



Modern Slavery Statement

2021 – 2022

This statement outlines the steps taken by Western Power to mitigate the risk of modern slavery and human rights breaches in our business and supply chain in accordance with the *Modern Slavery Act 2018 (Cth)* for the financial year ending 30 June 2022.

Electricity Networks Corporation trading as Western Power (Western Power) is a Western Australian statutory corporation formed pursuant to the *Electricity Corporations Act 2005 (WA)*. Western Power has a Board comprising predominately independent directors and is accountable to the Western Australian Minister for Energy.

Western Power does not own or control any other entities.

This Statement was approved by Western Power's Board on 4 October 2022 and is signed by Denise Goldsworthy in her role as the Board Chair.



A message from our CEO



Western Power's approach to assessing and addressing modern slavery as we move into the fourth reporting period continues to strengthen.

This year we have improved our engagement with our suppliers, strengthened our contract terms and conditions around modern slavery, improved our internal frameworks and procedures outlining what is required from our team members, and continued our work with industry experts to refine our approach.

Leading up to this third Modern Slavery Statement we have engaged expert advice to assess our achievements so far, benchmarking us against leading market practice and our peers. This assessment informed an action plan and a roadmap to guide our business in enhancing the maturity of our modern slavery program.

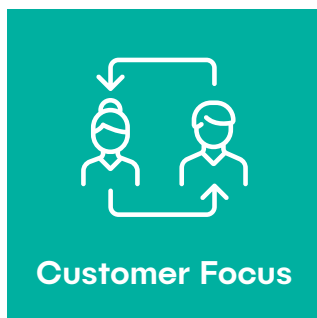
Sam Barbaro, CEO Western Power

About Western Power

We construct, maintain and operate the electricity network in the south west corner of Western Australia. This network forms part of the South West Interconnected System (SWIS), one of the world's largest standalone electricity grids. It spans from Kalbarri in the north to Albany on the south coast and east to Kalgoorlie.

Western Power plays an important role in powering the lives of the Western Australian community. With a focus on sustainability, Western Power utilises a modular grid that provides reliable and increasingly renewable electricity, leading the way to a cleaner, brighter and more resilient energy supply for the next generation. What we do supports the economic stability of WA, creating jobs and future economic opportunities.

Western Power's values:



Modern slavery risks facing Western Power

Since our last Statement, we have not been made aware of any actual or suspected human rights breaches, through our whistle-blower processes, our interactions with suppliers or through any other means.

Our operations

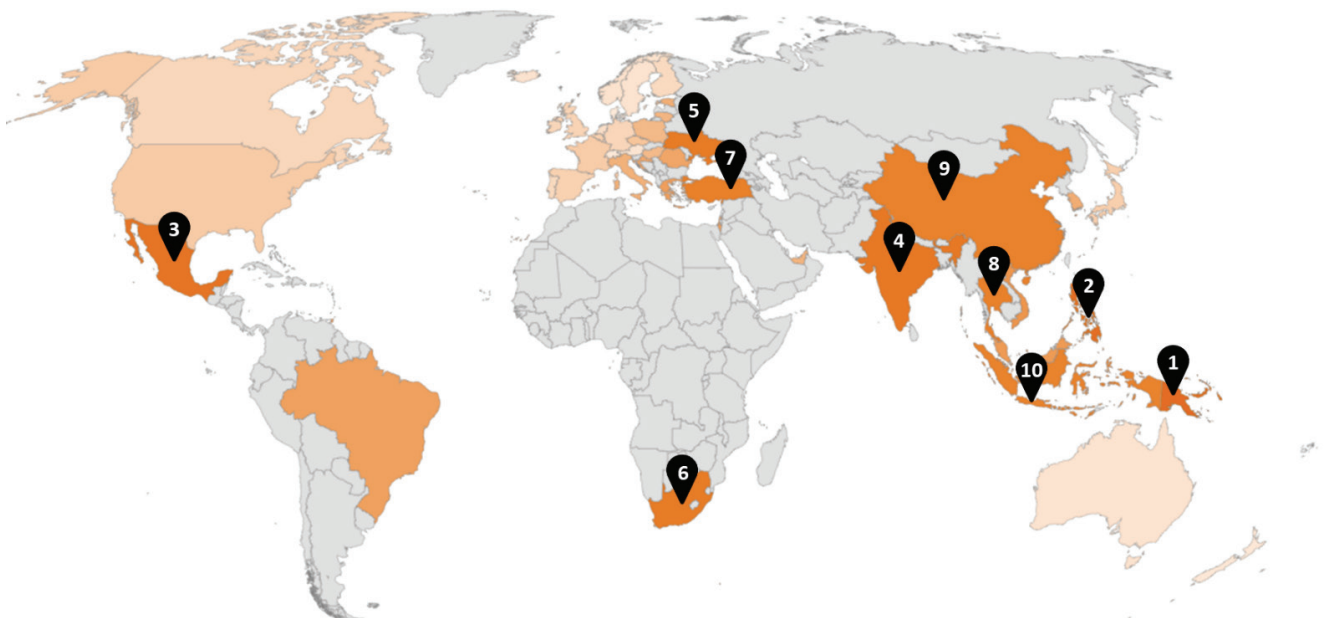
Western Power employees are engaged across a range of technical, operational and professional roles situated at our head office, depots and operational sites in Western Australia. Most of Western Power's employees are engaged through direct employment contracts on a permanent, fixed term or casual basis.

Due to short-term requirements to deliver insourced work we at times engage additional workforce through labour hire agreement which may present an operational risk. Due to the lack of direct employment contracts between Western Power and the worker, we typically have less visibility and control over the conditions under which labour hire personnel are recruited and the terms of their employment. Western Power's contractors engaged via labour hire contracts make up approximately two per cent of our current workforce.

Our suppliers

We undertake our procurement activities through a centralised function where we manage the sourcing and the relationship with 1,490 active suppliers and 412 active contracts. Our focus on sourcing locally means 97 percent of these are Australian businesses of which 70 percent are organisations operating within Western Australia. We recognise that many of our local suppliers have supply chains that procure goods and services throughout the world. It is important that we understand what goods and services and countries our shared supply chains cover.

We have identified that due to the possible risk of exploitation of the workforce, the highest risk supplier categories are through cleaning services, traffic management, security services, IT managed services and logistics. We have also identified high-risk categories and countries through our supply chains which we use to procure safety equipment and workwear, meters, line hardware, cables, switchgear, batteries and photovoltaic (PV) panels.



Western Power's supply chain encompasses companies that are located in or source goods and services from the orange highlighted countries in the map above. Data on modern slavery prevalence is taken from [Walk Free's Global Slavery Index](#). The goods and services Western Power sources from the countries with the highest modern slavery prevalence are:

- 1 Papua New Guinea** – Audit and technology services
- 2 Philippines** – Outsourced IT services and administration support
- 3 Mexico** – Electrical components
- 4 India** – IT services, fabrication, electrical components
- 5 Ukraine** – Electrical components
- 6 South Africa** – IT and administration services, apparel and safety equipment
- 7 Turkey** – Electrical components
- 8 Thailand** – Electrical components and line hardware
- 9 China** – Electrical components including PV panels
- 10 Indonesia** – Electrical components and general hardware.

Our achievements this year

Supplier engagement

To track our effectiveness in engaging with our suppliers we have committed to recording and reporting on several key metrics. In the last 12 months:

465

suppliers have been directly engaged with to improve their approach to addressing modern slavery risks (a 50% increase in the number of suppliers engaged with last year. These suppliers comprise 60% of our annual expenditure)

243

suppliers completed the Self-Assessment Questionnaire (a 48% increase on last year)

78

suppliers have now responded to multiple annual SAQs allowing us to review for year-on-year change (a 300% increase from last year).



90% of our supplier's responses to the SAQ are rated low risk. The remaining suppliers will be a focus of the planned improvements under the 3-year roadmap discussed in the Effectiveness section below, including the improved targeted due diligence approach over the coming 12 months.

Improvements to the SAQ

As part of the Energy Procurement Supply Association, Western Power has been a member of the joint approach using the Informed 365 digital tool to assess the operations and supply chains of suppliers through a Self-Assessment Questionnaire (**SAQ**). This year the tool has been expanded and now provides the ability to clarify and consult with suppliers whose results are deemed to present unacceptable levels of risk. It also provides additional resources and information to assist suppliers to meet our expectations and provides capability for us to monitor commitments, and remediation of those areas flagged, over time.

Modern slavery clauses in contracts

Our contract templates have undergone an extensive review and now incorporate modern slavery provisions where applicable. These include but are not limited to:

- an obligation to take reasonable steps to ensure personnel and supply chain participants do not engage in activity that would contravene human rights law
- have adequate and reasonable policies, controls and procedures designated to prevent, detect, assess, manage and remedy modern slavery in operations and supply chains
- that any arrangements entered with subcontractors include provisions that are as least as strong as Western Power's own terms
- an obligation to notify us as soon as practicable after becoming aware of any actual or suspected activity.

Formalised modern slavery considerations in our procurement processes

We launched our new Contract Lifecycle Management Framework this year that governs the end-to-end management of contracts at Western Power. It is an enterprise-wide framework that ensures our contracts are managed efficiently and risks are mitigated, from the early discussions around a potential procurement right through to the completion of a contract. Modern slavery considerations have been incorporated into this framework, from the initiation and planning stage through to the sourcing of a good or service. We will continue to use the framework to expand and embed our modern slavery approach.



Remedy and remediation

As part of the Human Rights Resources and Energy Collaborative, Western Power was proud to assist in the development of the [Modern Slavery Response and Remedy Framework](#). It provides practical guidance to assist companies with their response to modern slavery in their supply chains or operations including guidance on remediation. We have incorporated the framework as a tool in our modern slavery procedures.

Modern slavery training

In addition to the changes to our contracts via the Contract Lifecycle Management Framework, we also required Western Power team members involved in purchasing goods or services to undertake additional training. This training incorporates specific awareness around modern slavery, how to identify modern slavery risks, guidance on remediation steps, and who to speak to should they have concerns.

Case Study: Managing risks in the supply of standalone power systems

We understand batteries and solar panels present a modern slavery risk through our procurement processes. Standalone Power Systems (SPS) are a key strategic project for Western Power, replacing costly, unreliable feeder lines with PV panels and batteries for remote and regional customers. The manufacture of batteries and PV panels may take place in areas of high risk for modern slavery practices.

It is important that we understand where these components are sourced from. This year we have met with our existing panel of suppliers to outline our expectations and discuss what approaches they are taking to address these risks. Modern slavery considerations will be incorporated into the upcoming tender event that will establish a new panel of suppliers for future SPS units. Potential suppliers will be evaluated on their policies and procedures to assess and address modern slavery, asked to outline their supply chain and will be required to complete a SAQ. We will also be investigating and supporting the local manufacturing of these components where possible.

Effectiveness

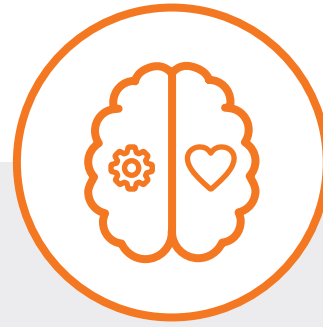
The third year of reporting presented as an opportune time to assess the effectiveness of our actions so far. We engaged an expert consultant to review our modern slavery framework, compare us to our peers and develop an action plan for the next three years.

Western Power's commitment to managing modern slavery risks within its operations and supply chains was assessed. Key gaps and improvement opportunities that were identified lie in governance, communication, operational and supply chain due diligence and training. The recommended actions over a three-year time frame are outlined on the following page.



Governance

- Establish a formal governance structure
- Establish a cross-functional working group
- Establish a schedule of periodic reviews of the existing program to assess effectiveness
- Strengthen how modern slavery is considered within the Risk function



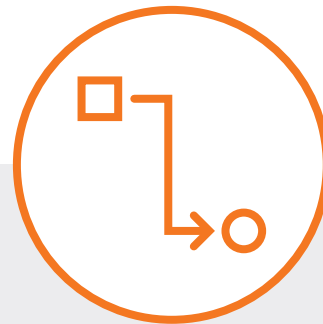
Communication & Awareness

- Conduct tailored training for relevant personnel
- Conduct Board and Executive level training sessions to build awareness of Western Power's modern slavery risks and Board obligations
- Explore supplier engagement and partnership opportunities



Operational Due Diligence

- Conduct organisation wide operational due diligence over employee workforce
- Conduct due diligence with a focus on employment arrangements with migrant workers and recruitment/labour hire services
- Integrate operational due diligence into the modern slavery framework



Supply Chain Due Diligence

- Move beyond inherent risk
- Enhance the supplier due diligence approach
- Conduct a review of the grievance mechanism

Developing our program, targeted due diligence and training and awareness have been prioritised with the following actions to be the focus over the next 12 months:

- Establishing a governance structure to formalise accountabilities led by the Executive of Business and Customer Services. Establish a cross-function working group including representatives from Human Resources, Governance Risk and Compliance, Legal and Commercial to expand Western Power's approach to modern slavery further across our business
- Conduct a detailed review of Western Power's existing employment arrangements with migrant workers and all activities involving recruitment agencies, labour hire and onsite outsourced service arrangements. Adapt internal controls to address any identified gaps
- Update and enhance our risk screening matrix to include risk indicators by supplier category, specific high-risk category and country combinations and red flags to consider. These will be included in our Risk Based Procurement Tool to systemise and standardise the application of risk screening across all procurement activities.

We believe taking these steps will strengthen our commitment to engage, assess and collaborate with stakeholders within our business and with external suppliers to provide transparent disclosure of our activities, the potential risks associated with them and our approach to addressing, managing and remedying modern slavery in our operations and supply chain.



For additional information or questions please
lodge your query via our website
my.westernpower.com.au/contact-us/

If you'd like to let us know about suspected
wrongdoing, please contact Western Power
directly on either
13 10 87 (General) or 1300 304 550 (STOPline).



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This information is available in
alternative formats if requested

