



# SGSPAA GROUP

## 2021 MODERN SLAVERY STATEMENT



# ABOUT THIS STATEMENT

This statement has been prepared in accordance with the Modern Slavery Act 2018 (Cth) ('the Act') by the reporting entity SGSP (Australia) Assets Pty Ltd ("SGSPAA", "the Company") (ABN: 60 126 327 62) and its 38 subsidiaries (collectively "our Group") for the year ended 31 December 2020. The Company's registered office is Level 16, 567 Collins Street Melbourne, Victoria.

SGSPAA makes this single joint statement on behalf of all reporting entities in the Group and all other owned and controlled entities. All subsidiaries are incorporated in Australia and 100% of their share capital and units issued are owned by the Group, a list of which can be found in SGSPAA's Financial Report for the year ended 31 December 2020.

Our Group holds a 50% interest in the ActewAGL Distribution Partnership, primarily operating as "Evoenergy", and a 34% interest in United Energy Distribution Holdings Pty Ltd. These entities are not subsidiaries of SGSPAA and therefore are not covered by this statement.

This statement was approved by the board of SGSPAA on 9 June 2021.

For more information about this report contact [Corporate\\_Affairs@jemena.com.au](mailto:Corporate_Affairs@jemena.com.au).

For more information about our Group visit [www.jemena.com.au](http://www.jemena.com.au).

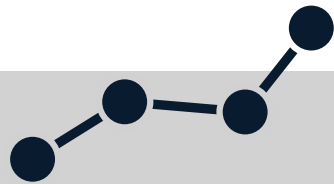
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<sup>1</sup> Information obtained from the 2019 Annual Report

# BRINGING ENERGY TO LIFE

We're working to secure Australia's energy future by developing innovative solutions to the energy trilemma of reliability, affordability, and sustainability.



## Part of the Australian energy landscape

We operate some of the country's most important energy assets and have a detailed understanding of the Australian energy market and policy environment.

## Investing for the long-term

With strong governance, capital discipline, and an unwavering focus on our customers, we are helping to drive Australia's energy transition over the long-term.

## Investing in local communities

We partner with local businesses – many in regional Australia – to create jobs and opportunities to help secure Australia's energy future, while bringing significant economic and social benefits to the areas where we operate.

## Transitioning to a low-carbon future

We're advancing efforts to transition to a low-carbon future, while continuing to deliver reliable and affordable energy to Australians.

## Tackling modern slavery

We're advancing efforts to tackle modern slavery risk exposure across our supply chain and operations while providing broad leadership across the energy sector.

# MODERN SLAVERY

Modern slavery is an umbrella term for situations in which a person is forcibly or subtly controlled by an individual or a group for the purpose of exploitation. Examples include forced labour, illegal forms of child labour, human trafficking, debt bondage, deceptive recruiting for labour, and exploitation of minimum wage requirements<sup>1</sup>.

This statement has been prepared in accordance with the *Modern Slavery Act 2018* (Cth) ('the Act') and describes the risks of modern slavery in our operations and supply chains, the actions we have taken to identify and address those risks, and our ongoing key areas of focus.



<sup>1</sup>Source: Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities: <https://www.homeaffairs.gov.au/criminal-justice/files/modern-slavery-reporting-entities.pdf>

# MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

**Today's working world is connected more than ever, and while the strength of our partnerships and working relationships has underpinned our success, we cannot ignore the potential for modern slavery to be connected to our operations.**

Welcome to our **2020 Modern Slavery Statement**, an important step towards identifying and mitigating modern slavery risk across our supply chains.

As a leading energy Group with operations across the country, we know that through our suppliers we are connected to the global market and as a result may unknowingly be exposed to the risk of modern slavery. We also know that to address modern slavery risks effectively we must go beyond what is required of us legally, and take action that provides leadership across not just our Group but across the entire energy sector.

With this in mind, we are committed to tackling modern slavery risk and through our Sustainability Report have publicly shared our commitment to the United Nations Sustainable Development Goals – particularly goal eight which focuses on decent work and economic opportunities for all.

These commitments are reinforced by our actions, and we are pleased that in 2020 we established a Modern Slavery Working Group ('Working Group') to guide our response to modern slavery risks. Last year, under the stewardship of the Working Group, we completed an initial assessment of modern

slavery risk across our supply chains, and in 2021 we plan to work with our key suppliers to complete a more detailed analysis of modern slavery risks and potential mitigations as they apply to their organisations. We have also updated our key standard supplier contract templates to include terms requiring our suppliers to take steps to identify and address modern slavery risks.

Our work in 2020 builds on the foundation we lay in previous years, and we are pleased that the Energy Procurement Supply Association's (ESPA) report: Respecting Human Rights in our Supply Chain has received broad endorsement across the energy sector. Our people played a leading role in developing this report which offers a practical guide to understanding the commercial and moral challenges associated with addressing modern slavery risks. It is our hope that as our sector progresses work in this area that the report will continue to be referenced as businesses seek to detect, manage, and report human rights abuses in the future.

While we are proud of the milestones we have accomplished to date, we also know that additional work is needed over the short and medium term to continually improve our modern slavery due diligence practices, and we look forward to working with our supply chain partners, industry peers, and the communities in which we operate to continue this important work.



**Jiang Longhua**  
Chairman

A handwritten signature in black ink, appearing to read 'Jiang Longhua'.



**Frank Tudor**  
Group Managing Director

A handwritten signature in black ink, appearing to read 'Frank Tudor'.

# ABOUT US

## OUR BUSINESS

As a leading energy infrastructure, maintenance, and services group, our brands consist of energy infrastructure company Jemena, asset service delivery company Zinfra, and business energy solutions provider Ovida.

## WE'RE OWNED BY



## OUR BRANDS CONSIST OF



With additional interests in ActewAGL (EvoEnergy), United Energy and other minority investments.

## SCALE OF OUR ORGANISATION

In 2020, we owned

**\$11.6B**  
in assets

Our revenue was

**\$1.7B**

And we had a total capitalisation of

**\$10B**  
\$6.5B debt and \$3.5B equity

We employ more than

**2,600**  
employees and contractors

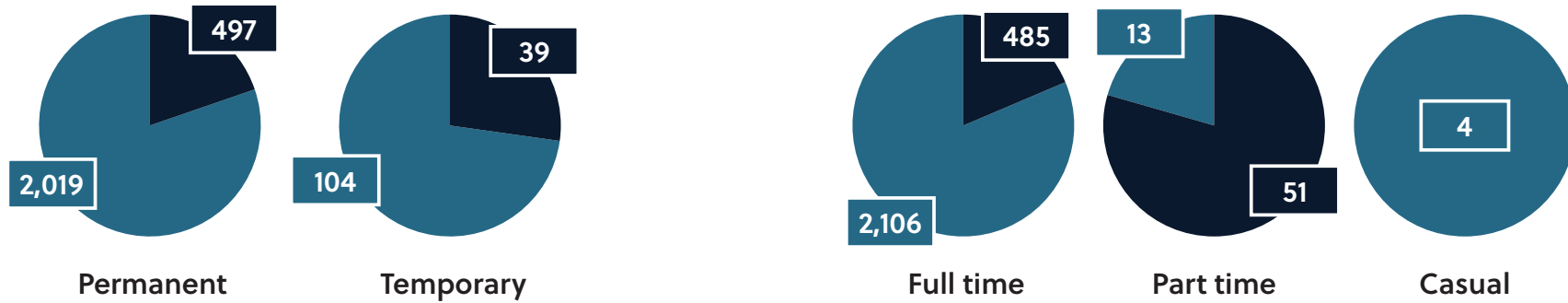
Who work in over

**47**  
locations across Australia

## EMPLOYEE AND CONTRACTOR WORKFORCE BREAKDOWN

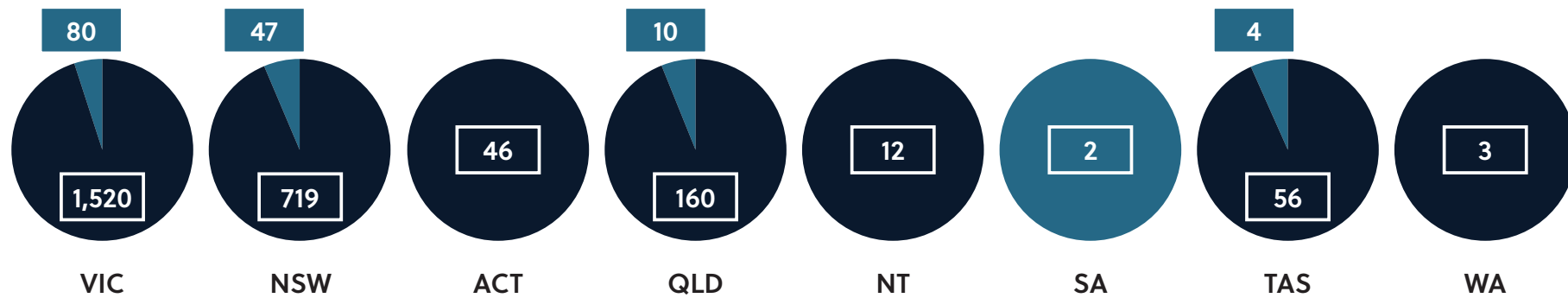
FEMALE

MALE



PERMANENT

TEMPORARY



# ABOUT US

## OUR OPERATIONS AND LOCATIONS

Our Group delivers energy to over 1.8 million customers across Victoria and New South Wales and owns and operates some of the country's most important gas pipeline assets including the Eastern Gas Pipeline, the Northern Gas Pipeline, and the Queensland Gas Pipeline. Through Zinfra we provide a suite of engineering and design services and support to customers across the energy and utility sector, and through Ovida we provide businesses and large energy users with solar and battery storage solutions. The map to the right provides an overview of our locations and operations as at December 2020.

### Gas/Electricity

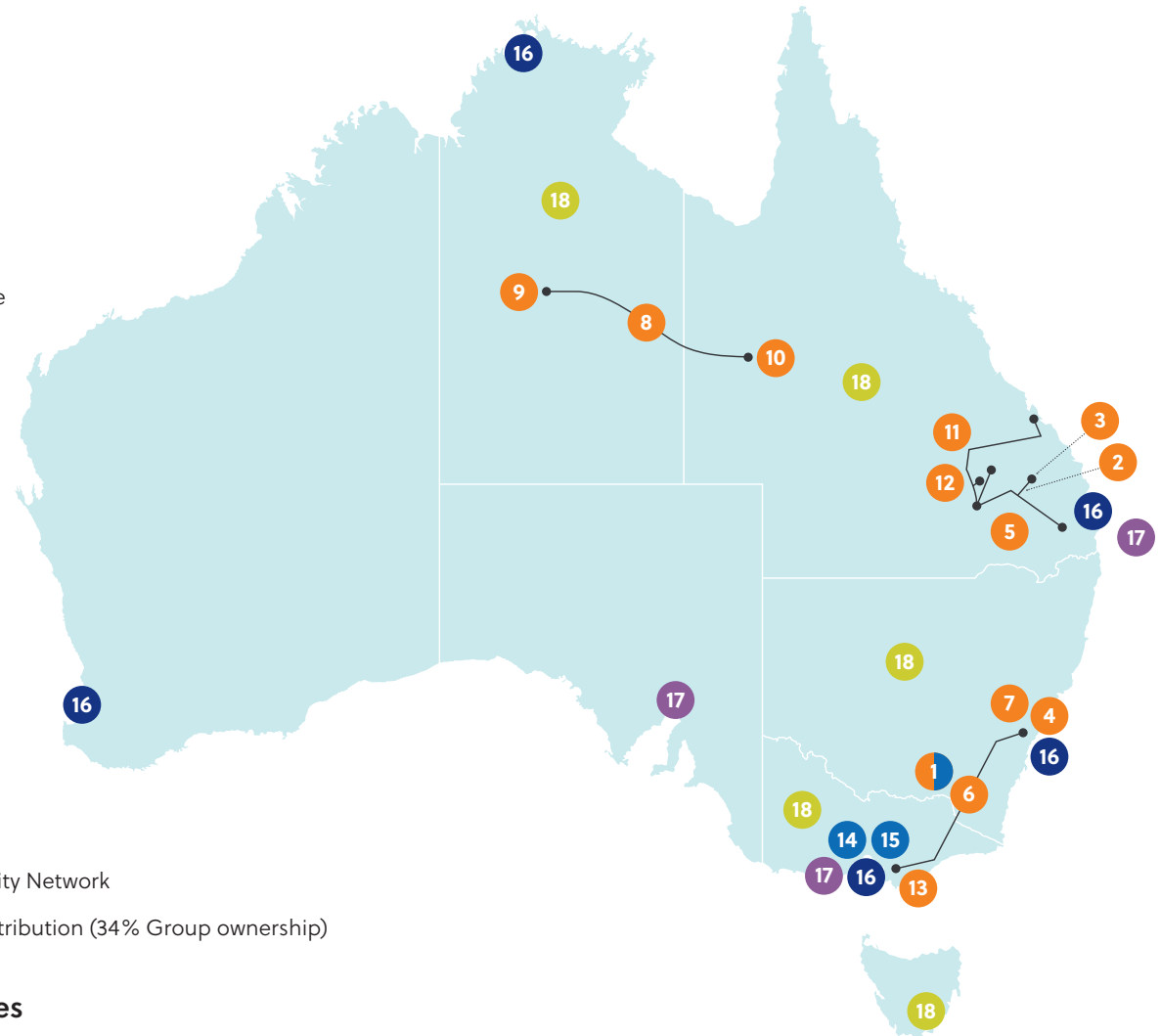
- 1** ActewAGL Distribution Partnership (50%)

### Gas

- 2** Atlas Gas Pipeline
- 3** Atlas Gas Processing Facility
- 4** Colongra Gas Transmission and Storage Pipeline
- 5** Darling Downs Pipelines
- 6** Eastern Gas Pipeline
- 7** Jemena Gas Network
- 8** Northern Gas Pipeline
- 9** Phillip Creek Compressor Station
- 10** Mount Isa Compressor Station
- 11** Queensland Gas Pipeline
- 12** Roma North Gas Processing Facility
- 13** VicHub

### Electricity

- 14** Regulated Electricity Network
- 15** United Energy Distribution (34% Group ownership)
- 16** Jemena Offices
- 17** Ovida
- 18** Zinfra



Above: overview of our Group's assets and locations



## OUR SUPPLY CHAINS

In 2020 we spent over \$1.28 billion with more than 4,200 active direct suppliers. These figures reflect the importance of our suppliers to our overall business success. Throughout 2020 our suppliers provided us with a range of materials, products, and services as detailed in *Table 1: Top Spend Categories 2020* to the right.

*In 2020, 98% of our active direct suppliers were located in Australia*

**TABLE 1: TOP SPEND CATEGORIES 2020**

SUPPLY CHAIN CATEGORY	SPEND CATEGORY	DESCRIPTION
Asset maintenance services	Traffic management services	Traffic management services provided during the maintenance and repair of infrastructure.
	Field services	On-call standby and routine maintenance services, management of minor construction activities and emergency response services to metropolitan and country areas.
	Metering services	Meter-reading services for metered networks.
	Easement (vegetation) maintenance	Vegetation and easement-related services to networks.
Asset-related services	Aerial photography	Aerial surveillance services to networks and pipelines.
	Gas pipeline services	Miscellaneous services to gas assets including liquid coating, erosion repair, permit issuer, secondary standby and site surveying.
Digital	IT services	Professional services and support, cloud services, and data services.
Corporate Services	Cleaning services	Commercial cleaning of all facilities.
	Safety equipment and workwear	PPE clothing, wet weather gear and boots, facial protection, alcohol and drug testing.
	Human Resources, contractors and temporary field labour	Recruitment, learning and development.
	Security services and equipment	Static and manned security.
	Logistics	Warehousing and transport.
Professional services	Engineering and design services	Asset-related engineering and design services.
Equipment and materials	Meters and parts supply	Electricity and gas meters, modems, software.
	Line hardware	Clamps, lugs, links, brackets, insulators and crossarms.
	Cables	Power cables, fiber optic cables, conductors, cable covers and electrical cables.
	Switchgear	Switchgear and circuit breakers.
	Transformers and substations	Distribution transformers, power transformers and kiosk substations for electricity networks.
	Poles	Timber, concrete, steel and transmission towers.
	Rotating equipment	Compressors and pumps.
	Valves	Valves and actuators.
	Pipes, fittings and hoses	Gaskets and seals, pipe, tube and fittings.

# RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAINS

Our Group is committed to addressing modern slavery and we continue to make significant progress in our understanding of modern slavery risk as it relates to our supply chains and our organisation. In 2020, we reviewed our business operations and found:

1. the risk of modern slavery within our internal operations is considered low given the highly regulated nature of our business, our robust labour practice controls, and our operations being solely in Australia (which at a country level has a low inherent risk of modern slavery), and
2. the greatest area for modern slavery risk relates to our suppliers and broader supply chains.

Table 2.0 on the next page: *Key Supply Chain Risk Categories*, outlines the categories of goods and services, typically procured by the energy industry, which pose the highest risk to human rights. Factors that contributed to the higher human rights risks in these supply categories include the:

- increased risk of modern slavery in certain industries or countries,
- visibility and oversight of supplier labour practices,
- supplier capability and transparency, and
- likelihood of unskilled, temporary, and child labour.





**TABLE 2.0: KEY SUPPLY CHAIN RISK CATEGORIES<sup>2</sup>**

SUPPLY CHAIN CATEGORY	TYPE	DESCRIPTION OF KEY RISK AREAS
Corporate	Cleaning Services	Low visibility over labour practices given service happens after hours. Low visibility over contractors' practices (wages, working hours) can exacerbate threat.
	Safety Equipment & Workwear	Potential lack of labour practices and transparency of manufacturing processes.
	Human Resources, Contractors & Temp Field Labour	Temporary nature and skill levels present risks.
	Security Services & Equipment	Patrolling and guards are usually outsourced - temporary nature of work and low-skilled nature of work means higher risk.
	Logistics	Risks associated with international logistics and labour practices.
IT	IT Services	Potential for limited visibility of offshore labour practices.
Asset maintenance services	Traffic Management	Temporary nature and skill levels present risks.
Equipment and materials	Meters, Parts Supply	Raw materials extraction and labour practices visibility.
	Line Hardware	
	Cables	
	Switchgear	

<sup>2</sup> Adapted from Energy Procurement Supply Association, Respecting Human Rights in our Supply Chains, 2019: [https://epsaonline.net/media/uploads/white\\_papers/EP\\_SA\\_Respecting\\_Human\\_Rights\\_in\\_our\\_Supply\\_Chain.pdf](https://epsaonline.net/media/uploads/white_papers/EP_SA_Respecting_Human_Rights_in_our_Supply_Chain.pdf)

# ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

## WORKING WITH THE ENERGY PROCUREMENT SUPPLY ASSOCIATION (EPSA) TO ADDRESS MODERN SLAVERY RISKS

While we continue to address modern slavery risks in our own supply chains, we recognise our peers across the energy industry will likely face many of the same challenges we do. In response, we've partnered with the Energy Procurement Supply Association (EPSA) which is leading efforts across the energy sector to address modern slavery risks.

Our work with EPSA has included:

- undertaking desktop research and workshops to assess and identify the supply chain categories applicable to our industry;
- assessing the likelihood and consequences of modern slavery risks in these categories; and
- the release of a white paper: *Respecting Human Rights in Our Supply Chains* in October 2019.

In addition, we have delivered a pilot program which aims to develop and implement a standardised supplier Self-Assessment Questionnaire to pre-screen suppliers for modern slavery risks. The pilot program is designed to standardise and streamline supplier engagement across our supply chains, resulting in reduced time and effort for all parties especially our suppliers. The pilot program will be completed in 2021, and will inform the potential expansion of the program across our entire supplier base.

To deliver on its mandate, the Working Group is delivering work over seven key phases as detailed below.

### 1 DEVELOP

- Established the Working Group
- Collaborated with our industry peers through the EPSA to heatmap the modern slavery risks in our industry's supply chains

### 2 SUPPORT

- Contributed to the EPSA's white paper on modern slavery, 'Respecting human rights in our supply chain' to assist energy industry supply chain professionals to implement human rights compliance programs

### 3 COMMIT

- Disclosed our position on tackling modern slavery on the Jemena, Ovida and Zinfra websites

### 4 ENGAGE

- In collaboration with the EPSA, developed and distributed a joint supplier assessment questionnaire (SAQ) to selected suppliers to collect information on their modern slavery risks and mitigation practices

Continues over 

## OUR MODERN SLAVERY WORKING GROUP

Composed of representatives from our Procurement, Legal, Human Resources, Corporate Affairs, and other business units, our Group's Modern Slavery Working Group (Working Group) leads our response to modern slavery risks. The Working Group has received support and endorsement from our Managing Director and Executive Leadership Team.

## OUR MODERN SLAVERY WORKING GROUP MANDATE:

*To develop clear, efficient, and robust ways to identify and address modern slavery risks across our operations and supply chains.*

### 5 AGREE

- Incorporated conditions relating to the management of modern slavery risks into the Group goods and services agreement template, and the Jemena and Zinfra purchase order terms and conditions

### 6 BUILD

- Commenced a Group policy review and realignment process
- Commenced planning of a Group-wide modern slavery awareness raising and training project

### 7 DISCLOSE

- Issued our inaugural modern slavery statement, as required by the *Modern Slavery Act*

# OUR GOVERNANCE AND POLICY FRAMEWORK

Our efforts to tackle modern slavery risks within our operations and supply chains are supported by a robust governance and policy framework which outlines how we manage our people and the actions and behaviour expected of them when dealing with and appointing suppliers. The framework reflects our values of team work, accountability, excellence, customer focus, and safety.

## CODE OF CONDUCT

Our Group Code of Conduct explains the standard of behaviour expected to be upheld at all times and is in keeping with our values and relevant laws and regulations. The Code applies to employees across our Group as well as our suppliers and commits us both to caring for the people in our operations and across our supply chains. Our people receive regular, mandatory, training on our Code of Conduct annually.

## WHISTLEBLOWER POLICY

Our Group is committed to a culture of corporate compliance, good corporate governance, and ethical behaviour. Our Whistleblower Policy protects people who wish to raise concerns about actual, suspected, or anticipated unlawful or unethical behaviour relating to the Group.

A copy of our Group's Whistleblower Policy is available on request.

## PROCUREMENT AND CONTRACTING POLICY

Our Procurement Policy commits us to taking a fair and commercially sound approach to our dealings with suppliers. In 2021, we will review our Procurement Policy to also include our new Contracting Policy as a single policy to expressly address our commitment to mitigating modern slavery risks across our supply chains.



## REMUNERATION

Our Group reward standard aims to maintain fair and equitable rates for all employees based on their performance and in comparison with competitive rates in the market. We aim to encourage, recognise and reward strong performance, and provide a remuneration framework that is scalable, flexible and consistent. Remuneration is reviewed for all roles at least annually.

## SUPPLIER PAYMENT CODE

As a signatory to the Business Council of Australia's Supplier Payment Code, we are committed to paying small business suppliers promptly, enhancing their cash liquidity and ability to operate, pay staff, and invest in their business.

In accordance with the Payment Times Reporting Scheme recently introduced by the Australian government, the Group is putting in place systems and processes to effectively identify small businesses within the supply chain and to report on our payment performance.

# ASSESSMENT OF EFFECTIVENESS OF ACTIONS

There are four main ways in which our Group is currently assessing the effectiveness of our actions to address modern slavery risks.

ACTION	DESCRIPTION
<b>Modern Slavery Working Group</b>	Regular meetings of our Modern Slavery Working Group to monitor progress against our goals.
<b>Collaboration with industry peers</b>	Collaboration with our industry peers to assess the effectiveness of our actions through discussion, knowledge sharing, and comparison with other practices within the energy industry.
<b>External assessment</b>	Ahead of the publication of this statement our Group engaged a specialist consultant to analyse our existing modern slavery approach and to co-develop an action plan to evolve our approach.
<b>Internal reporting</b>	Reporting of our progress to our Group's leadership team.

While most of our efforts in the reporting period have been focused on the identification and management of modern slavery risks, as we move into the next reporting period, we will explore ways to improve our ability to assess the effectiveness of our actions.

## LOCAL CONTRACTS ON MAJOR PROJECTS

*Local Content Plans are an ongoing feature of our major projects and commit us and our contract partners to identifying work packages which can be filled by local suppliers or completed by local employees.*

*Throughout the development of our \$800 million Northern Gas Pipeline (NGP) project we used Local Content Plans to ensure local businesses were given opportunities to contribute to this nation-building project. As a result over 300 contracts worth more than \$50 million were awarded to local businesses throughout the development and construction of the NGP.*

*In addition, we established civil works contracts which ensured our major construction contractors engaged with local Indigenous People throughout the development of the NGP. As a result we delivered over 250 jobs for Indigenous People and provided contracts worth over \$18 million to Indigenous businesses and organisations across the Northern Territory and Queensland.*

# OTHER INFORMATION

## CONSULTATION ACROSS OUR GROUP

Members of senior leadership across our Group have been engaged and consulted in the development of our modern slavery approach.

To ensure our people are familiar with our approach to addressing modern slavery risks we have:

1. Established an internal consultation framework to provide relevant stakeholders with information about our modern slavery related obligations and mitigation approaches.
2. Committed to reviewing our internal procedures to reduce the risk of modern slavery in our operations, and to ensure that a consistent approach is applied across our Group.
3. Commenced delivering training to staff from across our Group to raise awareness of this important issue and to enable staff to identify and report modern slavery risks.

## THE IMPACT OF COVID-19

2020 saw a shift in the day-to-day operation of our business as we balanced the need to keep our people safe while maintaining the same level of service to our customers. Despite this shift, we worked to ensure that COVID-19 did not significantly impact on our planned modern slavery activities for the period of this statement. Since the beginning of the pandemic, we have released our public commitment in relation to modern slavery, engaged with our highest-profile suppliers on their modern slavery risks, updated our terms and conditions, and released this statement. Despite these successes, some delays were experienced in relation to the deployment of a modern slavery training module, which will 'go live' in 2021.

The pandemic did however provide an opportunity for us to reassess our practices in terms of managing risks in our operations, our supply chains, and our communities. Within our own business, it was important that we continued to provide the same level of service and care which we had provided to our customers prior to the onset of the pandemic. In order to do so, our employees and contractors were provided personal protective equipment (PPE) to reduce their risk of contracting the COVID-19 virus. This work necessitated an expansion of our supply chains in order to procure the required PPE quickly, and we were cognisant to ensure modern slavery risk factors (such as risks associated with certain countries and industries) were considered in our procurement decisions.











# NEXT STEPS

While we are pleased with the progress we have made thus far, we know we have more work to do to reduce the risk of modern slavery across our supply chains and operations. As we move into 2021 we will continue to identify opportunities to improve our practices and will strive to raise awareness of modern slavery risks within our organisation and across our industry. Over the next year and beyond we intend to focus on:

This is underpinned by the following six key phases and actions.

Continue to collaborate with our industry peers	Enhance the EPSA pilot program and share knowledge with other EPSA members to inform future stages of our work	Develop the maturity of our due diligence processes
Complete the EPSA pilot program and share knowledge with other EPSA members to inform future stages of our work	Perform a more detailed analysis of the Group's operations and supply chain to provide a more thorough understanding of the risks of modern slavery for our business	Design and implement due diligence procedures for existing and new suppliers to allow us to take appropriate action to address modern slavery risks where required

 <p>Commit</p>	 <p>Assess</p>	 <p>Adapt</p>	 <p>Address</p>	 <p>Track</p>	 <p>Communicate</p>
<ul style="list-style-type: none"> <li>• Build out accountability</li> <li>• Expand commitment in procurement policies</li> <li>• Align to international standards</li> <li>• Establish performance targets</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake further assessment of risks in our operations and supply chains</li> </ul>	<ul style="list-style-type: none"> <li>• Develop and adapt supplier remediation procedures</li> <li>• Regularly track, assess and adapt our systems and process to address evolving industry challenges</li> </ul>	<ul style="list-style-type: none"> <li>• Expand grievance mechanism to suppliers</li> <li>• Work with at-risk suppliers and industry peers to minimise the risk of modern slavery in their supply chain</li> </ul>	<ul style="list-style-type: none"> <li>• Develop systems and processes to track and assess our performance against our commitments</li> <li>• Design and embed additional supplier due diligence practices into our systems</li> </ul>	<ul style="list-style-type: none"> <li>• Establish regular internal and external reporting</li> <li>• Drive industry initiatives to address risk factors</li> <li>• Staff training</li> </ul>

