with a focus on how key processes and controls have been implemented to ensure modern slavery risks are appropriately identified and mitigated, and to identify potential improvement opportunities. Overall, the review found that AGL has developed a robust modern slavery framework and governance arrangements, particularly in the areas of the business exposed to the risks of modern slavery (e.g., AGL's solar business). The audit also identified a number of improvement opportunities primarily relating to supplier assessments and procurement processes. These opportunities will be addressed as part of the updates to AGL's procurement processes which are detailed in section 2.3.2 under the heading "Updates to AGL's Modern Slavery Risk Assessment Process."

To assist with monitoring the effectiveness of our modern slavery management activities, AGL has defined key indicators of effective modern slavery risk management that align to the elements and sub-elements of our modern slavery framework, and which relate to actions and controls that an organisation should have in place to identify, assess and remedy its modern slavery risks.

For the purposes of reporting in this Statement, the table below provides a view of our reporting against our key indicators that have been drawn from AGL's 48 key risk indicators previously documented in our FY22 Modern Slavery Statement.

## 2. Managing Modern Slavery at AGL (continued)

Element of AGL's Modern Slavery Framework	Indicator of effective modern slavery management	How AGL measures effectiveness against this indicator	Assessment for FY23
<b>Commitment and Governance</b>	Roles, responsibilities and accountabilities for the management of modern slavery are clear, appropriately designed and well operationalised to drive the appropriate management of modern slavery risk.	The roles, responsibilities and accountabilities associated with the management of risk including modern slavery risks are documented in AGL's Risk Management Policy and AGL's Human Rights Policy which are reviewed every two years.	<b>Satisfactory</b> – both AGL's Human Rights Policy and AGL's Risk Management Policy were reviewed during FY23 and approved by the AGL Board in December 2022. Training and awareness programs throughout the reporting period have supported personnel having a clear understanding of the roles and responsibilities involved in AGL's modern slavery risk management process.  Further details are provided in section 2.1.1 of this Statement.
	Continuous improvement is embedded into the organisation's approach to manage modern slavery risks.	AGL seeks periodic review of its modern slavery framework by an independent party.	<b>Satisfactory</b> – AGL's Group Audit team conducted a review of AGL's modern slavery management framework in FY23 and concluded the framework and governance arrangements to be robust.
	Policies associated with modern slavery management include a publicly available position on the organisation's approach to modern slavery management and are approved by senior management or the Board.	AGL policies relevant to the management of modern slavery are reviewed and approved by the AGL Board at least every two years. The review of policies includes an assessment of external factors (such as industry trends) and internationally recognised standards, to ensure AGL's modern slavery position continues to meet stakeholder expectations and aligns to AGL's values.	<b>Satisfactory</b> – AGL reviewed the following policies, which were Board approved in line with their review cycle as follows: <ul style="list-style-type: none"> <li>• AGL Human Rights Policy approved in December 2022</li> <li>• AGL Code of Conduct approved in June 2023.</li> <li>• AGL Whistleblower Protection Policy approved in June 2023.</li> </ul> Further details are provided in section 2.1.2 of this Statement.
<b>Risk Identification</b>	The organisation has a formalised approach for identifying modern slavery risks which is appropriate for the organisation's context, operations and supply chains.	AGL's risk identification methodology and key risk indicators are regularly reviewed to validate that they remain fit for purpose and appropriate for AGL's context, operations and supply chains.	<b>Satisfactory</b> – AGL's key risk indicators have been reviewed by an external third party who has confirmed that the indicators used within AGL's risk identification methodology remain appropriate for its business context, operations and supply chains. Further details are provided in section 2.2.1 of this Statement.
	The organisation can describe the risks of modern slavery within its operations.	AGL conducts an annual enterprise-wide review of its modern slavery profile to identify the modern slavery risks within its operations	<b>Satisfactory</b> – AGL conducted its annual enterprise-wide review of its modern slavery risk profile in FY23 and the modern slavery risks within its operations are set out in section 2.2.2 of this Statement. Modern slavery risks associated with acquired entities that have not been fully integrated into AGL's overarching governance structure and their management are documented in section 3 of this Statement.
	The organisation can describe the risks of modern slavery within its supply chains.	AGL conducts an annual enterprise-wide review of its modern slavery profile to identify the modern slavery risks within its supply chains.	<b>Satisfactory</b> – AGL conducted its annual enterprise-wide review of its modern slavery risk profile in FY23 and the modern slavery risks within its supply chain are set out in section 2.2.3 of this Statement. Modern slavery risks associated with AGL's owned and controlled entities, and their management are documented in section 3 of this Statement.

## 2. Managing Modern Slavery at AGL (continued)

Element of AGL's Modern Slavery Framework	Indicator of effective modern slavery management	How AGL measures effectiveness against this indicator	Assessment for FY23
<b>Risk Management</b>	The organisation undertakes training and capacity building of relevant personnel within the organisation on salient modern slavery risks, key policies, and standards regarding human rights and the management of modern slavery risks.	<ol style="list-style-type: none"> <li>AGL's Modern Slavery SMEs are responsible for facilitating modern slavery training, and identifying key gaps in knowledge of relevant personnel, considering feedback from training previously delivered.</li> <li>Percentage of employees who have completed mandatory training on AGL's Code of Conduct, which includes training on AGL's Human Rights Policy and AGL's Whistleblower Protection Policy.</li> </ol>	<p><b>Room for improvement</b> – In FY24, AGL's Modern Slavery SMEs will develop and operationalise a formal feedback mechanism to gather feedback and assess engagement on training conducted and to identify any gaps in knowledge of relevant personnel with regards to the management of modern slavery risks in AGL's operations and supply chain.</p> <p>In FY23, 98% of the organisation completed compliance training on AGL's Code of Conduct which addresses modern slavery risk management.</p>
	The organisation assesses suppliers for the risks of modern slavery prior to their engagement.	AGL tracks the number of modern slavery evaluations that have been undertaken over third parties throughout the reporting period.	<b>Room for Improvement</b> – In FY24, AGL will operationalise updates to its procurement process to better track the number of modern slavery evaluations completed.
	The organisation assesses and audits select suppliers to measure compliance with applicable regulations	<ol style="list-style-type: none"> <li>Number of supplier audits completed over the period.</li> <li>AGL engages its third-party auditors to scope further audit opportunities over its high-risk suppliers.</li> </ol>	<b>Room for improvement</b> – During FY23, AGL commenced conducting social audits with four suppliers subject to audit. In FY24 AGL plans to expand its social audit program to other higher risk vendors.
<b>Grievance Response</b>	A trusted and accessible grievance mechanism is available to all stakeholder groups (employees, customers and suppliers) for the raising of modern slavery related concerns.	<ol style="list-style-type: none"> <li>AGL periodically reviews its grievance mechanism to assess its effectiveness.</li> <li>AGL's FY23 Listening Survey assessed whether employees feel safe to speak up if they have concerns.</li> </ol>	<p><b>Room for improvement</b> – In FY23, AGL updated its Whistleblower Protection Policy. AGL recognises that further work can be done to promote its grievance mechanism to its suppliers and their workers. In FY24, AGL will continue to promote its grievance mechanism and will take steps to promote the mechanism to its Tier 1 suppliers and their workers.</p> <p>Results from AGL's FY23 Listening Survey identified a 16 percent point uplift in employees feeling safe to speak up.</p>
	Remediation processes exist which include processes to investigate allegations of modern slavery and remediate instances of modern slavery.	AGL assesses the effectiveness of remediation processes against recognised standards and best practice, such as the criteria set out in the UNGP.	<b>Room for improvement</b> – In FY23, AGL engaged a third party to further enhance its remediation processes against recognised best practice. In FY24, AGL will operationalise the updates to its remediation processes. Further details can be found in section 2.4 of this Statement.
<b>Monitoring</b>	Formal reporting over the organisation's response to modern slavery is of a form and frequency that is appropriate for the organisation and accessible to intended audiences.	AGL obtains feedback from independent third-party consultants on its Statement every year to identify improvement opportunities with our reporting.	<b>Satisfactory</b> – AGL received and actioned feedback from external third parties on its FY23 Statement.

# 3. Consultation

This Statement is submitted as a joint statement and applies to all brands and legal entities which form part of the AGL Group. Whilst there are many distinct legal entities within the AGL Group, the AGL Group operates with a single overarching governance structure that is supported by uniform systems and processes that allow a consistent risk management approach to be adopted for the management of operational and supply chain risks (including modern slavery risks). This structure provides for and embeds ongoing consultation and engagement across the AGL Group which allows for extensive consultation as part of the development of this Statement.

Section 3.1 sets out the consultation process that occurs with those entities that have not been fully integrated into our overarching modern slavery governance structure.

## 3.1 Consultation with Energy360 and OVO



As this Statement has been developed as a joint statement, which includes a description of the modern slavery risk management approach taken by AGL's subsidiaries that operate independently or partially independently from AGL's Modern Slavery Framework and supporting processes, a consultation process was undertaken as part of the development of this Statement. In FY23, this included consultation with Energy360 and OVO.

To support the consultation process, AGL's Modern Slavery SMEs undertook a modern slavery risk identification and assessment workshop with both OVO and Energy360 to better understand and articulate the modern slavery risks present within their operations and supply chains and the activities taken to manage these risks. This risk identification and assessment process utilised a uniform set of risk indicators (see section 2.2 of this Statement) to identify the modern slavery risks present within OVO and Energy360's operations and supply chains. The outcomes of these workshops are detailed below.

### 3.1.1 Energy360

#### Identifying Energy360's Modern Slavery Risks

The outcome of the risk identification and assessment process engaged in with Energy360 is summarised below:

Modern Slavery Risks	Key Risk Indicators	Cause, Contribute or Directly Linked Analysis
<b>Engaging Contractors and Sub-contractors</b> In certain circumstances, Energy360 engages contractors and sub-contractors to support the installation and maintenance of its biogas systems for customers. These are often in regional areas and therefore require the use of subcontracting to deliver on these services. Instances involving contracting and sub-contracting in regional areas limit Energy360's direct oversight of working conditions and may result in workers being subject to improper working conditions.		<b>Directly Linked:</b> Hypothetical scenario: Energy360 may engage contractors or sub-contractors for the installation and maintenance of biogas systems in regional areas who may be subject to working conditions of forced labour.
<b>Sourcing of components</b> Energy360 is required to source specific components for their biogas systems, which include metal materials and minerals. The manufacturing and extraction of such materials have been associated with lower profit margins and tiered production systems and is widely considered as high-risk for modern slavery.		<b>Directly Linked:</b> Hypothetical scenario: Energy360 sources components for biogas systems which include materials manufactured or sourced from the use of forced and/or child labour.

#### Managing Energy360's Modern Slavery Risks

As an outcome of the risk identification and assessment workshop, the following processes are in place to manage Energy360's risk of modern slavery:

- AGL's Human Rights Policy, which applies to Energy 360 and affirms our commitment to respect the human rights of employees, customers and suppliers. Further detail on AGL's Human Rights Policy can be found in section 2.1.2 of this Statement.
- operationalised Quality, Safety and Environmental Management System (QSEMS) which outlines and defines the quality, health, safety and environmental practices, processes, policies and procedures that are to be followed by personnel and Energy360 management. Specifically, the QSEMS calls out the following commitments which relate to Energy360's modern slavery risk management:
  - a commitment to provide all employees, sub-contractors, clients and visitors with a workplace that is safe and without risk to health and safety. This commitment extends to ensuring operations and activities do not place the local community at risk of injury, illness or damage. To achieve this commitment the QSEMS confirms Energy360's preparedness to take steps to ensure compliance with legislative obligations and relevant standards, a requirement overseen and managed by senior management.
  - a commitment to responsible environmental management, sustainability and protection of the natural environment through work practices that are sensitive to the needs of the environment.
- contracts with Energy 360's contractors include clauses which require compliance with AGL's Supplier Code of Conduct and relevant laws and regulations, including specific clauses associated with compliance with relevant modern slavery laws and regulations.

## 3. Consultation (continued)

- adoption of AGL's Whistleblower Protection Policy, which enables personnel to raise concerns relating to human rights violations and modern slavery.
- Energy360 has sent AGL's Modern Slavery Questionnaire to those suppliers considered to have a high-risk exposure to modern slavery. This has led to Energy360 working with some suppliers that require an uplift to their modern slavery risk management practices.





During the FY24 period, AGL intends to continue working with Energy360 to manage their modern slavery risks, which will include:

- identifying suppliers at a higher risk of modern slavery and conducting due diligence over their modern slavery management practices, in alignment with AGL's due diligence processes detailed in section 2.3.2 of this Statement.
- conducting training with key procurement personnel to ensure that they understand the importance of effective modern slavery risk management at Energy360.
- Energy360 adopting AGL's Code of Conduct which will confirm Energy360's commitment to act in a way that preserves human rights which will include taking steps to prevent modern slavery in Energy360's operations and supply chains. Formal training on the Code of Conduct will be rolled out to Energy360 personnel.

### 3.1.2 OVO Energy

#### Identifying OVO's Modern Slavery Risks

The outcome of the risk identification and assessment process engaged in with OVO is summarised below:

Modern Slavery Risks	Key Risk Indicators	Cause, Contribute or Directly Linked Analysis
<b>Engaging Temporary Labour</b>	In certain circumstances, OVO will engage temporary labour. While temporary labour will likely be in the form of professional services, such as accounting and legal services, a hybrid working model and common use of offshore labour for administrative tasks may result in the use of improper labour practices. 	<b>Directly Linked:</b> Hypothetical scenario: OVO engages a third-party supplier to support business operations. The third-party then offshores tasks to providers who engage in poor or unethical labour practices.
<b>Sourcing Electronic Goods</b>	OVO is required to source electronic goods such as laptops and communication equipment. The electronics manufacturing industry is a high-risk industry for modern slavery due to the low profit margins and tiered production system typically associated with the industry. Manufacturing often takes place in less developed countries with minimal legal and regulatory protections, hence there may be less oversight over labour rights. In addition, modern slavery risks are present within the supply chains of these products, particularly in the sourcing of raw materials from high-risk geographies. 	<b>Directly Linked:</b> Hypothetical scenario: OVO sources electronic goods such as modems and laptops which include components or materials manufactured or sourced from high-risk countries and involve the use of forced and/or child labour.
<b>Cleaning Maintenance and Security</b>	Similar to the broader AGL Group, these categories of work have been assessed as high risk for modern slavery due to the potential engagement of vulnerable workers, poor labour practices and/or OVO management not having sufficient visibility over contracting arrangements. 	<b>Directly Linked:</b> Hypothetical scenario: OVO is located in a coworking space where third parties are engaged for the provision of cleaning services. The third parties may be migrant workers on temporary visas who may be subject to recruitment fees, debt bondage and conditions associated with forced labour.
<b>Renewable Certificates</b>	The renewable energy industry has been assessed as high risk for modern slavery, specifically due to the risk of forced labour and / or debt bondage. These risks arise due to risks present throughout the supply chain, from the sourcing of raw materials through to the manufacturing of products. 	<b>Directly Linked:</b> Hypothetical scenario: OVO purchases renewable certificates to meet its renewable energy obligations. These renewable certificates have been generated by renewable energy sources associated with the use of forced labour.

## 3. Consultation (continued)

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### Managing OVO's Modern Slavery Risks

As previously reported in AGL's FY22 Statement, OVO has various mechanisms in place to support its commitment to managing its modern slavery risks. These include:

- Adopting AGL's Human Rights Policy, which applies to OVO and affirms our commitment to respect human rights of employees, customers and suppliers. Further detail on AGL's Human Rights Policy can be found in section 2.1.2 of this Statement.
- clear accountability of the OVO Board to oversee the management of its policies and standards, including policies associated with modern slavery management.
- adopting AGL's Code of Conduct which confirms OVO's commitment to act in a way that preserves human rights which includes taking steps to prevent modern slavery in OVO's operations and supply chains. Formal training on the Code of Conduct is completed annually by all OVO personnel. All new OVO personnel are required to undertake training on AGL's Code of Conduct.
- AGL's Whistleblower Protection Policy, which enables personnel to raise concerns relating to human rights violations and modern slavery.
- continuing to operationalise its Third-Party Management Policy, which outlines due diligence processes to be undertaken before entering into a contract with a third-party vendor. This policy also requires that third parties notify OVO of any compliance breaches identified, including those relating to human rights law. Furthermore, when engaging third parties, due diligence is undertaken by OVO's Head of Legal to ensure that OVO is not engaging in any conduct which is not in alignment with applicable laws and its internal policies. This includes compliance with human rights laws.

For FY24, OVO has confirmed that it remains committed to:

- continuously evaluating the company's own activities against the activities of AGL and industry best practice;
- collaborating with AGL to investigate complaints or grievances received through the adopted whistleblower mechanism or other channels; and,
- periodically reviewing relevant governance documents, processes, and procedures.

## 4. Looking Forward

Since the commencement of the requirements of the Act, AGL has designed and implemented a number of processes and controls that are helping to identify, assess and mitigate the risk of modern slavery within our operations and supply chains. These processes have also been supported by a broad suite of education, awareness and engagement activities with a range of internal and external stakeholders.

With a strong foundation set, our focus moving forward is beginning to shift to exploring ways in which we can gain a greater understanding of our total end-to-end supply chain.

While we currently have a good understanding of our direct supplier activities and the associated inherent risks of modern slavery, more work can and will be done to understand those risks arising through our indirect supply chain (for example, the suppliers of our suppliers).

In addition, having commenced independent social audits on some of our higher risk suppliers, this process, and the mechanisms to support audited suppliers to improve their practices are also a focus for our business into the future.

In the table below, we have outlined key initiatives included within our FY24 Continuous Improvement Roadmap.

Focus Area	Details
<b>Operationalising updates to AGL's supplier risk management processes</b>	<ol style="list-style-type: none"> <li>1. Implement and operationalise enhancements to AGL's modern slavery risk assessment process, including updates to the Sourcing Risk Checklist and the Modern Slavery Questionnaire.</li> <li>2. Further operationalise AGL's Modern Slavery Deep Dive and Social Audit Guidelines which detail our approach to conducting deep-dives and social audits over our suppliers.</li> <li>3. Operationalise AGL's Modern Slavery Investigation and Remediation Principles, which provide further guidance on how to investigate and remediate instances or allegations of modern slavery.</li> </ol>
<b>Further our understanding of our supply chain</b>	<ol style="list-style-type: none"> <li>1. Undertake further initiatives to continue to better understand the modern slavery risks associated with our solar supply chain, which will include further investigation into those supplier risks that sit outside our Tier 1 suppliers (e.g., due diligence over Tier 2 suppliers).</li> <li>2. Gaining a greater understanding of our supplier's supply chains, in order to understand the risks of modern slavery in more detail.</li> <li>3. Continued roll out of social audits across our higher risk suppliers.</li> </ol>
<b>Continued awareness building and capability uplift</b>	<ol style="list-style-type: none"> <li>1. Continue to develop capability across AGL through further training and capability building initiatives ensuring that relevant personnel are equipped to manage the risk of modern slavery and are able to identify red flags which may indicate or lead to instances of modern slavery.</li> <li>2. Enhance the training and capability building performed through formal evaluation and feedback.</li> <li>3. Extend the development and delivery of training and awareness to the workers and key stakeholders of our key suppliers.</li> </ol>



# Appendix A and B

## Appendix A

The following AGL subsidiaries are reporting entities in their own right, having met the reporting threshold under the Act in FY23.

- AGL Sales Pty Limited
- AGL Electricity (VIC) Pty Ltd
- Victorian Energy Pty Limited
- AGL South Australia Pty Limited
- AGL Loy Yang Pty Ltd
- AGL Loy Yang Partnership
- AGL Hydro Partnership
- AGL Macquarie Pty Limited
- AGL Retail Energy Limited
- AGL Wholesale Gas Limited
- AGL Generation Holdco Pty Ltd
- Perth Energy Holdings Pty Ltd
- Perth Energy Pty Ltd
- SEGH Pty Ltd
- Southern Phone Company Limited
- Sustainable Business Energy Solutions Pty Ltd

A full list of AGL subsidiaries is available in our FY23 Annual Report. This report is available on our website.

## Appendix B

The following table outlines the sections of this Statement that specifically address our actions taken to address the mandatory content required by the Act.

Mandatory reporting criteria	Section(s) in this Statement	Page Reference
S16(1)(a) Identify the reporting entity	About this Statement	2
	Appendix A and B	41
S16(1)(b) Describe the reporting entity's structure, operations and supply chains	Section 1	4
S16(1)(c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Section 2.2	14
S16(1)(d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	Section 2	9
	Section 2.3	20
	Appendix C	42
S16(1)(e) Describe how the reporting entity assesses the effectiveness of these actions	Section 2.5	34
S16(1)(f) Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Section 1.1	4
	Section 3	37
S16(1)(g) Include any other information that the reporting entity, or the entity giving the statement, considers relevant	Section 2.1	10
	Section 2.4	32
	Section 2.5	34
	Section 4	40

# Appendix C

The below information steps through how AGL would respond in a scenario where a grievance is raised relating to a potential instance of modern slavery.

## Scenario

An employee from an AGL solar supplier raises a grievance through AGL's **Whistleblower Hotline**. The grievance relates to the person being subject to extreme work hours and indicates that they have been working on an AGL work order (which is why they have raised their grievance via AGL's Whistleblower Hotline).

### 1. Raising a Grievance and Initial Assessment

The following steps will be taken to manage the grievance, noting that the grievance will be managed in accordance with the requirements set out in AGL's Whistleblower Protection Policy to ensure the discloser is afforded the relevant protections outlined in the policy:

1. *Initial Assessment* – AGL will conduct an initial assessment of the grievance to determine the immediate steps required to be taken to manage the grievance, including considering any potential risk of harm to the discloser and other individuals who work for the supplier (or that relate to the grievance). AGL will also consider whether we have sufficient information to appropriately assess the grievance.
2. *Contact the discloser* – AGL will contact the discloser in order to obtain further details about the grievance and to explain that their report will be treated sensitively and seriously and will be dealt with fairly and objectively.
3. *Appoint and Plan Investigation* – AGL will appoint an investigator who will be responsible for conducting the investigation into the allegation. The appointed investigator will be a delegate of AGL's Whistleblower Investigation Officer (WIO) and the WIO will oversee the investigation. The investigation will be managed in accordance with the requirements set out in AGL's Investigations Framework and AGL's Whistleblower Protection Policy.

### 2. Investigation

**AGL's Investigations Framework** and **Whistleblower Protection Policy** prescribe key requirements that must be followed when investigating potential misconduct. To assist with investigations that relate to credible allegations of modern slavery, during the reporting period AGL developed our **Modern Slavery Investigation and Remediation Principles**. In addition to providing guidance on how to investigate and remediate modern slavery allegations, the principles consider whether to end a supplier relationship due to modern slavery concerns. For the purposes of investigating modern slavery allegations, the key considerations include but are not limited to the following:

1. *Assess AGL's degree of involvement* – AGL aligns to the UNGPs guidance on remediating human rights violations and will determine through the investigation whether it has caused, contributed or is directly linked to the potential misconduct. In this instance, AGL will need to investigate whether its actions have contributed to a human rights violation, or whether AGL is directly linked through its supply agreement with the supplier.
2. *Embedding a Victims First Approach throughout the investigation* – throughout the investigation, AGL will apply a victims first approach as recommended within the UNGPs. This will include where appropriate:
  - a. Providing continuous and open communication with the discloser and/or victims during the investigation such that they remain fully informed throughout the investigation process.
  - b. Ensuring details of the discloser and victims remain confidential to protect them from further harm.
  - c. Communicate in a way which upholds AGL as a reliable and trusted entity that will support victims of human rights violations or modern slavery.

## Appendix C (continued)

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3. *Gather evidence* to determine if the victim has been subjected to human rights violations. In this instance, this could include:
  - a. Engaging in desktop research over the supplier, including whether the supplier has any policy positions that regulate maximum working hours or if media articles report similar allegations about the supplier's excessive working hours.
  - b. Obtaining physical evidence such as timesheets of workers to determine whether excessive hours have been worked.
  - c. Engaging with the supplier to further assess the supplier's modern slavery risk management practices, which could include identifying any 'red flags' which could indicate that staff may be subject to excessive working hours.
  - d. Engaging independent third parties to audit the supplier's working conditions.

Following the investigation, AGL will assess if adequate evidence exists to determine if modern slavery or human rights violations have occurred.

### 3. Remediation

The **Modern Slavery and Remediation Principles** provide specific guidance when remediating modern slavery or human rights violations. In this hypothetical scenario, assuming that the human rights violation is confirmed and directly linked to AGL, the following action will be taken:

1. Where necessary, *reporting the incident* to the Australian Federal Police – where AGL has concluded that modern slavery has occurred, AGL will inform the Australian Federal Police.
2. Determine the *appropriate course of remediation depending on involvement in the potential misconduct*. Expected remediation is detailed in section 2.4 of this Statement. In this instance, assuming AGL is directly linked to the human rights violation, AGL will:
  - a. Use its leverage where possible to prevent and mitigate the impact.
  - b. Demonstrate ongoing efforts to mitigate the impact, such as implementing and monitoring a documented and agreed remediation action plan with the supplier and victims.
  - c. Support the supplier with further acts of remediation.
3. Take a *Victims First Approach* – in determining remediation steps, AGL will align to the victims first approach detailed in the UNGPs. This will include where appropriate:
  - a. A remediation plan that involves engagement with victims where possible, including their legal representatives.
  - b. Responding to the specific needs of victims, such as contributing where possible to safe accommodation, healthcare, and legal/financial assistance.
  - c. Preventing the harm from re-occurring, such as ensuring the supplier changes processes moving forward.
4. Develop and monitor a *remediation action plan*, for both victims and involved parties. In this instance, remediation actions could include:
  - a. Putting in place processes to ensure that workers are not required to participate in excessive work hours.
  - b. Requesting the supplier take additional steps to embed and operationalise its human rights policy to ensure human rights violations in its enterprise are prohibited.
5. As a last resort, consider *exiting the supplier relationship*. Terminating the supplier contract should be considered a last resort, and only after AGL has considered all possible alternatives to prevent the re-occurrence of modern slavery practices. In such circumstances, AGL would have first exhausted our options for building and using our leverage to change the supplier's practices.



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