

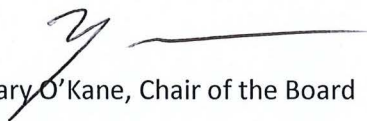
Modern Slavery Statement 2019-2020

Welcome

Aurora Energy is pleased to present its first modern slavery statement under the *Modern Slavery Act 2018*, covering the period from 1 July 2019 to 30 June 2020.

Aurora Energy's response to modern slavery demonstrates a commitment to operating ethically and transparently. With 2019-20 being the first reporting period under the Act, Aurora Energy has taken steps to reduce potential modern slavery risks in its operations and supply chain. Aurora Energy has a strong policy framework to support its approach, key personnel have received training and Aurora Energy monitors key suppliers to ensure the risks of modern slavery in its supply chain are as low as possible.

On behalf of the Board of Directors, I am proud to submit Aurora Energy's 2019-2020 statement, which was approved by the Board on 25 March 2021.

A handwritten signature in black ink, appearing to be "Mary O'Kane", followed by a horizontal line.

Mary O'Kane, Chair of the Board

Who we are

Aurora Energy is Tasmania's leading energy retailer, committed to delivering high quality energy solutions for Tasmanians and supporting its local community. A key commitment is to be "Customer Obsessed: Our customers come first. They drive our decisions. We give them our all." With this in mind, Aurora Energy has progressed a number of initiatives in 2019-20 aimed at improving customer experience and supporting customers struggling with hardship, particularly in light of the economic impacts of COVID-19.

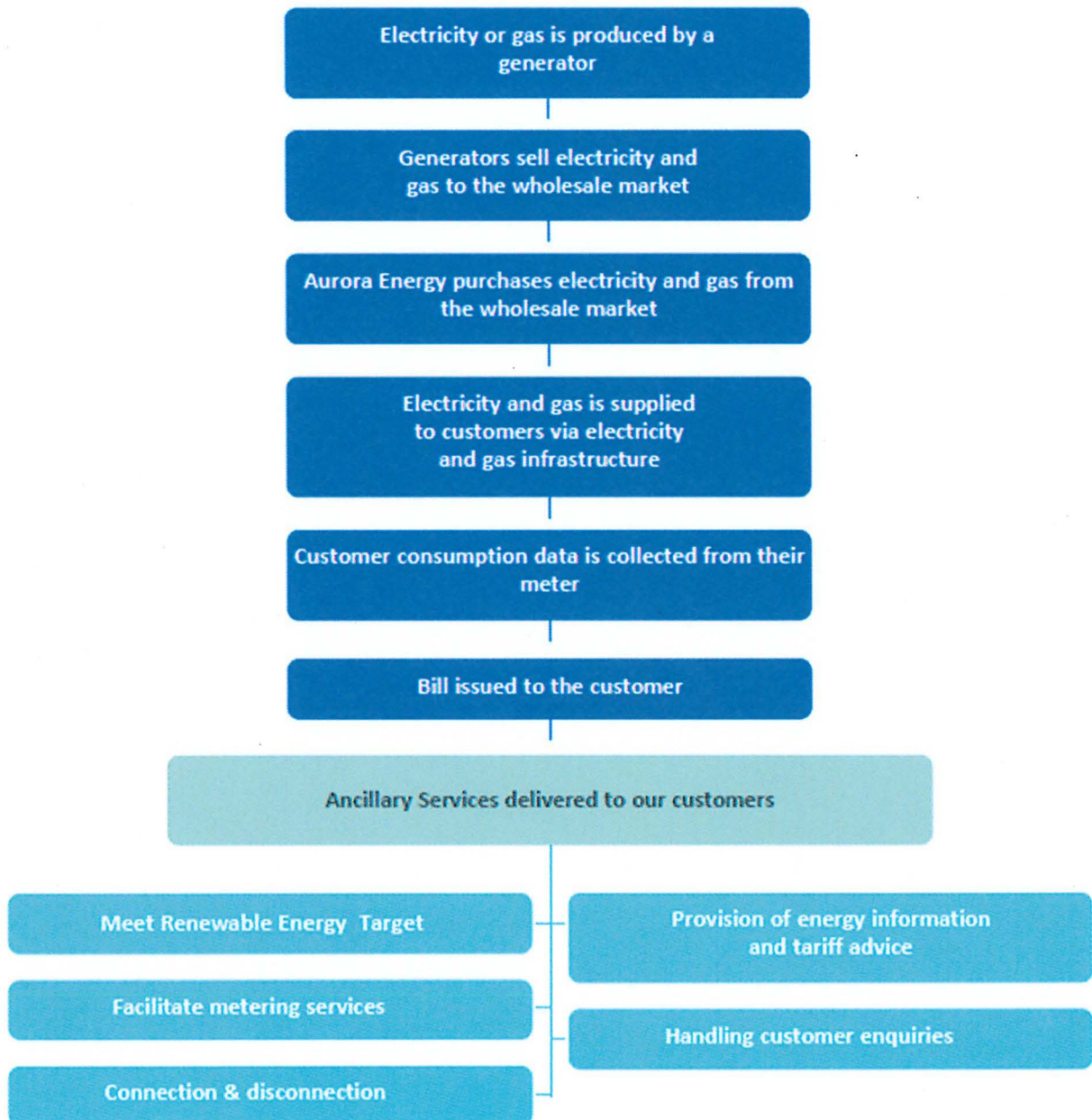
Aurora Energy's key business activities include retailing electricity and gas to residential and business customers, providing access to additional services, arranging for the provision of metering services and wholesale energy purchasing through the National Electricity Market. As of 30 June 2020, Aurora Energy had 214 employees.

Aurora Energy was established in 1998 and is wholly owned by the Tasmanian Government. Its shareholders are the Minister for Energy and Treasurer. Aurora Energy was incorporated under the *Corporations Act 2001* (Cth) and is enabled by the *Electricity Companies Act 1997* (Tas). Aurora Energy is not part of a larger corporate group of entities, nor does Aurora Energy own or control other entities or subsidiaries and is not party to any joint venture.

Aurora Energy at a glance

Key operations

As well as retailing gas and electricity, Aurora Energy's operational supply chain includes purchasing energy from the wholesale market, meeting its Renewable Energy Target and supplying other key services to customers. The suppliers involved in generation, wholesale, transmission, distribution and metering form an important part of Aurora Energy's supply chain.

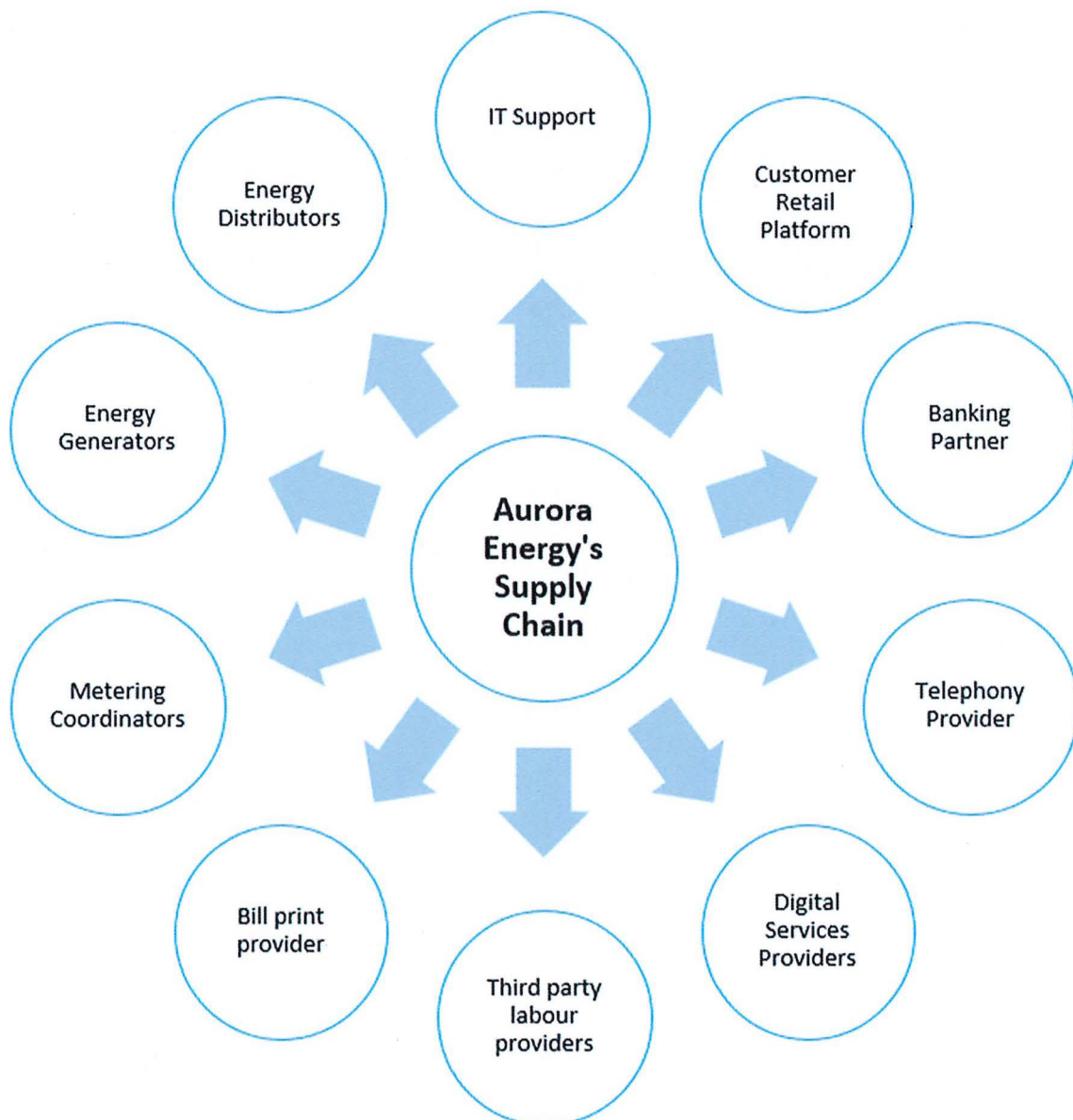


Supply chain

In order to conduct operations and deliver services to customers, Aurora Energy's direct suppliers include the wholesale energy products suppliers and suppliers for ancillary services as Aurora Energy outsources some functions to third parties.

The vast majority of Aurora Energy's suppliers are based in Australia. Arrangements with third parties range from short to long term engagements. In line with Aurora Energy's Delegation Policy, significant engagements must be approved by the Board.

A summary of Aurora Energy's supply chain is below.



Modern Slavery Risks

Industry Risks

As an energy retailer, Aurora Energy operates in a service-based industry, with direct operations and most suppliers based in Australia. The International Labour Organization lists the sectors with the highest risk of modern slavery as domestic work, construction, manufacturing and agriculture. Aurora Energy does not operate in these sectors. Aurora Energy researched industry specific modern slavery risks, and a key risk to the energy industry is the manufacturing of batteries and the mining of cobalt to produce batteries. Aurora Energy does not manufacture or sell batteries as part of its operations.

Geographic Risks

Aurora Energy does not source goods or services in countries considered to be high risk by the Walk Free Foundation in their Global Slavery Index. As the majority of Aurora Energy's suppliers are based in Australia, goods and services are mostly sourced from within Australia.

Third Party Risks

Several of Aurora Energy's key business activities are outsourced to third parties. When researching where its risks of modern slavery were, Aurora Energy found that outsourcing could increase its chances of causing, contributing or being directly linked to modern slavery. Without proper oversight, modern slavery risks could exist in the provision of these services and be unmanaged by third parties.

The key third party risks of modern slavery identified in Aurora Energy's supply chain include:

- Thousands of meters are installed annually by Aurora Energy's Metering Coordinators. There is a risk that modern slavery is present in the sourcing and/or manufacturing of meters. As the Metering Coordinator function is provided by third parties, Aurora Energy has less oversight over their operations and supply chain (including the procurement of meters).
- There are some suppliers that Aurora Energy needs to engage with, despite having no oversight over their appointment (for example, some customers have the ability to appoint their own Metering Coordinator). Aurora Energy's ability to undertake due diligence prior to their appointment or to terminate these engagements (including for instances of modern slavery) is limited.
- Aurora Energy utilises third party labour providers to provide contractors to fill some temporary or project roles. Aurora Energy has less direct visibility and control over these workers and their employment terms.
- The cleaning industry is considered to be a high risk industry for modern slavery. Aurora Energy uses a Tasmanian based third party cleaning company to service its Tasmanian offices.

Overall Assessment

Aurora Energy has taken actions to address these risks, which are outlined in detail below.

After examining operations in light of the industry and geographic risks and undertaking the risk assessment detailed below, Aurora Energy determined that the overall risk of Aurora Energy causing,

contributing or being directly linked to modern slavery through its operations and supply chains is low.

The actions to address the risks of modern slavery

Aurora Energy is committed to operating ethically and taking action to assess and address the risks of modern slavery in its supply chain and operations. The actions Aurora Energy took in 2019-20 include:

- Undertaking the initial scoping and mapping of the supply chain.
- Procurement of goods and services was conducted in a way that ensured Aurora Energy undertook appropriate due diligence before engaging a supplier. For example, potential suppliers were asked to provide details on how they manage and address risks of modern slavery in their operations and supply chain, which were assessed as part of their overall response.
- Training on modern slavery and the *Modern Slavery Act* was provided to relevant employees across the organisation. Employees who manage contracts and oversee third parties were selected to undertake training.
- Aurora Energy's modern slavery obligations were added to its Compliance Framework and Plans, and form part of an annual attestation process. The Board has visibility over the results of the attestation process (including any non-compliances).
- All key supplier contracts contain provisions covering compliance with key legislative requirements including workplace health and safety and modern slavery.
- Aurora Energy required key suppliers to answer a questionnaire to better understand their risks of modern slavery and actions taken to address these risks. The suppliers selected to complete the questionnaires were those considered to be high risk based on the industry they operate in or based on other modern slavery risk factors Aurora Energy identified. Aurora Energy's Metering Coordinators, third party labour providers and IT and software partners were included as part of the questionnaire.
- Third parties whose appointment Aurora Energy doesn't have oversight over were included as part of the questionnaire process. After reviewing their responses to the questionnaire, there were no areas of concern identified.
- Aurora Energy started to monitor its Metering Coordinators through commencing the annual questionnaire process to ensure their modern slavery risks are being managed appropriately. Aurora Energy learned that its Metering Coordinators are taking significant actions to reduce the risks in their supply chain, including introducing codes of conduct, scrutinising suppliers as part of procurement processes, providing training to key staff members and undertaking auditing processes for their suppliers.
- Aurora Energy also worked with its third party labour providers who were part of the annual questionnaire process. Through this process, they advised that they are taking actions such as training their key personnel, validating the Australian work rights for contractors and introducing a policy framework to support their commitment to reducing the risks of modern slavery.
- A review of the contract with Aurora Energy's cleaning provider found there is a contractual obligation for the company to abide by all workplace legislation impacting employment or engagement of contractors.
- Aurora Energy has a robust policy framework to support its response to modern slavery. A Modern Slavery Policy ([available here](#)) has been introduced to demonstrate Aurora Energy's commitment to complying with the *Modern Slavery Act*.

- In addition, Aurora Energy has a Public Interest Disclosures Policy ([available here](#)) to outline how Aurora Energy complies with whistleblowing legislation. Current and past employees, family members and contractors are able to make disclosures about improper conduct or detrimental action (including modern slavery practices) by Aurora Energy.

Where remediation is required, Aurora Energy will work with the relevant supplier to develop actionable solutions. Where it is apparent that the supplier will not take reasonable steps to prevent or prohibit modern slavery in their business, Aurora Energy will consider alternative arrangements.

The effectiveness of these actions and future directions

Aurora Energy believes that the actions it is taking are effective in mitigating the risks of modern slavery. The effectiveness of these actions has been determined by measuring the actions taken against the key risks that Aurora Energy identified. Aurora Energy considers that the risks that were identified have been mitigated by the actions taken.

Aurora Energy will continue to monitor these actions to ensure its response remains effective into the future.

Aurora Energy is also confident that its modern slavery risks are appropriately mitigated with the actions suppliers have in place and the strong worker protections and entitlements under Australian law. Aurora Energy will continue to monitor and liaise with its suppliers in future reporting periods to ensure these commitments to addressing modern slavery risks continue.

In the 2020-2021 financial year, Aurora Energy's key objectives as part of its ongoing response to modern slavery risks include:

- Introducing a Supplier Code of Conduct;
- Continuing and improving on the questionnaire process with key suppliers;
- Expanding the focus on modern slavery risks to include Aurora Energy's indirect supply chain; and
- Reviewing and updating the policy framework on a regular basis.