

# Modern Slavery

# Statement

## JOINT STATEMENT

Hydro-Electric Corporation

Entura

Momentum Energy Pty Limited

AETV Pty Ltd

FY2020/21



# Chairman's message

Hydro Tasmania is a government business enterprise owned by the Tasmanian Government on behalf of the Tasmanian community. As such, Tasmanians expect us to be accountable and to uphold high standards of integrity, fairness and ethical conduct.

We are Australia's leading renewable energy business and we take a leadership position within the energy industry and our community, which includes our standards of corporate governance.

It is estimated that globally some 40 million people are currently trapped in modern slavery. It is up to businesses like ours which have international influence to address the risks of modern slavery in our operations and supply chains, and to uphold respect for human rights. We have made significant progress in understanding and addressing these risks in recent years, but there is always more work to be done and our business is committed to continuous improvement in this sphere.

The Board is proud to approve this statement.

*Approval: This statement for Hydro-Electric Corporation was approved by the Board of Hydro-Electric Corporation on 15 December 2021.*

*This statement for AETV Pty Ltd and Momentum Energy Pty Limited was approved by the Board of Hydro-Electric Corporation on 15 December 2021, as the parent entity of both of those wholly owned subsidiaries.*



*Date 17 December 2021*

*Signed by Grant Every-Burns Chairman - Hydro-Electric Corporation*

# Introduction

This document satisfies Hydro Tasmania's reporting requirements under s14 of the *Modern Slavery Act 2018 (Cth)*. It provides an overview of Hydro Tasmania's approach to modern slavery, and the risks associated with its operations and supply chain for the FY2020/21.

## Who we are

Hydro-Electric Corporation, trading as Hydro Tasmania, is a corporation established under the *Hydro-Electric Corporation Act 1995 (Tas)*, a government business enterprise under the *Government Business Enterprises Act 1995 (Tas)* and is registered with ASIC as a registered Australian Body (ABN 48 072 377 158).

Hydro Tasmania, AETV Power and Momentum are each deemed reporting entities under the *Modern Slavery Act 2018 (Cth)* and are included in this joint statement. In addition, Hydro Tasmania's power, water and renewable energy consulting arm, Entura is included in this joint statement.

**The reporting entities are referred to collectively in this statement as 'the Hydro Tasmania group'.**

As the directors of AETV Power and Momentum are also senior executives of Hydro Tasmania, a single executive team has ultimate management responsibility for the Hydro Tasmania group covered in this statement. Likewise, the Board of Hydro Tasmania has oversight over the entirety of the Hydro Tasmania group.

**For the purposes of this statement, the Hydro Tasmania group of companies includes:**

- Hydro-Electric Corporation, trading as Hydro Tasmania
- Entura
- Momentum Energy Pty Limited, trading as Momentum
- AETV Pty Ltd, trading as AETV Power.

**Other wholly owned and controlled subsidiaries of Hydro-Electric Corporation are:**

- Bell Bay Power Pty Ltd
- Bell Bay Three Pty Ltd
- Entura Hydro Tasmania India Pvt Ltd
- Heemskirk Holdings Pty Ltd
- Heemskirk Wind Farm Pty Ltd
- HT Wind Developments Pty Ltd
- Hydro Tasmania Retail Pty Ltd
- HT Wind Operations Pty Ltd
- Hydro Tasmania Consulting (Holding) Pty Ltd
- Hydro Tasmania Neusberg Pty Ltd
- Hydro Tasmania South Africa (Pty Ltd)
- Lofty Ranges Power Pty Ltd
- RE Storage Project Holding Pty Ltd
- Woolnorth Bluff Point Holdings Pty Ltd
- Woolnorth Studland Bay Holdings Pty Ltd.

# Preparation

**To prepare this joint statement, Hydro Tasmania's Modern Slavery Working Group engaged with and consulted each of the reporting entities covered by this statement and consulted the entities we own or control, to discuss specific suppliers and supply chain purchasing during the FY2020/21.**

Except as otherwise noted in this statement, all four businesses that comprise the Hydro Tasmania group follow the same procurement policy and procedures. Procurement across the Hydro Tasmania group is conducted via a single supply chain function called Business Services.

To develop its first Modern Slavery Statement in FY2019/20, the Hydro Tasmania group engaged sustainability and supply chain consultants Informed 365 to assist in a preliminary risk assessment, and to conduct future surveys and investigations of the Hydro Tasmania group's supply chains.

Informed 365 developed an IT platform which is being used by other prominent members of the international energy industry through the Energy Procurement Supply Association (EPSA Consortium). The Informed 365 platform continues to be used by Business Services to manage supplier surveys and risk identification and we continue to collaborate with other members of the EPSA Consortium across the energy industry.

The Modern Slavery Statement is informed by Hydro Tasmania group's Code of Conduct, which recognises our obligation to comply with all legislation. In addition, our Sustainability Principles, Work Health and Safety Policy and Environmental Policy all work together to define the standard of ethical behaviour required across the business. They are supported by other internal procedures related to whistleblowing, fraud, corruption and risk management.





# Our operations and supply chains

**Hydro Tasmania is Australia's leading clean energy business and largest generator of renewable energy. The Hydro Tasmania group is made up of the four core businesses with 1,233 employees.**

High-level summaries of business activities undertaken by each of these four entities are as follows. Except as noted, all employee figures are as at 30 June 2021.







- Hydro Tasmania (not including Entura) has 680 employees and is primarily involved in the generation of hydropower in Tasmania, and the trading of electricity and energy-related environmental products (such as renewable energy certificates) in Australia's National Electricity Market. Hydro Tasmania owns and manages 54 major dams and 30 operating hydropower stations, and supplies electricity to two Bass Strait islands via hybrid power plants that combine diesel, solar and wind power generation. Hydro Tasmania is also engaged in a range of projects as part of its *Battery of the Nation* initiative. Most Hydro Tasmania employees work either at power stations across the state or at the head office in Hobart.
- Entura provides consultancy services nationally and internationally for renewable energy development, engineering, hydropower, water infrastructure, water management, project management, environmental management and other relevant disciplines. Entura employs 226 technical professionals and administrative staff, including 18 employees based in its India office in New Delhi. The majority of staff are based in Cambridge, Tasmania, with a minority in the Hydro Tasmania group's Melbourne and Adelaide offices.

- Momentum is principally engaged in marketing and retailing energy and energy-related products and services to residential and business customers on mainland Australia (excluding Western Australia and Northern Territory) and the Bass Strait islands. Staff are mainly based in Tasmania and Victoria (Melbourne). Momentum employs 301 personnel.
- AETV Power operates a gas generation power station in the Tamar Valley in northern Tasmania. The station was commissioned in 2009. It provides both base load and peaking generation via combined and open-cycle gas turbines. AETV Power employs 26 personnel.

The Hydro Tasmania group is a major employer in Tasmania, and includes engineering, scientific, project management, strategic planning, IT, financial, human resources, marketing, operational, corporate governance, retail call center and administrative staff spread across all four business areas.



## Our operations

<p><b>Hydro Tasmania</b></p> <p><b>AETV Power</b></p>	<p><b>Generation asset maintenance, upgrades and repairs</b></p> 	<ul style="list-style-type: none"> <li>• Operation and maintenance of generation equipment, including machinery in power stations and water conveyancing infrastructure</li> <li>• Feasibility studies for pumped hydro</li> </ul>	<ul style="list-style-type: none"> <li>• Land care, waterway, and flora and fauna conservation</li> <li>• Testing and monitoring equipment</li> <li>• Electrical distribution on the Bass Strait islands</li> <li>• Equipment hire</li> </ul>
	<p><b>Energy generation</b></p> 	<ul style="list-style-type: none"> <li>• Hydro generation plant and equipment consumables</li> <li>• Diesel (Bass Strait islands)</li> </ul>	<ul style="list-style-type: none"> <li>• Industrial consumables</li> <li>• Gas (AETV Power)</li> <li>• Wholesale energy trading</li> </ul>
<p><b>Hydro Tasmania</b></p>	<p><b>Corporate services</b></p> 	<ul style="list-style-type: none"> <li>• Personal protective clothing and equipment (PPE)</li> <li>• Legal services</li> <li>• Marketing and advertising</li> <li>• Office services and improvements, including cleaning and facility repair work</li> </ul>	<ul style="list-style-type: none"> <li>• Office and asset-based labour hire</li> <li>• Travel, fleet purchases and maintenance</li> <li>• Freight and logistics</li> <li>• Security services</li> <li>• Stationery and office consumables</li> </ul>
	<p><b>Information technology</b></p> 	<ul style="list-style-type: none"> <li>• Hardware</li> <li>• Software and licensing</li> </ul>	<ul style="list-style-type: none"> <li>• Consulting services including architecture and security</li> <li>• Telecommunication</li> </ul>
<p><b>Entura</b></p>	<p><b>Consulting</b></p> 	<ul style="list-style-type: none"> <li>• Professional and technical services throughout Australia and overseas</li> </ul>	
<p><b>Momentum</b></p>	<p><b>Retail customer Service</b></p> 	<ul style="list-style-type: none"> <li>• Customer research services</li> <li>• Debt collection services</li> </ul>	<ul style="list-style-type: none"> <li>• Bill printing and issuing</li> <li>• Call center software to manage workflow and customer accounts</li> </ul>

# Modern slavery risk overview

**The Hydro Tasmania group's supply chain is broad. Consequently, the business's exposure to modern slavery risks is diverse.**

Modern slavery may potentially be present in:

- Entura's subcontractor supply chains delivering goods and services overseas, particularly in countries considered high-risk in the Global Slavery Index
- the procurement of corporate clothing and personal protection clothing and equipment
- the sourcing of equipment, machinery, consumables and materials from overseas, particularly for energy generation where European suppliers may procure supplies from high-risk countries
- labour-hire sourcing within Australia (no labour hire occurs overseas)
- IT hardware and software procurement.

Procurement is coordinated across the Hydro Tasmania group through a central supply chain process, with one exception. In 2021, Entura's India office aligned its ISO9001-certified sourcing procedure with Hydro Tasmania's processes.

Apart from some smaller IT procurement, PPE, office consumables and office cleaning services, most suppliers to Entura's India office are technical and professional service providers, who present a lower modern slavery risk compared to other occupational and industry categories.

Entura's consultancy services are delivered in many countries for different clients. Entura conducts sustainability screening of all new countries, clients, partners and infrastructure-related projects.

This process includes an evaluation of potential modern slavery risks when working with clients on infrastructure projects.

## Identifying and responding to modern slavery

**The Hydro Tasmania group has taken several actions to identify, mitigate and respond to modern slavery risks.**

### Contract clauses

The Hydro Tasmania group includes modern slavery clauses in all its contract templates. These clauses provide a bilateral warranty, whereby the parties agree to not engage in modern slavery and to comply with modern slavery laws.

### Internal working group

Hydro Tasmania's Modern Slavery Working Group developed the business's first Modern Slavery Statement in March 2021 for the FY2019/20. As the first such statement, it required significant expertise and consultation across the business. For this second statement, a smaller working group was formed with key stakeholders to assess and update the second statement against the 7 mandatory criteria. The working group is satisfied that all requirements have been met.

As the business's approach to modern slavery evolves, the working group will broaden its scope with key milestone achievements reported to the Executive in 2022.

### Entura's Integrity Framework and sustainability screening process

Entura's approach to modern slavery is defined by Entura's Integrity Framework and is guided by the Hydro Tasmania group's Code of Conduct, Sustainability Principles, Work Health and Safety Policy, and Environmental Policy. Entura's commitment to these policies is outlined in its publicly available Integrity Commitment Statement.

The Integrity Framework is part of Entura's ISO9001-certified quality management system. This framework supports sustainable and ethical decisions when considering the countries and contexts where Entura works, what projects Entura works on and with whom they choose to partner. Modern slavery commitments are incorporated into the Integrity Framework and are guided by the *United Nation's Guiding Principles on Business and Human Rights*.



The Integrity Framework requires the following when working with suppliers, partners and sub-consultants:

- considering the supply chains of partners, subcontractors and suppliers, and the likelihood of whether supply chains may involve human rights issues associated with forced, compulsory, trafficked or child labour
- undertaking sustainability screening prior to the engagement of all new partners, subcontractors and suppliers with more than 10 employees
- providing clients, suppliers and subcontractors access to the Integrity Commitment Statement to ensure they understand and comply with commitments
- proactively raising concerns about issues that Entura employees see in the behaviour of suppliers, partners and sub-consultants
- where issues are identified and validated, updating and re-evaluating the relevant sustainability screening.

Entura's sustainability screening process was reviewed in 2019 and improvements were made to assess modern slavery risks. In FY2020/21, 151 sustainability screenings were conducted of potential clients and/or projects.

In December 2020, Entura implemented mandatory online Integrity Framework training for Entura employees. This training includes the issue of modern slavery. As at 30 July 2021, over 95 per cent of employees had completed the training. The focus for training is now on deepening the understanding of sustainability risks, including modern slavery, for those Entura employees involved in bid and project management decision-making.

For more details of Entura's Integrity Framework see [www.entura.com.au/about/enturas-integrity-management](http://www.entura.com.au/about/enturas-integrity-management).

## Identification and review of suppliers

The Hydro Tasmania group identified a range of suppliers of goods and services in FY2020/21 for a targeted review. This process began by identifying:

- all Australian-based suppliers or providers of goods and services of AU\$1 million or more
- all overseas suppliers with which the Hydro Tasmania group spent AU\$1 million or more, excluding sole-trading professional consultants
- any overseas supplier located in, or that delivered services or goods from countries that have a high rating on the Global Slavery Index.

Undertaking this process for Hydro Tasmania's initial Modern Slavery Statement resulted in a target list of 72 suppliers for further review, with an additional 6 suppliers identified in the FY2020/21. All 6 new suppliers have been assigned an industry classification based on the Global Industry Classification Standard description for goods and/or services.

The Hydro Tasmania group has continued to engage with sustainability and supply chain consultants 'Informed 365', to assist in developing surveys and investigations of the Hydro Tasmania group's supply chains.

## Responding to modern slavery

If modern slavery is identified as part of supplier investigations or other means such as public interest disclosure, the Hydro Tasmania group will respond by taking all appropriate actions in accordance with the guidance provided by the Australian Government's *Guidance for Reporting Entities*. This guidance includes not trying to resolve the situation independently to the potential detriment of victims, and to consider ending a supplier relationship only if the supplier refuses to address modern slavery and there is no real prospect of change. In most instances, it will be better to collaborate with reputable international and local organisations that can provide pragmatic assistance appropriate to each location and cultural context.

# Assessing the effectiveness of modern slavery actions and future actions

The Hydro Tasmania group is committed to identifying and responding to modern slavery risks as an exercise of continual improvement. For FY2020/21, our continuing risk assessment of suppliers, based on location and expenditure, provides a solid footing for further investigation, review and improvement.

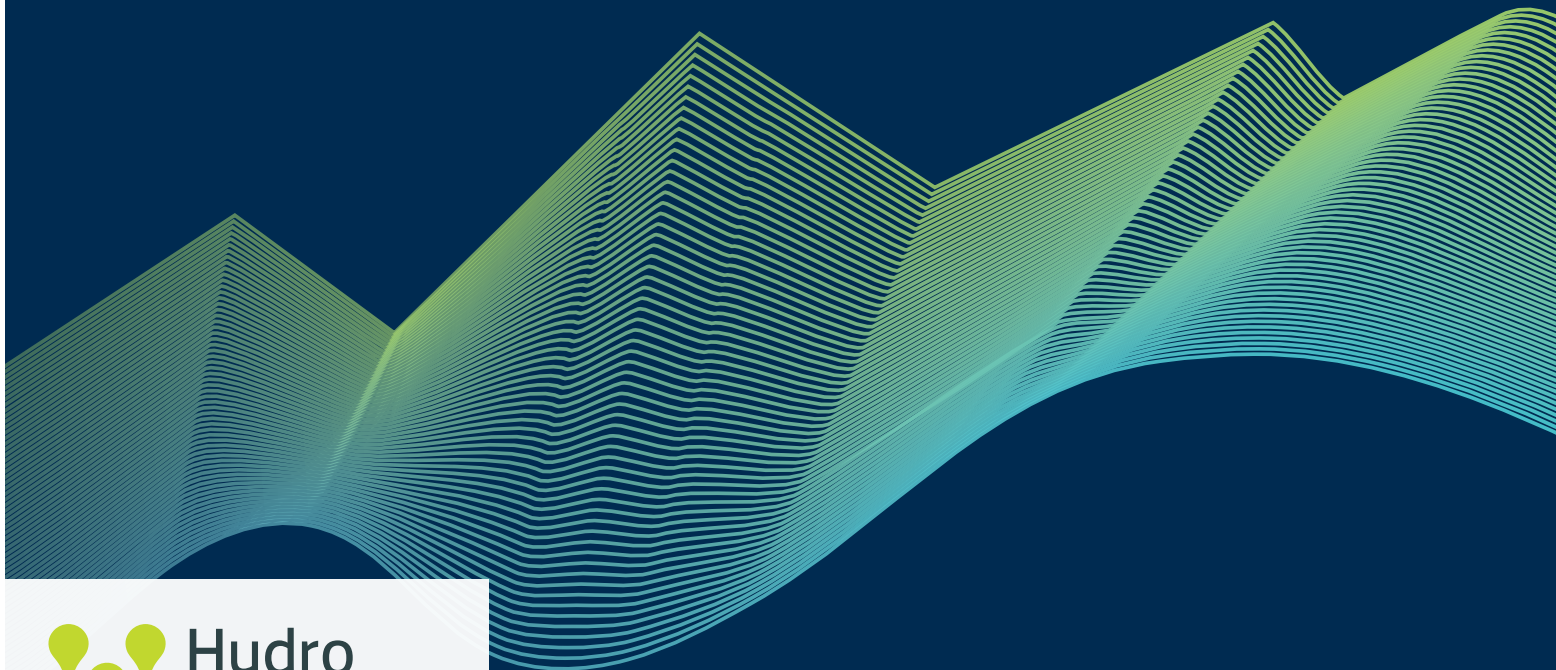
The following actions are intended to assist the effectiveness of measures outlined in this statement:

- Continue to build the capability of modern slavery reporting and effective monitoring practices in association with the Informed 365 IT platform
- Collaborate with other industry supply chain managers as part of the EPSA consortium to better identify, measure and respond to modern slavery supply chain risks
- The Modern Slavery Working Group will report on milestone achievements to the Executive during 2022
- Develop a supplier code of conduct, commencing during 2022
- Undertake a business-wide project to update all policy and procedures that will support management of modern slavery risks
- Deliver specific training on procurement, modern slavery and other human rights issues, and increase general awareness
- Commence Integrity Framework training for Entura's new starters and deliver workshops on sustainability risks to those Entura employees involved in bid and project management decision-making
- Continuously improve Entura's Integrity Framework and sustainability screening process, including continual assessment of modern slavery risks associated with the renewable energy industry.









Hydro  
Tasmania