

FY2021



# Modern Slavery Statement



# CONTENTS

- 1 Introduction
- 2 About this Modern Slavery Statement
- 3 About the Ausgrid Group
- 4 Our supply chain
- 5 Our supply chain risks
- 6 Actions to actively manage our risks
- 7 Policies and procedures
- 8 Due diligence
- 9 Continuous improvement
- 10 Managing effectiveness and other information

# Introduction

## Board approval

This Modern Slavery Statement (**Statement**) is jointly made by

- 1) PLUS ES Management 1 Pty Ltd (ABN 33 622 269 907) (**PEM 1**);
- 2) PLUS ES Management 2 Pty Ltd (ABN 39 622 269 934) (**PEM 2**); and
- 3) Active Stream Pty Ltd (ABN 32 603 459 267) (**Active Stream**),

(together, the **PLUS ES Group (PLUS ES)**), pursuant to the Modern Slavery Act 2018 (Cth) (the **Act**) enacted on 1 January 2019. This Statement is

for the financial year 1 July 2020 to 30 June 2021 (the **reporting period**), and is approved and endorsed by our Board, which is the principal governing body of PLUS ES.



**Dr Helen Nugent AO**  
Chairman PLUS ES

8 December 2021

## Chairman of the Board message



This Statement outlines how PLUS ES is managing its modern slavery risks. The Board of PLUS ES has approved and endorsed PLUS ES's Statement as required by the Act.

We strongly support efforts to help eliminate modern slavery in all areas of business.

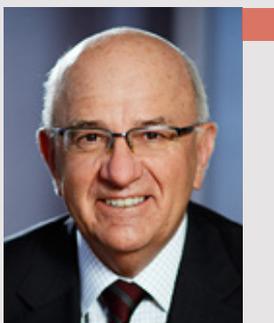
We consider the measures highlighted in this document, combined with PLUS ES's strong values, ethics and proactive engagement with our

business partners, are helping to reduce the risks of modern slavery across the organisation supply chain.



**Dr Helen Nugent AO**  
Chairman PLUS ES

## CEO message



The leadership team of PLUS ES opposes the use of modern slavery practices in business. As a responsible and sustainable organisation, PLUS ES is increasing its understanding and efforts to ensure that modern slavery is not a by-product of the goods and services we procure. To address this global issue, PLUS ES has aligned itself with five UN Sustainable Development Goals (**SDG**) that reflect areas we can most control and influence in line with our business operations.

Specifically in relation to modern slavery, PLUS ES is aligned with SDG 8 'Decent work and economic growth', targets the eradication of modern slavery.

The measures detailed in this document, combined with PLUS ES's vision, purpose and values, provide a strong framework for reducing the risk of modern slavery practices in our supply chains and operations.



**Richard Gross**  
CEO PLUS ES

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# About this Modern Slavery Statement

PLUS ES is committed to human and labour rights and to the global eradication of modern slavery in all its forms.

PLUS ES is a reporting entity pursuant to the Act.

This Statement excludes PLUS ES's affiliates Ausgrid, Ausgrid Asset Partnership, Ausgrid Management Pty Ltd and Ausgrid Finance Pty Ltd, which have jointly submitted their own Modern Slavery Statement.

The Statement has been prepared by addressing the mandatory criteria for content set out in the Act.

In general terms, modern slavery captures situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom and includes the following categories of serious exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.

We welcome the measures implemented by the Act and are pleased to communicate our response to tackling this serious and important issue in this Statement.

This Statement records our areas of risk, the actions we have taken and are taking, and how we measure the effectiveness of these actions in eliminating the risk of modern slavery in connection with our business and supply chain.

We will continue to work with our business partners to raise awareness of this issue, communicate our expectations and take actions to eliminate modern slavery risks in our business.



## OUR PURPOSE

**Connecting communities,  
empowering lives**

## OUR VISION

**Enabling businesses to build our  
future communities**

## OUR VALUES

- **Work safe, live safe**
- **Customer-focused**
- **Commercially minded**
- **Agile**
- **Collaborative**
- **Honest and accountable**
- **Respect**

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# About PLUS ES

## Our structure

PLUS ES (ABN 30 179 420 673), trading as PLUS ES, is a partnership carried on under that name by:

- (a) Blue PES Partner Pty Ltd (ACN 622 175 428) as trustee for the Blue PES Partner Trust;
- (b) ERIC Alpha AUP Corporation 1 Pty Ltd (ACN 621 524 374) as trustee for ERIC Alpha AUP Trust 1;
- (c) ERIC Alpha AUP Corporation 2 Pty Ltd (ACN 621 524 454) as trustee for ERIC Alpha AUP Trust 2;
- (d) ERIC Alpha AUP Corporation 3 Pty Ltd (ACN 621 524 525) as trustee for ERIC Alpha AUP Trust 3; and
- (e) ERIC Alpha AUP Corporation 4 Pty Ltd (ACN 621 524 605) as trustee for ERIC Alpha AUP Trust 4.

PLUS ES is majority owned by AustralianSuper and IFM Investors through these trusts. The New South Wales Government also holds a 49.6% interest through these trusts and its special purpose vehicle, which is independent from the New South Wales Government.

PLUS ES directly and through its subsidiaries has 300 employees who are all based in New South Wales and Victoria, Australia. Our head office is located in Sydney.

77% of our staff working under the PLUS ES brand (excluding labour hire and contractors) are covered by an enterprise agreement and our employees are free to associate with the unions that represent their sector.

More details about the group structure of PLUS ES are set out at the end of this Statement.

## Our operations

PLUS ES is dedicated to helping Australian businesses optimise their energy consumption through advanced data delivery and end-to-end energy infrastructure solutions.

We are a one-stop shop and the go-to-experts in the end-to-end delivery of contestable metering and infrastructure services.

PLUS ES was launched in late 2017. As a separate legal entity, PLUS ES is an independent affiliate of the broader Ausgrid Group and is ring-fenced from the regulated Ausgrid network (electricity distribution) business.

In response to the Australian Energy Regulator's (AER) Ring-fencing Guideline – Electricity Distribution dated October 2017, which required electricity networks to separate regulated distribution services from other services that they provide, the

former Ausgrid TCA Metering and Infrastructure Services team were transferred to the new entity PLUS ES. In late 2017, PLUS ES also acquired the metering services company Active Stream Pty Ltd.

The amalgamation of these businesses mean that PLUS ES is a strong market participant which combines 20+ years of experience from these entities.

We offer a range of services across Australia in the following areas:



### Metering and data

We provide metering services for large and small markets and are a registered Metering Coordinator, Meter Provider and Meter Data Provider. In December 2017, we acquired Active Stream and combined it with our metering business that had been ring-fenced from Ausgrid.



### Telco Infrastructure

We provide services in building, owning and/or operating telecommunications infrastructure including end-to-end wireless and cable networks.



### Elec. Infrastructure

We provide services in building, owning and/or operating high voltage infrastructure, from design, construction and commissioning, to ongoing maintenance and support.



### Testing & Calibration

We have a calibration laboratory at Silverwater in Sydney, that is a state-of-the-art facility that holds NATA accreditation and is an authorised service and repair agent for Fluke and Doble instruments.



### Embedded Networks

We provide complete turnkey solutions from meter installation and set-up, to ongoing meter data management.

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# Our supply chain

**PLUS ES engages its affiliate, Ausgrid, as its procurement service provider and benefits from the governance, policies, procedures and expertise it has in providing the goods and services PLUS ES needs. This excludes procurement activities relating to electricity services.**

The diverse nature of our business means that we need to access an extensive global supply chain to provide the range of components and services we need from domestic and international suppliers. Our international supply chain is mostly limited to goods and services from Asia.

Many of the goods and services we procure have complex supply chains containing multiple suppliers providing the raw commodities, components and services to produce the end-product or service.

Our high spend critical categories are:

- Electrical consumables
- Personal protective equipment (**PPE**) and workwear
- Meter accessories
- Electricity meters
- Meter installation
- Backoffice support
- Meter reading
- Electrical services
- Metering services work
- Corporate services



# Our supply chain risks

The complex nature of our supply chain means there are risks that PLUS ES is linked to modern slavery practices. PLUS ES has 10 key categories of types of goods and services that it procures. We assessed each of these categories to determine their level of risk for modern slavery practices.

From our risk-based assessment we identified four of these 10 categories as higher risk and one as high risk. These are higher and high risk due either to their country of origin and/or as a result of the internationally recognised modern slavery risks associated with the relevant category of goods or services either domestically or overseas.

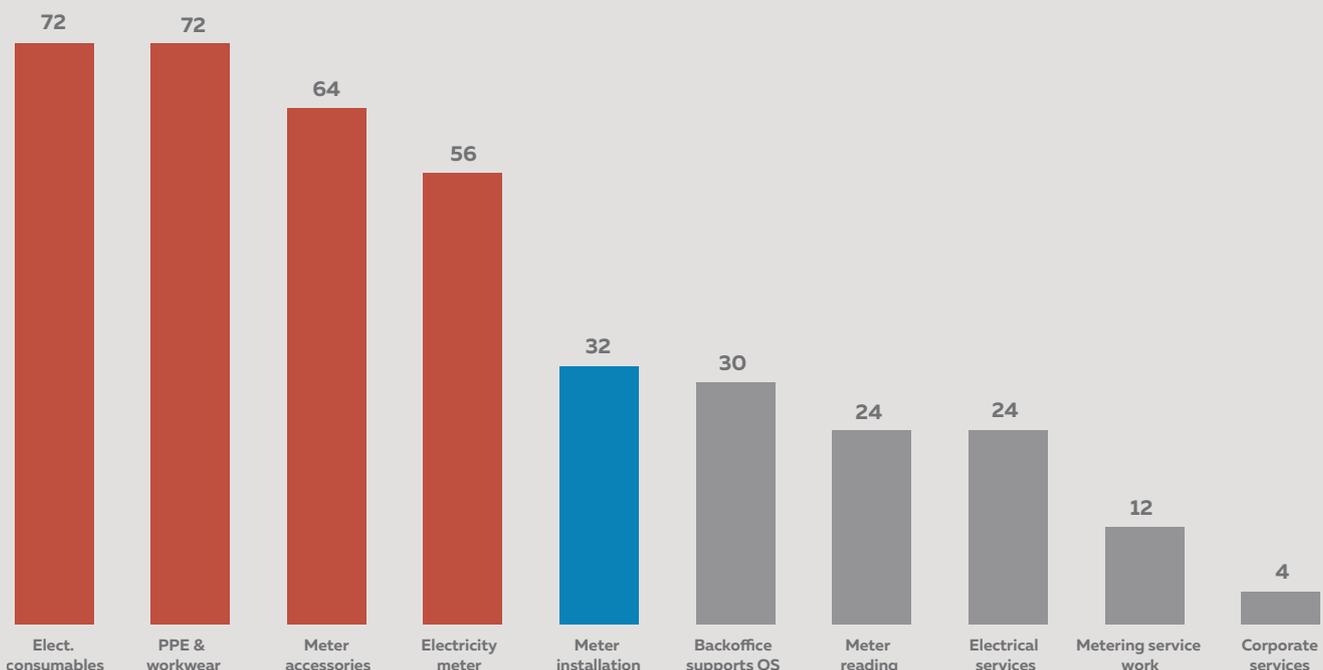
Sources used to inform our assessment include the: Global Slavery Index; Responsible Investment Association Australasia; and Minderoo Foundation.

Identifying our higher risk areas allows us to prioritise and focus on these areas of material risk.

Our higher risk categories are identified as: electrical consumables, PPE and workwear, meter accessories and electricity meters. Meter installation is high risk.

COVID-19 has had a direct impact on global supply chains and operations. This has resulted in greater worker vulnerability and increased the risk of modern slavery in the delivery of goods and services to PLUS ES. PLUS ES has taken additional measures to work with its suppliers to understand the potential impact of COVID-19 on the security of supply of goods and services and worker health and safety. See next page for further details.

**PLUS ES RISK SCORE OF CATEGORIES  
(SCORE OUT OF 100)**



# Actions to actively manage our risks

**We understand that modern slavery can be an invisible risk with its presence either not fully understood by all stakeholders or it occurring at arm's length in our business transactions.**

We believe that to tackle modern slavery risks, we need to actively manage these in multiple ways to increase awareness and have meaningful protections.

Our approach is to target actions across the following areas:

## Policies and procedures

Having frameworks, policies and procedures across PLUS ES that communicate our intent, expectations and assist in managing our modern slavery risks.

These frameworks, policies and procedures will continue to evolve to capture our progression and developing maturity.

## Due diligence

Conducting regular risk-based assessments to identify our risk areas to inform our mitigation approach and next steps for improvement.

Proactively engaging with our suppliers and business partners, collaborating with our industry peers, and actively investigating areas of concern.

## COVID-19

To manage COVID-19 impacts on our operations and to protect the health and safety of our employees and suppliers, we took a range of measures:

- Ensuring that our suppliers can continue to provide essential goods and services to PLUS ES during the COVID-19 pandemic to support our operations.
- Implementing COVID safe plans with our suppliers and understanding identifying measures they have in place to protect their workforce from COVID-19.
- Executing additional stringent procedures to provide workers with a safe environment and minimise the risk of infection.
- Working with our suppliers to maintain business continuity for goods and services delivered offshore.
- Initiating additional checks and modern slavery compliance requirements in the event of changing workforce structures.

## CASE STUDY 1 – SPLIT WORKFORCE

**With COVID-19 cases increasing and country-wide lockdowns, suppliers resorted to implementing business continuity plans. PLUS ES worked closely with suppliers in providing a demand forecast for goods and services, to minimise any additional burden on suppliers. This allowed a supplier to implement a rotating roster of its workforce to ensure the safety of their employees from a COVID outbreak and ensuring the workforce was not subject to unreasonable working demands.**

## OUR APPROACH TO MANAGE MODERN SLAVERY RISKS



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# Policies and procedures

**We believe we have solid foundations for managing modern slavery risks. Our policies and procedures provide us with a platform for continual improvement and engagement with our supply chain.**

## Sustainable Procurement Policy

In recent years we have been working to make our organisation more sustainable. With procurement having such a large environmental, social and governance impact, we have developed our own Sustainable Procurement Policy that includes our commitments and considerations on social issues such as the responsible labour practices of our suppliers.

## Procurement procedures

Our process for assessing tenders is mature and follows a rigorous process. We provide clear information on our requirements and expectations for our external partners. Our assessments are made on the cost and quality of suppliers' goods and services and on other important metrics such as health and safety, environmental and social performance, and how they address and manage modern slavery risks.

To demonstrate that our suppliers have awareness of modern slavery risks, and are taking action to address these risks, we require suppliers to:

- agree to be bound by our External Partner Code of Conduct which explicitly requires them to identify and mitigate risks, and eliminate any forms of modern slavery;
- comply with our policies and procedures which address modern slavery; and
- respond to surveys regarding modern slavery as part of our tender processes.

## External Partner Code of Conduct

Our External Partner Code of Conduct communicates our expectations to our suppliers and their supply chain. It outlines our expectations, encourages positive behaviours, and mitigates negative practices that impact on environmental, economic, social and governance performance. As part of our engagement with our suppliers, we require them to be familiar with our External Partner Code of Conduct so they can undertake actions that are consistent with the outlined expectations. Our contracts with suppliers also typically compel them to comply with our External Partner Code of Conduct.

Labour rights are also important to our organisation. It is our expectation that external partners will comply with all applicable laws related to wages, employment conditions, working hours and legally mandated benefits. This includes allowing employees the freedom to associate, to collectively bargain and to be represented by a union.

## UN SDG 8 Decent work and economic growth

We have aligned our organisation with five of the 17 UN Sustainable Development Goals (SDGs) that are most important to our customers and relevant to our business. These are: SDG 5 Gender equality; SDG 7 Affordable and clean energy; SDG 8 Decent work and economic growth; SDG 11 Sustainable cities and communities; and SDG 13 Climate action. SDG 8 Decent work and economic growth, addresses the health and safety of our workforce and communities, and the need to eradicate forced labour and end modern slavery. By aligning with these SDGs, including by way of the steps set out in this Statement, we are striving to do our part to promote and contribute to the achievement of these global goals and make the world a better place. It is our intent to further link our business activities and goals to these SDGs so we can better communicate our performance and alignment with these in future years.

## Contract Templates

Each of our standard legally approved template agreements that form the basis of our contractual relationships with our suppliers, contain a requirement that the counterparty comply with any domestic or foreign statutes, regulations, rules, or instruments which relate to modern slavery.

### UPDATING OUR EXTERNAL PARTNER CODE OF CONDUCT

**During the year, PLUS ES updated its External Partner Code of Conduct to include references to PLUS ES's Whistleblower Policy. Under the Whistleblower Policy, we require our external partners to report confidentially and without fear of disadvantage or reprisal, any matters that may be considered unethical, illegal or an act of serious wrongdoing, including a breach of the External Partner Code of Conduct. This extends to areas such as human rights, labour rights, health and safety and inclusiveness.**

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# Due diligence

## Risk-based assessment

We have conducted a risk-based assessment of our modern slavery risks to identify our higher risk, high risk and lower risk categories of goods and services we procure internationally and domestically. Our risk-based assessment reviewed the risks associated with the industries and countries from which those goods or services are procured.

To help inform our risk-based assessment, we surveyed our suppliers in our four higher risk categories of: electrical consumables, PPE and workwear, meter accessories and electricity meters and our high risk area of meter installation. The purpose of our survey was to assess:

- the improvements of our suppliers in their modern slavery processes, such as the development of a Modern Slavery Statement or applicable industry code of conduct;
- if they had experienced any modern slavery incidents in their organisation or supply chain; and
- if they or their supply chain, to their knowledge, use bonded labour (recruitment fees), Uyghur labour, or source lithium from the Democratic Republic of Congo.

This information allows us to prioritise our efforts to first address higher and high risk areas and help give us greater knowledge and awareness of the actions of our suppliers.

Where appropriate, we will also take actions in respect of our lower risk areas, although it is our intent due to the size of our procurement activities to primarily focus on our higher and high risk areas.

We will regularly review our risk-based assessment to maintain our awareness of any changes in our operations that may affect our risks.

## Industry collaboration

A key element of our modern slavery approach is to engage with our suppliers to communicate our expectations and requirements.

As PLUS ES shares its procurement activities with its affiliate, Ausgrid, we adopt equivalent governance practices and use many of the same suppliers that are unique to Ausgrid. This valuable corporate arrangement and engagement within the industry has allowed the sharing of learnings to build capacity in managing modern slavery risks.

One of the very early activities we conducted was to engage with our industry peers. This has been successful in increasing shared understanding of the issues, identifying where we have

common risks and help develop an industry approach to surveying our shared suppliers. We believe this approach has provided a rigorous outcome that meets industry needs without overwhelming our suppliers with different requirements.

## Supplier engagement

Working with our industry peers does not abrogate our own responsibilities in managing this important issue. When any of our goods or services are procured via a tender process, we require the tendering organisation to complete a modern slavery survey to assist us in assessing their eligibility.

Modern slavery is a complex issue and we wish to encourage honest reporting by our supply chain partners. If modern slavery is identified in our external partner's business or supply chain, our approach is to encourage efforts for them to have this addressed before any other action is taken by us. Where modern slavery is in their supply chain, we ask they work with their subcontractors and suppliers to rectify the issue and retain employment for those affected.

With modern slavery recognised as being prevalent in the lower parts of supply chains, we wish to encourage open dialogue about its existence and efforts to change behaviour for the better, rather than create an environment where information may be withheld.

Through our surveys, External Partner Code of Conduct, Sustainable Procurement Policy, and our alignment with UN SDG 8 – Decent work and economic growth, we believe we are sending clear signals on our expectations on how we believe our external partners and employees should ethically conduct their business.

### CASE STUDY 2 – INTRODUCING NEW SUBCONTRACTORS

**To ensure security of supply of goods during COVID-19, suppliers onboarded additional subcontractors to provide raw materials. PLUS ES worked closely with its suppliers to ensure subcontractors adhered to Modern Slavery requirements. As part of the approval process, documentation was requested demonstrating alignment to PLUS ES's External Partner Code of Conduct and policies relating to Modern Slavery.**

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# Continuous improvement

**We are committed to continuous improvement in all areas of our business including our modern slavery response.**

Key areas for additional focus and for further development include:

- continued engagement with our employees, external partners, and service providers on modern slavery risks and our expectations;
- further review of our higher and high risk categories;
- examining industry codes of conduct and how these might apply;
- continuing our industry collaboration to help deliver a wider industry response;
- investigating the automation and streamlining of our supplier modern slavery reviews through the implementation of third party software solutions; and
- measuring our progress and performance.

**In FY21 some of our specific improvement were:**

- updating our awareness of risks associated with our higher risk categories through surveying our suppliers in the higher risk category to understand how they have improved or whether they have had incidents.
- expanded our survey questions to include specific social issues related to the use of Uyghur labour, bonded labour through recruitment fees, and the use of labour in sourcing lithium in the Democratic Republic of Congo.
- developed an internal online training for modern slavery, which includes a knowledge test which must be passed before the training can be recorded as completed. Completion is mandatory for our procurement team, and all new hires. The module is available to all other employees.
- investigated the use of external suppliers to assist with modern slavery management.
- updated our External Partner Code of Conduct to include reference to our Whistleblower Policy.

## **SURVEY OF SUPPLIERS**

**As part of our process to survey our suppliers to identify modern slavery risks, it was identified that one of PLUS ES's suppliers identified Uyghur labour in its extended supply chain. The identification of Uyghur labour was related to the Australian Strategic Policy Institute releasing a report claiming 27 factories in nine Chinese Provinces were using exploited Uyghur labour.**

**The supplier confirmed that the materials used in supplying services to PLUS ES were not manufactured from the 27 factories identified. During our contract governance sessions, PLUS ES continues to monitor the highlighted risk with the supplier.**

## **ONLINE TRAINING**

**Modern Slavery is still a concept that many in developed nations find difficult to understand. Our focus with training is to raise awareness and understanding and translate this into actions that our employees can take.**

**We made sure we used case studies of examples of modern slavery in Australia to highlight that it can occur in any country.**

**We also provided tangible actions that employees from any part of our organisation can take to help understand risk areas and how to respond if they had concerns.**

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# Managing effectiveness and other information

## Measuring effectiveness

We are committed to continuous improvement and measuring the effectiveness of our risk mitigation actions.

We measure the effectiveness of our modern slavery response based on the following:

- the quality of the responses we receive from our external partners on how they are managing modern slavery;
- the number of reported incidents;
- self-reporting from our external partners of an identified or suspect modern slavery issue; and
- the quality of responses from our external partners if and when a suspect or actual modern slavery incident is identified.

Actions that we plan to commence to measure effectiveness include:

- at least annually, reviewing the actions we have taken to check their effectiveness; and
- reviewing our existing higher risk suppliers to ascertain if any circumstances have changed.

## Other consultation

PLUS ES consulted with members of Ausgrid's Procurement team in the preparation of this Statement.

## Other information about this Statement

For the purposes of the Act and this Statement, modern slavery means conduct which would constitute:

- (a) an offence under Division 270 or 271 of the Criminal Code; or
- (b) an offence under either of those Divisions if the conduct took place in Australia; or
- (c) trafficking in persons, as defined in Article 3 of the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime, New York, 15 November 2000 (2005 ATS 27); or
- (d) the worst forms of child labour, as defined in Article 3 of the ILO Convention (No. 182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, Geneva, 17 June 1999 (2007 ATS 38).

## PROCUREMENT COMMUNITY OF PRACTICE

**In addition to the Group Risk Committee, PLUS ES, in conjunction with its affiliate Ausgrid, has developed a Procurement Community of Practice (PCoP) group. The PCoP consists of Executive General Managers, Heads of Procurement and Procurement Leaders across PLUS ES and Ausgrid. The PCoP, amongst other responsibilities, review and manage organisational impacts and risks as they relate to Procurement, including modern slavery risks and COVID-19 impacts.**



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