

Modern Slavery Statement

2023





About this statement

This statement has been prepared by the Electricity Generation and Retail Corporation, trading as Synergy (ABN 58 673 830 106), at its registered office address of 219 St Georges Terrace, Perth, Western Australia, to meet the requirements of the Modern Slavery Act 2018 (Cth) (the Act). This statement identifies the risks of modern slavery in Synergy's operations and supply chain, the actions taken to assess and address these risks, how we assess the effectiveness of those actions, and Synergy's forward-looking commitments as we seek to continuously improve our approach.

This statement covers the financial year ending 30 June 2023 (the Reporting Period).

This statement is made on behalf of Synergy, Synergy's wholly owned subsidiary South West Solar Development Holdings Pty Ltd (ACN 152 749 936) (SWS DH), and SWS DH's subsidiary Synergy Renewable Energy Developments Pty Ltd (ACN 152 752 719) (SynergyRED), who have been consulted in relation to modern slavery risks in their operations and supply chains.

Where our structures, operations and supply chain have remained the same over the Reporting Period, we have re-stated the same information.

The statement was approved by Synergy's board on 30th October 2023.

Michelle Shepherd
Chair

Acknowledgement of Country

Synergy acknowledges the Traditional Owners of the Land on which we operate and their continuing connection to the land, water and community. We pay our respects to all Aboriginal and Torres Strait Islander communities, their cultures and to Elders past, present and emerging.



Our human rights commitment

Synergy is committed to respecting human rights. We are maturing our approach to addressing modern slavery risks across our value chain. Our goal is to conduct business in a way that safeguards our people, contractors, and the broader communities in which we operate and serve.

We acknowledge human rights and modern slavery risks are interconnected and complex. Eliminating modern slavery risks cannot be achieved in isolation; it demands collaboration both within Synergy and with external stakeholders, including those outside our industry.

We are refining our processes to better identify, assess, prevent, and mitigate modern slavery risks, as well as address adverse human rights impacts within our operations and supply chain. During the Reporting Period we collaborated internally and with external partners to progress our Modern Slavery Roadmap.

Synergy's corporate strategy evolution has further elevated its human rights and modern slavery approach. We will continue to prioritise human rights and modern slavery as part of this strategy, in line with our strong commitment to a sustainable future.

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A message from our CEO

Synergy has been advancing its approach to modern slavery since 2020, continually taking steps to leverage our existing governance and procurement processes to identify and assess modern slavery risks in and related to our business. The refresh of the corporate strategy and the introduction of a social value pillar in 2022 has brought modern slavery to the forefront of decision making at the highest levels of the organisation. We are committed to upholding universal human rights and are concentrating on three key initiatives as we mature our organisational approach to modern slavery and implement our Human Rights Control Framework.

We are continuously working to enhance our supply chain risk management systems and controls with regard to the tendering and onboarding of suppliers. During the Reporting Period, Synergy developed its first Supplier Code of Conduct. The Code outlines Synergy's values and sets out its minimum expectations of suppliers providing goods and services to Synergy, across a range of areas including human rights and modern slavery.

We have upgraded our subscription of a third-party assessment tool to improve and simplify our process of assessing supplier risks. We are now utilising the platform to issue suppliers Self-Assessment Questionnaires (SAQs) to determine their approach to modern slavery risk assessment. Additionally, we have been able to engage more extensively with high and medium-risk suppliers to gain a deeper understanding of their operations.

We have achieved significant progress this year by creating and finalising training materials that are designed to improve the core competencies of our staff in identifying and assessing modern slavery risks. These materials are aimed at improving risk visibility and supporting informed decision-making processes within our business.

Synergy is committed to staying informed about any changes in legislation or guidance issued by the office of the federal Anti-Slavery Commissioner. Accordingly, in the next Reporting Period we will continue to review our processes to ensure compliance with the requirements under the Act.








A handwritten signature in black ink that reads "David Fyfe". The signature is written in a cursive, slightly slanted style.

David Fyfe
Chief Executive Officer

Synergy overview

Powering our community



-  South West Interconnected System
-  Coal-fired power station
-  Wind farm
-  Gas turbine
-  Battery
-  Solar
-  EV charging stations

BEI – Bright Energy Investments

Our operations

Synergy is a WA Government Trading Enterprise established under the *Electricity Corporations Act 2005 (WA)* and governed by the *Government Trading Enterprises Act 2023 (WA)*, which specify its powers, functions and operational restrictions.

Synergy is proud to be Western Australia's largest integrated electricity generator and energy retailer. Our objective is to work together with more than one million Western Australian household and business customers towards an intelligent energy future of safe, reliable, lower emissions energy, at the lowest sustainable cost.

The energy sector is undergoing a significant transformation. Synergy is innovating and adapting operations for the new market while continuing to provide safe and reliable energy to the community.

Energy generation and storage assets currently include Muja and Collie coal-fired power stations, Cockburn, Pinjar, Kalgoorlie-Boulder and Mungarra gas-fired power stations and the Kwinana battery energy storage system. Synergy also has significant renewable energy capacity in Western Australia's Mid West and Great Southern regions through our interest in Bright Energy Investments (BEI).

Synergy is a people-led organisation. The health, safety and overall wellbeing of our staff and contractors is at the forefront of everything we do, including in our commitments and actions to address modern slavery, as described in this statement.

Our purpose is clear - to lead Western Australians to their intelligent energy future.

Our structure

In line with the requirements of the *Electricity Corporations Act 2005 (WA)* and the *Electricity Corporations (Electricity Generation and Retail Corporation) Regulations 2013 (WA)*, Synergy is functionally organised to deliver on its key purpose as follows:

Energy Generation

Synergy's Energy Generation (Generation) division is responsible for the management of Synergy's generating assets, including the safe and reliable operations and maintenance of Synergy's power stations and associated infrastructure.

Our coal powered stations will be retired by 2030, as we embark on a sensible, managed transition to a greater use of renewables, while ensuring electricity reliability and affordability.

Synergy's gas turbine fleet plays a significant role in both the provision of energy and a number of essential system services in support of a reliable South West Interconnected System (SWIS).

Synergy is leading Western Australia's sustainable energy transition by delivering a pipeline of renewable energy generation and storage assets throughout the SWIS, and supporting customers on their decarbonisation journey.

Wholesale

Synergy participates in the Wholesale Electricity Market in Western Australia. Our Wholesale division is responsible for the wholesale trading of electricity and gas. Wholesale manages the dispatch of Synergy's generation fleet and independent power producer contracts, as well as fuel contracts. Wholesale buys electricity and related products and sells to retail and wholesale market participants under ring-fenced arrangements.



Synergy is proud to say that Western Australia's first utility-scale transmission-connected battery project, the Kwinana Battery Energy Storage System (KBESS1) has been energised, after commencing site works in November 2021.

Customer

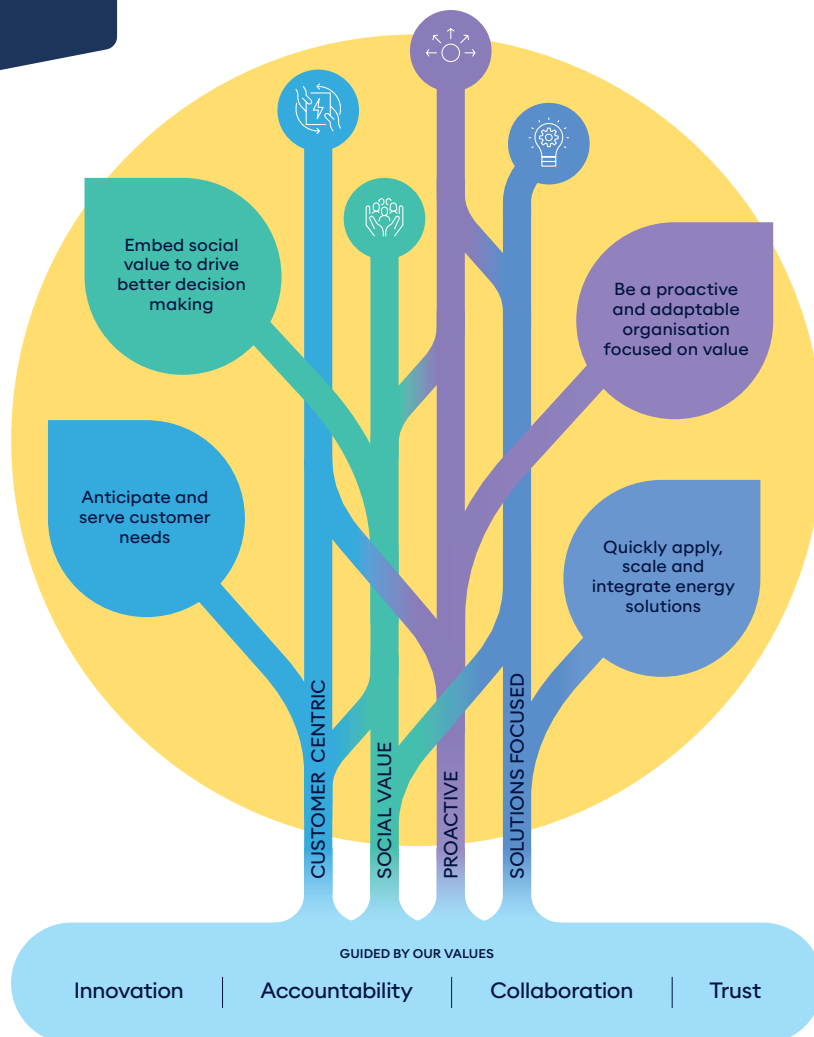
Customers are at the heart of everything we do. Our Customer (Retail) division carries out the retail operations of Synergy, involving the pricing, sale and marketing of electricity and gas to end-user customers in the SWIS.

Corporate Shared Services

Our Corporate Shared Services division supports our Generation, Retail and Wholesale areas by undertaking the functions of corporate planning, strategy and transformation, organisational development, finance, legal, people management, environment, health and safety, information technology and management, regulatory and compliance.

Corporate Shared Services includes the operations of Synergy's wholly owned subsidiary SWSDH and SWSDH's subsidiary SynergyRED, which provides asset management services and vehicle management services.

Synergy's corporate strategy



Our corporate strategy evolution

Synergy's corporate strategy sets out the long-term goals and direction for the entire organisation. Since the launch of Synergy's previous corporate strategy in 2020, societal expectations and Government outlook regarding the energy sector have changed significantly.

Support for green and sustainable economies continues to grow globally.

These changes present new strategic opportunities for Synergy to deliver on its purpose of leading Western Australians to their intelligent energy future. Synergy's CEO, David Fyfe, members of the executive

team and the Synergy board of directors, supported by key subject matter experts, considered future ambitions and reorientated the organisation towards a new strategy. To be successful, Synergy must continue to evolve and adapt to meet the needs of over one million Western Australians.

The outcome of this work is an evolved corporate strategy for Synergy. This new strategy sees the three strategic pillars of "customer centric", "solutions focused", and "proactive organisation", joined by a fourth pillar of "social value" (see case study).

Synergy's new corporate strategy sets out a core plan that sees us through the retirement and replacement of coal-fired power stations with renewable energy generation assets and storage. At the same time, we will work with the State's transition to net-zero carbon emissions.



Case study

Corporate strategy evolution - social value to guide better decision making

The four pillars of Synergy's corporate strategy underpin the approach and the actions of the organisation. They balance decision making and support Synergy in achieving its purpose. The new social value pillar represents our commitment to making a positive contribution to society, our people, the environment, local communities and stakeholders. Social value will be the legacy we leave behind for future generations.

Social value will support our objectives of delivering an 80% reduction in carbon emissions by 2030, while creating a net positive outcome for our communities impacted by the energy transition.

We are mindful of the modern slavery risks presented by renewable energy technology. The addition of the social value pillar has led to the escalation and evaluation of modern slavery risks at the highest levels of the organisation.

We remain committed to actively understanding and responding to modern slavery and broader human rights risks as we transition to a lower carbon future.

Our people

Our people work across a range of technical, operational, and professional roles within the Perth, Kwinana, and Collie regions of Western Australia. In the Reporting Period our workforce comprised 939 FTE employees, supported by 70 FTE embedded and project contractors.

Synergy is committed to providing a workplace where people are engaged, enthusiastic, have opportunities to learn and grow, and experience a sense of belonging. Our people are invested in a shared purpose to positively contribute to leading Western Australians to their intelligent energy future.

Synergy recognises the importance of building a diverse, equitable and inclusive workplace. We aim to be an exceptional place to work, where our employees can be their best in a physically and psychologically safe and healthy environment.

Work health and safety

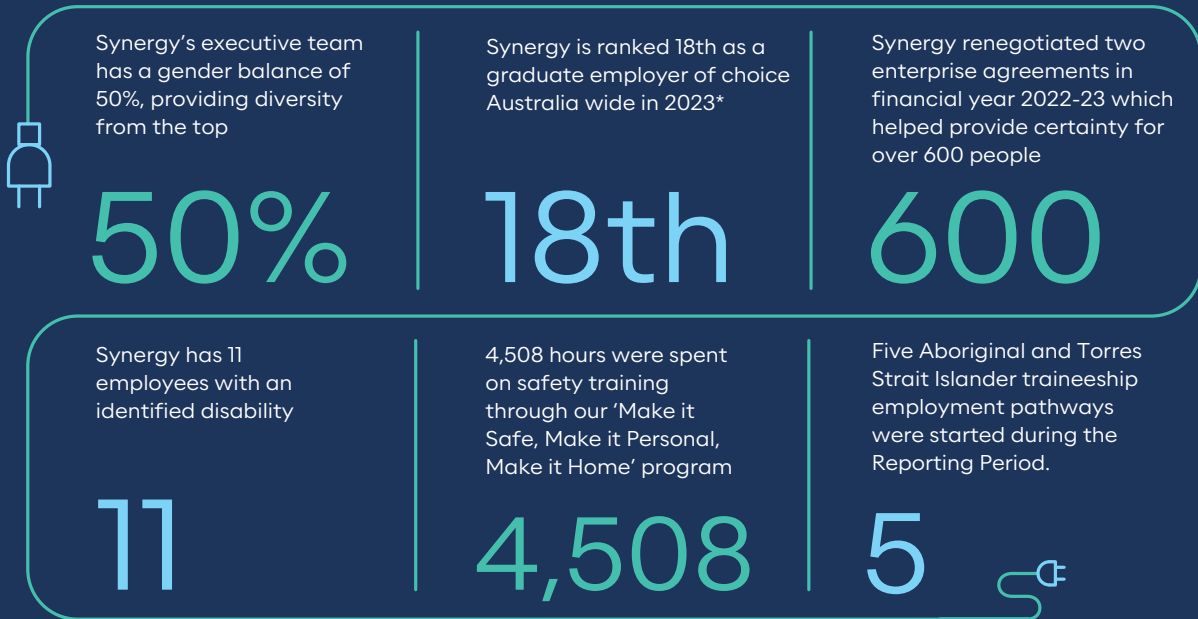
Synergy has continued to review and amend its work, health, safety and management systems and processes to align with the changes introduced through the commencement of the *Work Health and Safety Act 2020 (WA)*. We prioritised upskilling our understanding of work, health and safety across the business and launched a new learning series called 'Make it Safe, Make it Personal, Make it

Home'. This mandatory safety training comprises three modules which cover hazards and risks management, psychosocial hazards and risks, mental health and Synergy's critical risks and risk assessment practices.

The working conditions of the people in our business are guided by Australia's federal industrial relations system. Synergy has a comprehensive governance framework in place to consistently uphold these obligations and maintain compliance. Our teams' employment conditions are primarily governed by one of three Enterprise Agreements. These Enterprise Agreements are negotiated with union and employee representatives, approved by the Fair Work Commission and published internally on our intranet.

Reconciliation Action Plan

Synergy is committed to reconciliation and is working to improve engagement with Aboriginal and Torres Strait Islander people and communities. Our Reflect Reconciliation Action Plan (RAP) set out 39 commitments across the areas of respect, relationships, and opportunities which we completed in 2022. Synergy is proud to have recently achieved endorsement of our new Innovate RAP by Reconciliation Australia. Synergy's Senior Aboriginal Engagement Advisor continues to support the delivery of our RAP commitments and has been closely monitoring opportunities to strengthen Aboriginal and Torres Strait Islander engagement.



*by topgraduateemployers.com



Case study

Promotion of human rights in our workforce

As we transition to a renewable future, we are supporting the current and next generation of energy industry professionals. Our people and community are at the heart of everything we do; that is why we have adopted a people-first, co-creation approach to our transition, ensuring everyone has a voice and the opportunity to shape their own future.

Workforce Transition Program

When then WA Premier Mark McGowan announced the planned closure of Muja Power Station Stage C in August 2019, Synergy established a Workforce Transition Program to support our people through the transition. The program is underpinned by fundamental human rights, such as the right to work and education, and to date has achieved the following:

- Establishment of a core team of over 40 people to implement our Workforce Transition Plan, with 20 on our transition training committee;
- Development of 370 individual transition plans, working towards one of four pathways: continue, redeploy, explore external opportunities or retire;
- Activation of 74 transition courses and support programs: engaging 22 different registered training organisations; and
- Completion of more than 900 courses by Muja Power Station employees and contractors.



Our supply chain

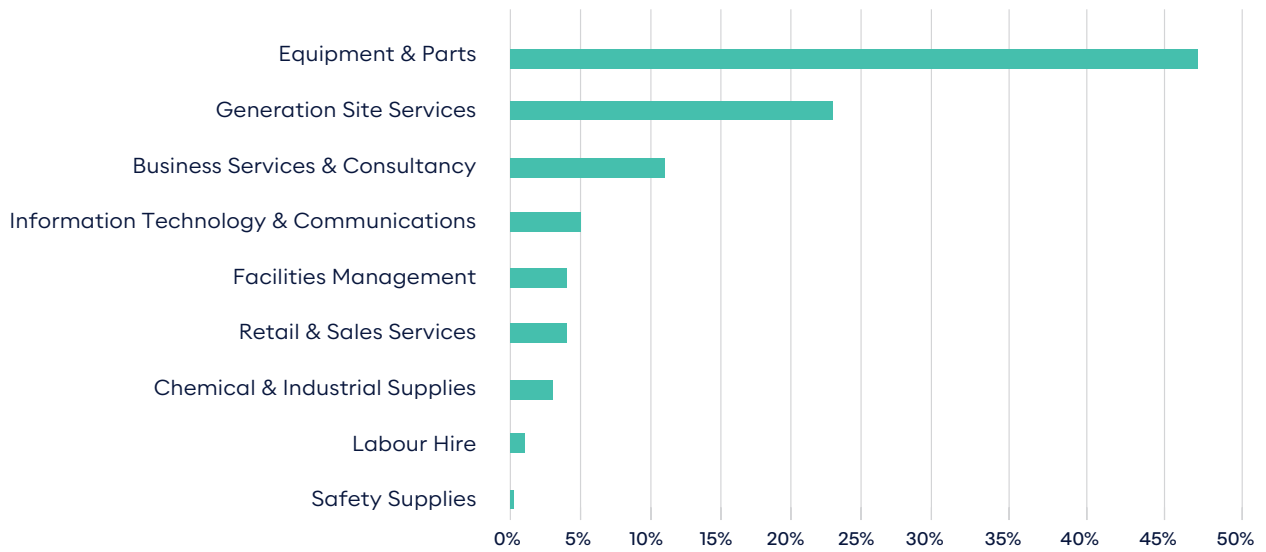
Synergy carries out its sourcing activities through a centralised procurement and supply chain function based in Western Australia. This function follows procurement policies and procedures that support socially responsible sourcing and a ‘buy local’ approach, promoting the use of local suppliers whenever feasible. In the Reporting Period, 47 percent of Synergy’s contestable spend was with Western Australian entities, and 20 percent of that was directed to suppliers located within the regions where we operate.

Synergy is also focused on meaningful engagement with Aboriginal businesses and has adopted the Western Australian Aboriginal Procurement Policy as part of our sourcing processes. In the Reporting Period, Synergy exceeded its annual target for the fourth year in a row, awarding 3.98 percent of contracts to Aboriginal-owned businesses.

Similar to the prior Reporting Period, the key areas of Synergy’s contestable expenditure were for procurement of equipment and for operations and maintenance services for our generation assets, with an increasing focus on renewables assets including the supply of battery energy storage.

¹ In FY23, the contestable spend of Synergy’s wholly owned subsidiary SynergyRED, was \$5 million, primarily covering labour hire, professional services and electricity grid connection studies.

Top spend categories



Contestable spend by region

Top supplier countries (by spend)

- Australia (65%)

- China

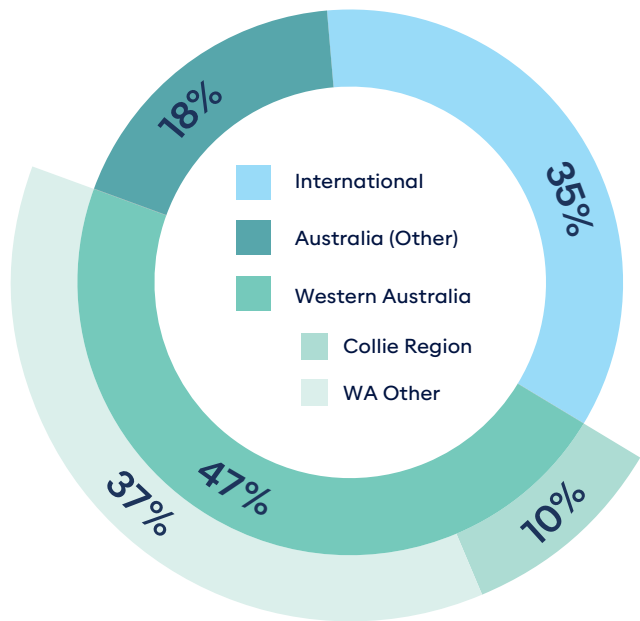
- Spain

- Switzerland

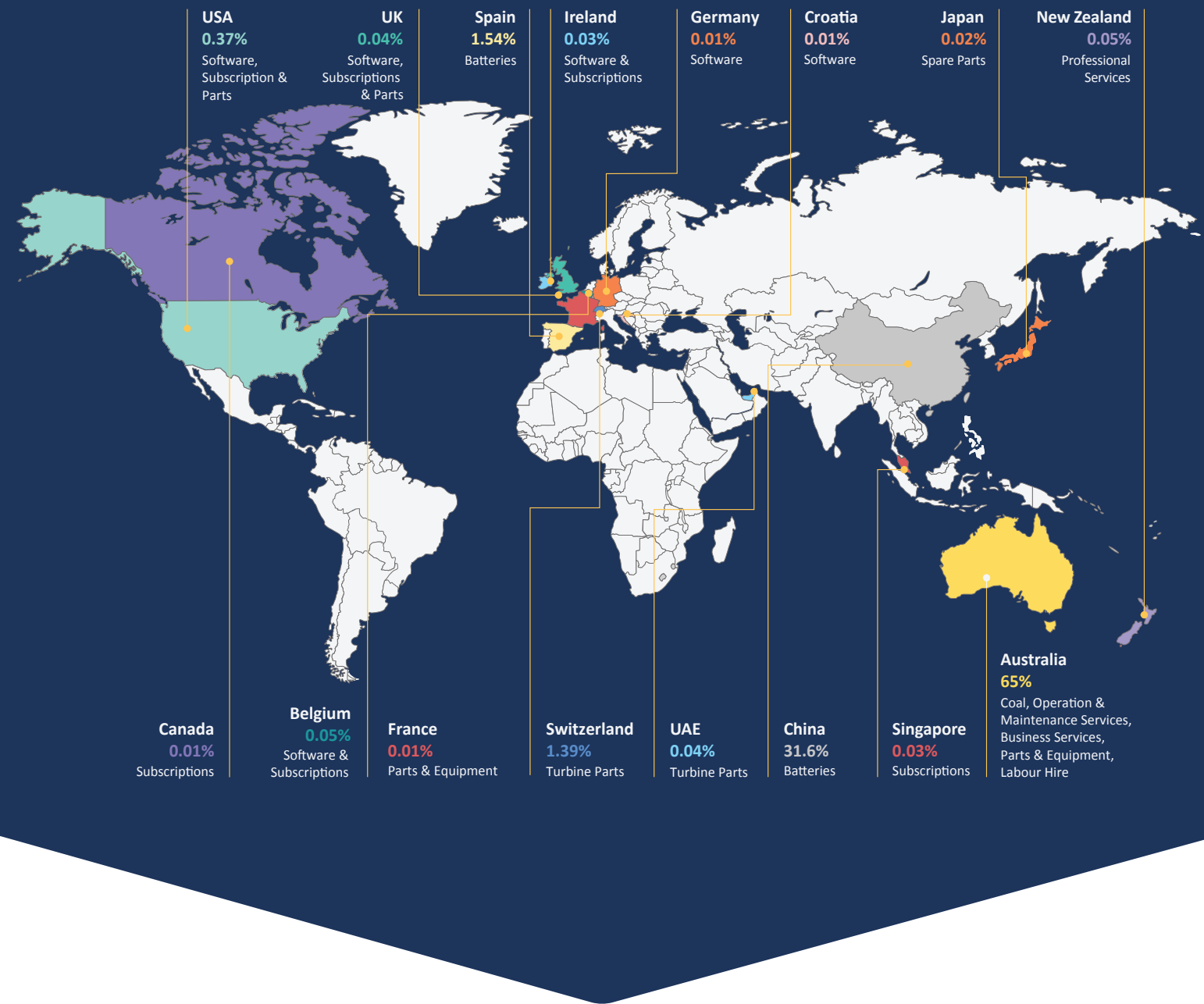
- USA

- Belgium

- United Kingdom



Tier 1 supplier location (by % of spend)



Modern Slavery

Risks in our operations and supply chain

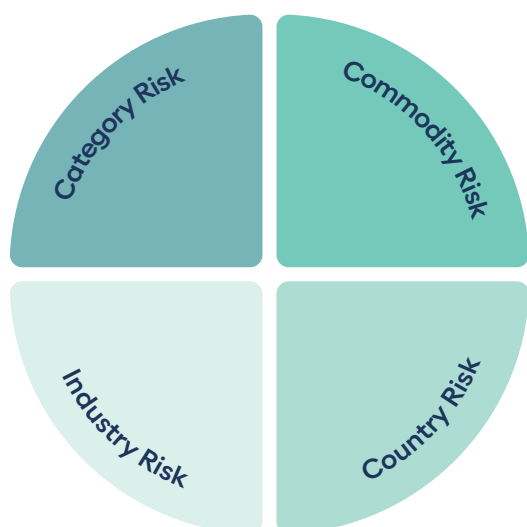
Modern slavery comprises behaviours and practices that are a violation of human rights, such as human trafficking, slavery, forced labour, debt bondage, forced marriage, and the worst forms of child labour. Synergy recognises that modern slavery can involve the use of coercion, threats, or deception to exploit victims and limit their freedom. These practices are serious criminal offences that can often be concealed and difficult to detect.

We are dedicated to identifying the risks and presence of modern slavery in our operations and supply chain and ensuring consideration of these risks is embedded into our decision-making.

Risk identification and assessment

The Procurement Due Diligence Framework for Synergy's ongoing modern slavery risk assessment is guided by relevant risk indicators specific to Synergy's business, operations and supply chain. Leveraging these risk factors, Synergy identifies its modern slavery risk exposure across its operations and supply chains. In the Reporting Period, these four risk factors continued to inform Synergy's risk assessment process:

- 1. Industry Risk:** Includes industries involving people who may have a higher risk of harm due to language, literacy or education characteristics, or higher risk business models (including offshore services, labour hire, or other services involving migrant workers).
- 2. Category Risk:** Exploitative labour practices are more likely in particular supply chain categories, such as solar panels, wind turbine components, electronics and textiles.
- 3. Commodity Risk:** Identification of high-risk areas further down the supply chain, into the raw materials and minerals such as polysilicon, cobalt, metals, copper and rare earths.
- 4. Country Risk:** High risk geographies are typically characterised by conditions including weak rule of law, high levels of corruption or conflict and other factors such as internal displacement of people, high cross-border migration and regional or remote areas.



Modern slavery risks in our operations

During the Reporting Period all of Synergy's operations were based in Australia. As such, Australia's robust industrial relations system shaped our people's working conditions. Australia is considered to have a low prevalence of modern slavery according to the Global Slavery Index 2023.²

The risk of modern slavery within our direct workforce remains low, and we are not aware of any modern slavery practices in our operations. In saying this, we acknowledge the estimated 41,000 people living in modern slavery in Australia, a figure which is said to have more than doubled over the past four years.³

We are aware that modern slavery risks can exist in any sector or organisation. Therefore, we acknowledge our responsibility to remain vigilant and take appropriate measures to address any material changes in the level of risk that may arise within our operations.

² Australia: Country risk assessment based on the Global Slavery Index 2023 published by the Walk Free Foundation

³ Australia: Country risk assessment based on the Global Slavery Index 2023 published by the Walk Free Foundation

Modern slavery risks in our supply chain

Synergy understands that its supply chain could cause, contribute, or be directly linked to modern slavery practices. We understand that multiple risk factors as identified in our Procurement Due Diligence Framework could potentially influence the nature and extent of modern slavery practices, particularly when these factors intersect.

Elevated modern slavery risks

The evaluation of our supply chain for the Reporting Period indicates our modern slavery risks have remained largely consistent with previous years.

The below list identifies categories of elevated modern slavery risks within our supply chains:

- Electrical equipment
(including battery energy storage)
- Turbine equipment
- Fabricated metals
- Construction
- Computing equipment
- Offshore services
- Facilities management
- Labour hire

Our country risk assessment for modern slavery focused on the locations of our direct suppliers (tier 1), from whom we procured goods and services. In the Reporting Period, we sourced 65 percent of our expenses on goods and services locally within Australia, which resulted in a low country risk associated with our direct imports. Synergy's transition to renewable energy sources has led to an increase in procurement from outside of Australia, a trend that is expected to continue in future years. In this Reporting Period, 31.6 percent of contestable spend was directed to China for the procurement of renewable assets, which is deemed to have a moderate risk of modern slavery prevalence.⁴

Synergy is committed to staying informed about emerging and evolving modern slavery risks, as outlined in reports like the Global Slavery Index. In our ongoing efforts to improve, Synergy will regularly assess its risk profile to better identify any exposure to modern slavery risks within our supply chains.

Case study

Assessing modern slavery risks in procurement

Synergy recognises the elevated risk of modern slavery in the renewable energy industry, from the mining of raw materials through to the overseas equipment manufacturing. To address this risk, Synergy applied its procurement due diligence processes to the procurement of battery energy storage systems and other renewable energy assets.

This included conducting third party due diligence assessments, incorporating human rights risk management plans into tender evaluation and contracting, and ensuring that contractual obligations were appropriate to the risk.

Synergy will continue to engage with our suppliers of renewable assets to manage the risk of modern slavery within their operations and supply chains.

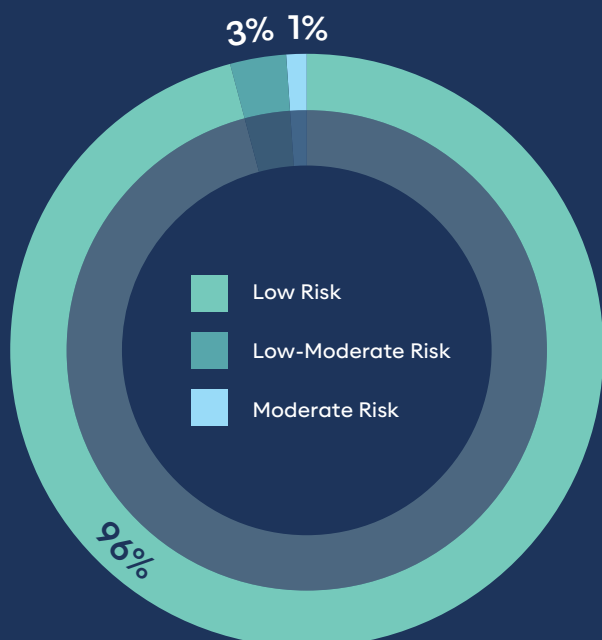
⁴ China: Country risk assessment based on the Global Slavery Index 2023 published by the Walk Free Foundation. In the Asia Pacific region, Australia is ranked 26 and China is ranked 19. However Synergy is aware of the elevated risk of modern slavery within particular regions in China, including the Xinjiang Uyghur Autonomous Region.

Supply chain risk assessment

Synergy has recently upgraded its subscription with a third party Environmental, Social, and Governance (ESG) risk analytics platform with the aim of enhancing our supply chain risk assessment process. All suppliers with a minimum annual spend of \$50,000 were assessed for modern slavery risks within their operations and supply chains, using the tool.

In the Reporting Period, we streamlined our risk identification process by issuing suppliers a Self-Assessment Questionnaire (SAQ) on the third-party platform to help understand their approach to modern slavery risks. The SAQ was issued to our target 100 suppliers (based on risk and spend), which represents 90 percent of Synergy's contestable spend.

The graph presents the analysis outcome, indicating that 96 percent of Synergy's suppliers were rated as having low modern slavery risks.



Supplier SAQ outcome

In the past year, we engaged more extensively with suppliers to gain a deeper understanding of their operations and supply chains. Additionally, efforts were made to establish communication with suppliers that had been unresponsive to information requests and the SAQ. Synergy is committed to continuous improvement across the business and will continue to engage with suppliers to prevent and mitigate the risk of modern slavery within our supply chains.

Moving forward, we plan to review the effectiveness of the third-party risk assessment tool and incorporate this when developing our Modern Slavery Framework.

Modern slavery risks in the transition to renewable energy

To achieve the WA State Government's target of an 80 percent reduction in our emissions, we are expanding our portfolio of renewable assets. This involves building and acquiring wind farms, building battery energy storage systems and developing other firming technology.

As we transition to a lower carbon future, we recognise the inherent modern slavery risks associated with renewable energy technology. Mineral inputs such as cobalt and lithium (used in batteries), and copper, zinc and rare earths (used in wind turbines), are at a high risk of being mined and refined using forced and child labour.

The production of component parts also presents a high risk of modern slavery due to the concentration of manufacturers in countries with weak labour laws, and the base-skill nature of the work. Additionally, the significant land use changes and construction needs of renewable assets can also have human rights implications.

Synergy is committed to understanding and effectively managing modern slavery risks associated with its renewable energy supply chains and operations. We acknowledge these risks are not limited to Synergy but extend throughout the industry. Thus, as an industry, we must advocate for greater transparency in the supply chains of renewable energy technology.

Actions to assess and address modern slavery risks

This year, we actively collaborated both internally and with external experts and strengthened our organisation’s capability in understanding and responding to modern slavery risks.

Synergy’s Human Rights Control Framework is based on a benchmarked analysis of external best practices in relation to assessing and addressing modern slavery risks.

In the Reporting Period, Synergy continued to embed and enhance the Framework as part of its ongoing commitment to continuously improve the management of modern slavery risks across our organisation.

The Framework consists of four key elements; governance, due diligence, capability building and remedy, in addition to the 12 sub-elements referenced in the diagram below.

Human rights control framework



1. Ad hoc

Processes at this level are in a state of dynamic change, tending to be driven in an ad hoc and reactive manner, providing an inconsistent response to the same events.

2. Informal

Processes at this level are unlikely to be rigorous, however, processes are informally established and understood, providing some consistency in response to the same events.

3. Defined

Processes at this level are, in some key functions, standard processes that may be subject to some infrequent degree of improvement over time. This provides mostly consistent practices and outcomes in response to the same events.

4. Managed

Processes at this level have a common and consistent understanding, having been formalised and subject to continuous improvement, providing consistent practices and outcomes in response to the same events. Such processes are typically integrated within wider organisational processes.

5. Optimised

Processes at this level are focused on continuous improvement of the organisational response to the same events through both incremental changes and innovation, and are recognised as a high value add function of the organisation.

FY23 highlights

Governance

- ✓ Conducted an internal modern slavery audit.
- ✓ Developed Synergy's first Supplier Code of Conduct.
- ✓ Expanded membership of Synergy's internal Modern Slavery Working Group to include representation from SynergyRED.

Due diligence

- ✓ Expanded the reach of the SAQ to our target 100 suppliers based on risk and spend.
- ✓ Drafted a modern slavery Procurement Due Diligence Framework.
- ✓ In Synergy's capacity as a supplier, participated in a social compliance audit covering human rights and labour condition expectations.

Remedy

- ✓ Strengthened the availability of supplier grievance mechanisms by providing access to the Whistle-blower Stopline (via the Supplier Code of Conduct).

Capability building

- ✓ Continued active engagement with the Human Rights Resource and Energy Collaborative (HRREC), including sharing knowledge around modern slavery risks within the renewables industry.
- ✓ Developed the content for Synergy's refreshed modern slavery training program.

Governance

Synergy's Modern Slavery Working Group (MSWG) comprises people representing various parts of our business. During the Reporting Period, we welcomed a new member from Synergy's subsidiary, SynergyRED. The MSWG's purview extends to matters relating to modern slavery and human rights. The Working Group Charter governs the role of the group's responsibilities.

The purpose of the MSWG is:

1. Functioning as a platform for open discussions, knowledge exchange, and the dissemination of best practices related to modern slavery and human rights.
2. Facilitating the progression of agreed-upon initiatives and actions.
3. Serving as the primary point of contact for identifying, addressing and resolving issues concerning modern slavery and human rights matters within our business.
4. During the Reporting Period, a key focus of the MSWG was to review opportunities for strengthening our supply chain risk management system and controls.

Supplier Code of Conduct

Synergy was proud to develop and launch its first Supplier Code of Conduct (the Code). The Code outlines Synergy's values and sets out our minimum expectations of suppliers providing goods and services to Synergy, across a range of areas including human rights and modern slavery.

The Code now forms part of Synergy's tendering and supplier onboarding processes. To ensure Synergy's modern slavery commitments and expectations were incorporated, key business functions such as legal, human resources, health and safety, and internal audit were engaged in developing the Code.

Contract review

We undertook an external legal review to assess the suitability of our modern slavery contractual provisions, with a view to revising and enhancing the clauses where appropriate. We will continually seek to adjust and enhance the clauses to incorporate human rights, modern slavery, ethics, and anti-bribery and corruption requirements. As an example, in the next Reporting Period we will be reviewing high risk contracts to ensure specific clauses are fit-for-purpose.

Stakeholder engagement

We have broadened our internal and external stakeholder engagement and collaboration throughout the Reporting Period. Internally, our MSWG and executive sponsors discussed implications of the Act Review and progressed our Modern Slavery Roadmap commitments.

Externally, we continued our engagement as part of the Human Rights Resource and Energy Collaborative (HRREC), a group of Australian companies in the energy and resources sector that have come together to collaborate, share knowledge and develop practical tools to identify and address modern slavery risks within supply chains. In the Reporting Period, collaboration around the risks in renewables became a focus. In the next Reporting Period Synergy intends to expand this consultation and collaboration in a newly formed renewables workstream.

Due diligence

Our processes to identify, assess, prevent, and mitigate the risk of modern slavery and address adverse human rights impacts are derived from the UN Guiding Principles, Human Rights Due Diligence Framework.

Therefore, our due diligence approach includes identifying, assessing, and mitigating the risk to people caused by, contributed to, or indirectly linked to our business activities.

Synergy's due diligence approach is risk-based and seeks to:

1. Identify and assess the risk and impact to people of modern slavery across our operations and supply chains;
2. Prevent and mitigate the risk of modern slavery across our operations and supply chains;
3. Address risk and impact to people across our operations and supply chains; and
4. Enable appropriate remediation of any adverse human rights impacts that Synergy may cause or contribute to.

In the Reporting Period, Synergy developed a formal Procurement Due Diligence Framework outlining its approach to assessing and addressing the risk of modern slavery through procurement activity. This framework provides a formal mechanism for assessing high risk procurement and outlines the approach for considering supplier risks and controls within the tender evaluation process.

For tenders identified as having high modern slavery risks, tenderers were required to complete an SAQ and submit a human rights risk management plan which will ultimately form part of contractual commitments. We have also engaged a third-party specialist to undertake deep dive due diligence assessments on tenderers to help inform decision making.

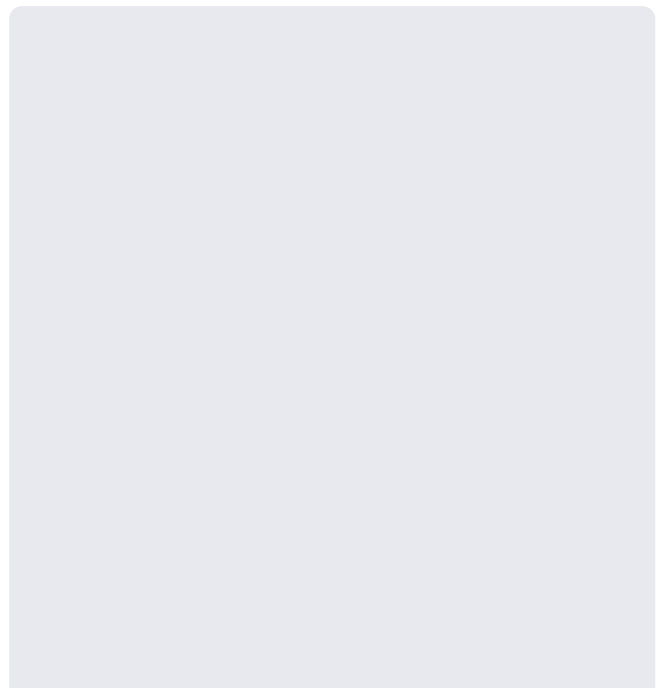
In the next Reporting period, we will incorporate modern slavery risks into Synergy's overall risk appetite. This will ensure greater focus, consistency and alignment in our decision-making processes. As part of our ongoing efforts to continuously improve, we will also define our approach to conducting supplier modern slavery audits.

Remedy

We do not tolerate misconduct at Synergy. Our Integrity Framework underpins our culture of integrity and speaking up. The Framework supports our Code of Conduct and comprises standards, procedures and guidelines for whistleblowing, Public Interest Disclosure (PID), investigations and reporting.

Synergy encourages transparent relationships with its suppliers where concerns can be safely voiced and investigated. As part of Synergy's continuous improvement approach our MSWG has reviewed Synergy's grievance mechanisms. We have updated and made our grievance processes available to our suppliers. The details of our Whistle-blower hotline (Stoptline) are communicated on our website and in onboarding materials, tender documents, our modern slavery risk assessment tool and Supplier Code of Conduct.

In the next Reporting Period, we plan to assess and draw from HRREC's Response and Remedy Framework as we develop our remediation approach. We will continue to participate in industry and other external initiatives to collaborate with and learn from others in driving continuous improvement.



Capability building

In the previous Reporting Period, Synergy finalised its Human Rights Learning and Development strategy. The strategy focused on delivering modern slavery awareness training programs to key functions of the business including our supply chain team, employees involved in contract management, and our executive team.

This year, we have progressed our strategy by developing and finalising training materials designed to enhance the core competencies of our people in identifying and responding to modern slavery risks. These materials aim to improve risk visibility and support informed decision-making within our business.

In early FY24, we are delivering bespoke face-to-face training to our supply chain and senior executive teams.

General training covers:

- Understanding modern slavery and the Act, including Synergy's obligations;
- Management of modern slavery risks at Synergy; and
- How to identify and report modern slavery risks.

Supply chain team training covers:

- Assessment of modern slavery risks for sourcing strategies;
- Modern slavery risk assessment tool;
- SAQ purpose and usage;
- Minimum tender requirements;
- In-depth supplier assessments; and
- Modern slavery clauses in contracts.

Looking forward, we will be implementing additional e-learning modules to make modern slavery training programs more engaging and accessible across the wider business.



Assessing the effectiveness of our actions

We regularly review and assess the effectiveness of our policies, codes, standards, and procedures as part of our overall governance framework.

In the Reporting Period, Synergy continued to review its current processes and procedures for managing modern slavery risks in accordance with our two-year Modern Slavery Roadmap to strengthen Synergy's modern slavery governance and management approach.

As part of our approach to continuous improvement, Synergy conducted an internal audit to review progress against the Roadmap.

The internal audit focused on a review of Synergy's modern slavery controls across four areas, including (1) governance, (2) training, (3) supply chain and (4) reporting and assurance, with the findings presented to the audit and risk committee. The report recognised Synergy's ongoing commitment and organisational response to modern slavery risks. It also identified areas of opportunity for Synergy to enhance the effectiveness of its controls for managing modern slavery risks, including:

- Finalise Synergy's risk appetite in relation to modern slavery;
- Ensure procurement procedures reflect existing modern slavery processes; and
- Define Synergy's approach for monitoring supplier compliance with modern slavery obligations.

These actions form part of Synergy's forward-looking commitments (see the Looking ahead section). In the next Reporting Period, Synergy is looking forward to progressing the recommended actions set forth in the internal audit report.

Furthermore, to assess the effectiveness of our actions to address modern slavery, Synergy will develop a Modern Slavery Framework, to track and report progress and outcomes of its program and actions.

Synergy acknowledges United Nations Guiding Principle 20⁵: which states that to verify whether adverse human rights impacts are being addressed, business enterprises should track the effectiveness of their response. Tracking should be based on appropriate qualitative and quantitative indicators; and draw on feedback from both international and external sources, including affected stakeholders.

⁵ *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, UN. Office of the High Commissioner for Human Rights

Reporting entities and consultation

This statement is submitted on behalf of Synergy, Synergy's wholly owned subsidiary South West Solar Development Holdings Pty Ltd (SWSDH) and SWSDH's subsidiary Synergy Renewable Energy Developments Pty Ltd (SynergyRED), who have been engaged and consulted in the development of this statement, and in relation to modern slavery risks in their operations and supply chains.

Synergy has a comprehensive governance framework that extends to its subsidiary entities, including in the context of procurement and risk management. This framework ensures a uniform approach to managing operational and supply chain risks, including the management of modern slavery risks.

Throughout the Reporting Period, Synergy remained committed to collaborating with SynergyRED to strengthen their capability to identify and mitigate potential modern slavery risks. In the Reporting Period, Synergy included a representative member from SynergyRED in its MSWG, ensuring ongoing cooperation and active participation in the working group's initiatives.



Looking ahead

In the Reporting Period, Synergy participated in discussions on the effectiveness of the Act hosted by Walk Free. Synergy is committed to staying informed about any changes in legislation or guidance issued by the recently announced federal Anti-Slavery Commissioner. Accordingly, in the next Reporting Period we will review our processes to ensure compliance with the requirements under the Act.

Synergy remains committed to continuous improvement and strengthening our approach to human rights and modern slavery risk management. Our priorities for the next Reporting Period, aligned to our Human Rights Control Framework, are set out below:

Governance

- Develop Synergy's Human Rights Commitment; and
- Define roles to enhance ownership and accountability for our human rights and modern slavery responsibilities.

Due diligence

- Review the effectiveness of Synergy's third-party risk analytics tool;
- Develop Synergy's Modern Slavery Framework;
- Finalise Synergy's risk appetite in relation to modern slavery;
- Develop modern slavery specific contractual clauses for high risk contracts;
- Update procurement procedures to align with existing modern slavery practices; and
- Define approach for monitoring supplier compliance with modern slavery obligations.

Capability building

- Deliver Synergy's modern slavery training to supply chain team and senior leaders.

Remedy

- Develop our remediation approach aligned to HRREC's Remedy Framework.

Appendix 1

Governance documents

Key governance documents that detail the approach, expectations, and practices to protect human rights in our internal operations and mitigate modern slavery risks in our supply chain.

Operations (People) Governance	Purpose
Code of Conduct	Sets out standards for appropriate ethical and professional behaviour for Synergy staff and contractors.
Supplier Code of Conduct	Outlines Synergy's values and sets our expectations around modern slavery and human rights as well as health, safety and wellbeing
Speaking Up Standard	Explains the channels for speaking up; how and to whom people can speak up; what happens when people speak up; and the protections given to people who speak up.
Public Interest and Whistle-blower Procedure	Contains processes for raising concerns about actual or suspected misconduct at work under the PID Act or the corporate whistle-blower laws.
Misconduct Reporting Procedure	Outlines the requirements for employees who receive reports about actual or suspected misconduct.
Recruitment and Selection Standard	Defines the minimum mandatory performance requirements for sourcing activities associated with recruitment and selection of employees at Synergy.
Equal Opportunity Standard	Provides guidance to ensure that all employees and potential employees are treated consistently, equitably, and fairly.
Remuneration Standard	Outlines the key reward principles to remunerate employees fairly and equitably.
Non-Contractual Benefits Standard	Details the additional employee benefits provided to supplement contract remuneration packages.
Bullying, Discrimination and Sexual Harassment Standard	Explains Bullying, Discrimination and Sexual Harassment and provides guidance on what to do if the standard is breached.
Flexible Working Arrangements Standard	Sets out the core principles by which any flexible working arrangement at Synergy is to align, including the legislative provisions applicable to certain categories of employees.
Overtime Management Procedure	Provides the framework for consistent allocation, approval and management of overtime. Includes framework for the fatigue management procedure.
COVID- 19 Work Practices Procedure	Defines the steps required to manage absences or changed work practices associated with COVID-19.
Health and Safety Governance	Purpose
Health and Safety Policy	Outlines our commitment to the health and safety of our people.
Health and Safety Risk Management Procedure	Sets out the core principles by which any flexible working arrangement at Synergy is to align, including the legislative provisions applicable to certain categories of employees.
Fatigue Management Procedure	Provides appropriate guidance, knowledge, and tools for the safe management of fatigue.
Contract and Procurement Governance	Purpose
Procurement Standard	Sets out the standards applicable to all employees in the conduct of activities for procurement of materials and services.
Procurement Procedure	This procedure provides guidance and instructions to support the execution of the procurement process by the supply chain team.
Procure-it Contract Framework Procedure	Describes the requirements and steps to request, source, award, manage and complete a contract at Synergy.
Modern Slavery Procurement Due Diligence Framework	Outlines the approach to assessing and evaluating modern slavery risks through the procurement process.

Appendix 2

Addressing the mandatory reporting criteria

Applicable provision of the Modern Slavery Act 2018 (Cth)	Mandatory Reporting Criteria Guidance for Reporting Entities	Location in document
cl 16(1)(a)	Criteria one: Identify the reporting entity.	About this statement, page 2
cl 16(1)(b)	Criteria one and two: Describe the reporting entities structure, operations and supply chains.	About this statement, page 2 Synergy overview, page 5
cl 16(1)(c)	Criteria three: Describe the risks of modern slavery practices in the operations and supply chain of the reporting entity and any entities the reporting entity owns or controls.	Modern slavery risks in our operations and supply chain, page 14
cl 16(1)(d)	Criteria four: Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls. Assess and address these risks, including due diligence and remediation processes.	Actions to assess and address modern slavery risks, page 18 FY23 highlights, page 19
cl 16(1)(e)	Criteria five: Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery.	Assessing the effectiveness of our actions, page 23
cl 16(1)(f)(i)(ii)	Criteria six: Describe the process of consultation with any entities the reporting entity owns or controls.	Reporting entities and consultation, page 24
cl 16(1)(g)	Criteria seven: Any other relevant information.	Looking ahead, page 25



Forrest Centre
219 St Georges Terrace Perth WA 6000
GPO Box F366 Perth WA 6841

synergy.net.au

For the Electricity Generation and Retail Corporation
trading as Synergy ABN 58 673 830 106