



SGSPAA GROUP

2022 MODERN SLAVERY STATEMENT



ABOUT THIS STATEMENT

This statement has been prepared in accordance with the Australian Modern Slavery Act 2018 (Cth) ('the Act') by the reporting entity SGSP (Australia) Assets Pty Ltd ("SGSPAA", "the Company") (ABN: 60 126 327 62) and its 38 subsidiaries (collectively "our Group") for the year ended 31 December 2021. The Company's registered office is Level 16, 567 Collins Street, Melbourne, Victoria.

SGSPAA makes this single joint statement on behalf of all reporting entities in the Group and all other owned and controlled entities. All subsidiaries are incorporated in Australia and 100% of their share capital and units issued are owned by the Group, a list of which can be found in SGSPAA's Financial Report for the year ended 31 December 2021. This statement outlines the actions the Group has taken to assess and address modern slavery risk. It has been prepared with extensive consultation and engagement across the Group as a whole.

Our Group holds a 50% interest in the ActewAGL Distribution Partnership, primarily operating as "Evoenergy", and a 34% interest in United Energy Distribution Holdings Pty Ltd. These entities are not subsidiaries of SGSPAA and therefore are not covered by this statement.

This statement was approved by the board of SGSPAA on 8 June 2022.

For more information about this report contact Corporate_Affairs@jemena.com.au.

For more information about our Group visit www.jemena.com.au.

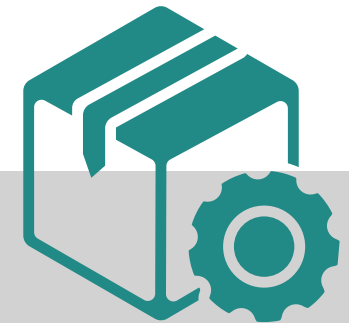
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BRINGING ENERGY TO LIFE

OUR VISION

Creating sustainable energy solutions with communities



Part of the Australian energy landscape

We operate some of the country's most important energy assets and have a detailed understanding of the Australian energy market and policy environment.

Supporting local communities

We seek to be an active member of communities in which we operate. We are committed to working with local groups to leave a positive legacy, particularly to help address disadvantage.

Transitioning to a low-carbon future

We're advancing efforts to transition to a low-carbon future, while continuing to deliver reliable and affordable energy to Australians.

Tackling modern slavery

We're advancing efforts to tackle modern slavery risk exposure across our supply chain and operations while providing broad leadership across the energy sector.

MODERN SLAVERY

Modern slavery is an umbrella term for situations in which a person is forcibly or subtly controlled by an individual or a group for the purpose of exploitation. Examples include forced labour, illegal forms of child labour, human trafficking, debt bondage, deceptive recruiting for labour, and exploitation of minimum wage requirements.

This statement has been prepared in accordance with the Modern Slavery Act 2018 (Cth) ('the Act') and describes the risks of modern slavery in our operations and supply chains, the actions we have taken to identify and address those risks, and our ongoing key areas of focus.

Source: Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities: <https://www.homeaffairs.gov.au/criminal-justice/files/modern-slavery-reporting-entities.pdf>

MESSAGE FROM OUR CHAIRMAN AND MANAGING DIRECTOR

During the past two years, the global, interconnected and complex nature of supply chains became very visible to us all. For the first time in their lives, many Australians experienced empty supermarket shelves and significant delays to product deliveries and major projects. The effects of the COVID-19 Pandemic, and related government responses, on people around the world who mine, manufacture, package, distribute, construct and more could be seen very clearly in the impact on the world's supply chains. This highlighted that supply chains aren't just inanimate goods and services moving around the world, but rely on people.

It's important to us that the people involved in our supply chains have – as expressed in United Nations Sustainable Development Goal 8 – productive employment and decent work. As a major energy infrastructure business, global supply chains mean we are able to competitively source products and services. However, we also run the risk of workforce impacts and practices in other countries affecting the goods we source. This includes unknowing exposure to the risk of modern slavery.

Last year, we published our first Modern Slavery Statement, which provided detail about our supply chains, the risks of modern slavery, and the actions we were taking in the first stage of our response, which primarily focused on making initial risk assessments. We are pleased that in 2021, our response to the issue continues to mature.

Based on our initial 2020 risk assessments, in 2021 we started working with key suppliers to mitigate those risks we identified. We also implemented processes for all of our suppliers to identify and address modern slavery risks. Demonstrating their effectiveness, this year we were able to identify a risk with a personal protective equipment manufacturer. We worked with our supplier to raise awareness of modern slavery concerns and helped them improve their processes – this is outlined in more detail in this report. This year, under the stewardship of our Modern Slavery Working Group, we have also developed a more detailed plan to further evolve our response in the coming years.

We look forward to working increasingly closely with our supply chain partners, our peers in the energy industry, and the communities in which we operate, to improve our modern slavery due diligence processes.

Welcome to our Modern Slavery Statement 2022, which provides an overview of this important work.



Jiang Longhua
Chairman

A handwritten signature in black ink, appearing to read 'Jiang Longhua'.



Frank Tudor
Group Managing Director

A handwritten signature in black ink, appearing to read 'Frank Tudor'.

ABOUT US

OUR BUSINESS

We are a leading energy infrastructure, maintenance, and services group. Our brands consist of Jemena, Zinfra and Ovida.

We deliver gas directly to more than 1.49 million homes and businesses in New South Wales and electricity to over 370,000 customers in Victoria. Our extensive network of natural gas transmission pipelines connects gas from major points of supply to urban and regional centres where it is used to power our nation's industries and produce many of the products we use every day.

Through Zinfra, we deliver a comprehensive range of engineering, construction, maintenance, and operations services to the utility sector.

We employ about 2,800 people who are located across Australia in places like Sydney, Melbourne, Perth, Tennant Creek in the Northern Territory, and Mount Isa in Queensland.

Our Group has equity interests in ActewAGL (EvoEnergy) and United Energy, and is backed by our shareholders Singapore Power and State Grid Corporation of China.

WE'RE OWNED BY



OUR BRANDS CONSIST OF



With additional interests in ActewAGL (EvoEnergy), United Energy and other minority investments.

SCALE OF OUR GROUP

In 2021, we owned over



Our Net Profit After Tax was



Total Tax Paid² was



Our Capital Expenditure was

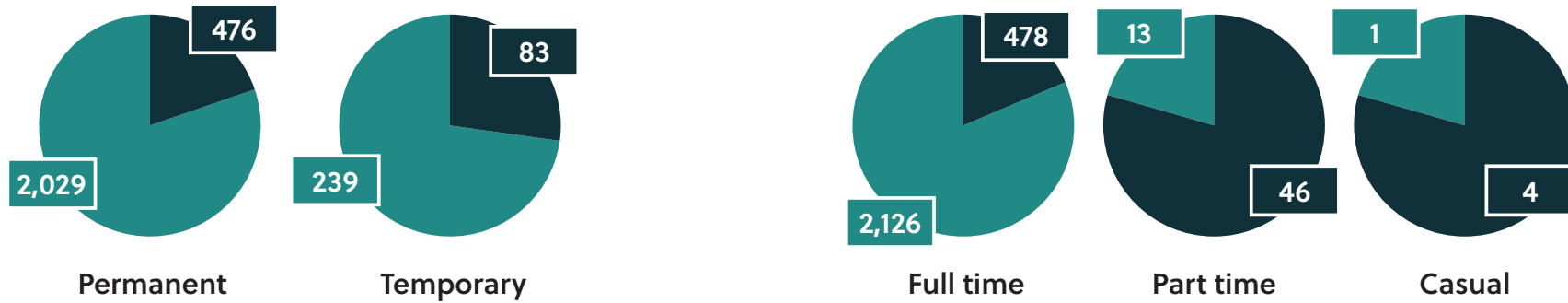


² Total tax paid for CY2020. 2021 income tax return to be lodged in July 2022.

EMPLOYEE AND CONTRACTOR WORKFORCE BREAKDOWN³

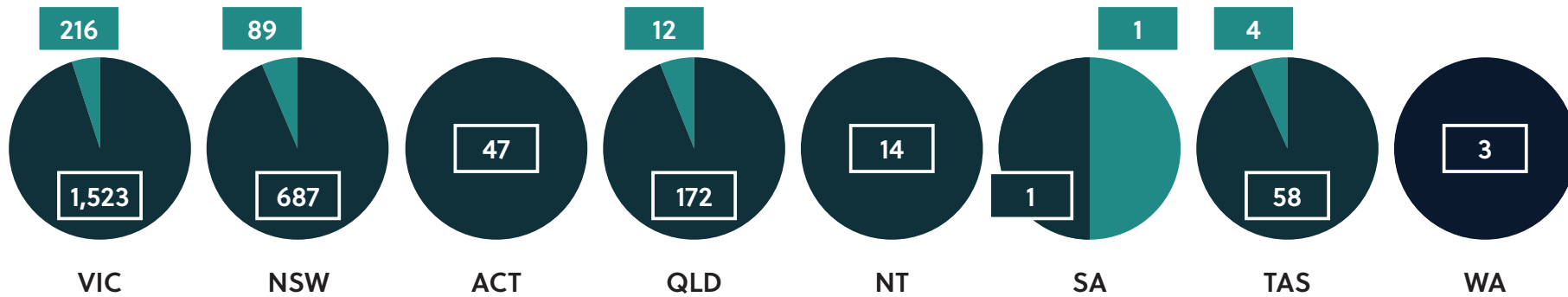
FEMALE

MALE



PERMANENT

TEMPORARY



³ As at 31 December 2021

OUR OPERATIONS AND LOCATIONS

Gas/Electricity

- 1 ActewAGL Distribution Partnership (50% ownership)

Gas

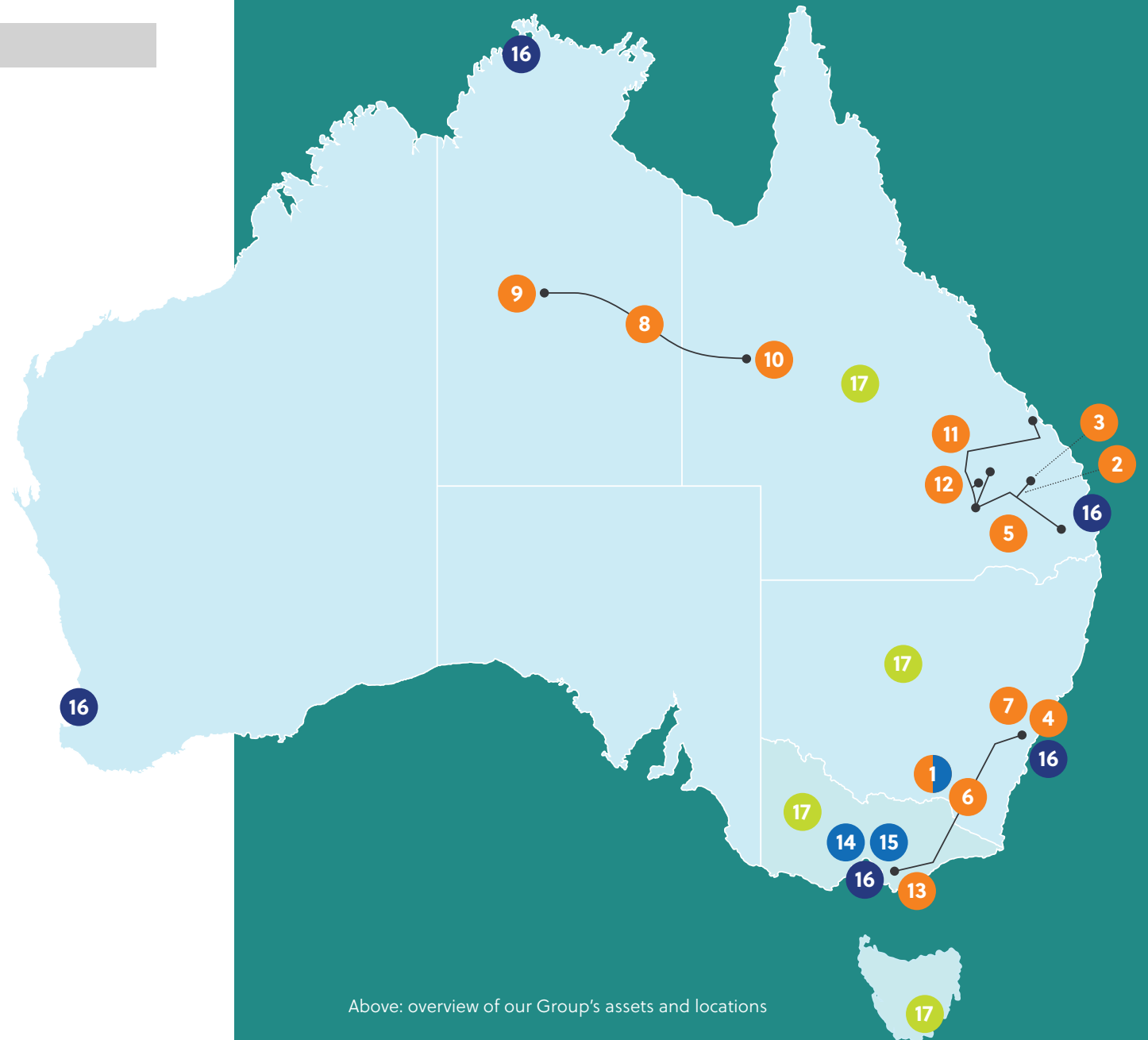
- 2 Atlas Gas Pipeline
- 3 Atlas Gas Processing Facility
- 4 Colongra Gas Transmission and Storage Pipeline
- 5 Darling Downs Pipelines
- 6 Eastern Gas Pipeline
- 7 Jemena Gas Network
- 8 Northern Gas Pipeline
- 9 Phillip Creek Compressor Station
- 10 Mount Isa Compression Station
- 11 Queensland Gas Pipeline
- 12 Roma North Gas Processing Facility
- 13 VicHub

Electricity

- 14 Jemena Electricity Network
- 15 United Energy Distribution (34% ownership)

- 16 Jemena Offices

- 17 Zinfra



Above: overview of our Group's assets and locations

OUR SUPPLY CHAINS

In 2021 we spent over \$1.35 billion with 2,833 active direct suppliers. These figures reflect the importance of our suppliers to our overall business success. Throughout 2021 our suppliers provided us with a range of materials, products, and services as detailed in *Table 1: Top Spend Categories 2021*.

In 2021, 97% of our active direct suppliers were located in Australia

TABLE 1: TOP SPEND CATEGORIES 2021

SUPPLY CHAIN CATEGORY	SPEND CATEGORY	DESCRIPTION
Asset maintenance services	Traffic management services	Traffic management services provided during the maintenance and repair of infrastructure.
	Field services	On-call standby and routine maintenance services, management of minor construction activities and emergency response services to metropolitan and country areas.
	Metering services	Meter-reading services for metered networks.
	Easement (vegetation) maintenance	Vegetation and easement-related services to networks.
Asset-related services	Aerial photography	Aerial surveillance services to networks and pipelines.
	Gas pipeline services	Miscellaneous services to gas assets including liquid coating, erosion repair, permit issuer, secondary standby and site surveying.
Digital	IT services	Professional services and support, cloud services, and data services.
Corporate services	Cleaning services	Commercial cleaning of all facilities.
	Safety equipment and workwear	PPE clothing, wet weather gear and boots, facial protection, alcohol and drug testing.
	Human Resources, contractors and temporary field labour	Recruitment, learning and development.
	Security services and equipment	Static and manned security.
Professional services	Logistics	Warehousing and transport.
	Engineering and design services	Asset-related engineering and design services.
Equipment and materials	Meters and parts supply	Electricity and gas meters, modems, software.
	Line hardware	Clamps, lugs, links, brackets, insulators and crossarms.
	Cables	Power cables, fiber optic cables, conductors, cable covers and electrical cables.
	Switchgear	Switchgear and circuit breakers.
	Transformers and substations	Distribution transformers, power transformers and kiosk substations for electricity networks.
	Poles	Timber, concrete, steel and transmission towers.
	Rotating equipment	Compressors and pumps.
	Valves	Valves and actuators.
Pipes, fittings and hoses	Gaskets and seals, pipe, tube and fittings.	

RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAINS

Our Group is committed to addressing modern slavery. We continue to make significant progress in our understanding of modern slavery risk as it relates to our supply chains and our organisation. In 2021, we reviewed our business operations and found:

1. The risk of modern slavery within our internal operations is still considered low given the highly regulated nature of our business, our robust labour practice controls, and our operations being solely in Australia (which at a country level has a low inherent risk of modern slavery).
2. The greatest area for modern slavery risk relates to our suppliers and broader supply chains.

Table 2.0 Key Supply Chain Risk Categories (on the following page) outlines the categories of goods and services typically procured by the energy industry which pose the highest risk to human rights. Factors that contributed to the higher human rights risks in these supply categories include:

- increased risk of modern slavery in certain industries or countries
- visibility and oversight of supplier labour practices
- supplier capability and transparency
- likelihood of unskilled, temporary, and child labour.





TABLE 2.0: KEY SUPPLY CHAIN RISK CATEGORIES⁴

SUPPLY CHAIN CATEGORY	TYPE	DESCRIPTION OF KEY RISK AREAS
Corporate	Cleaning Services	Low visibility over labour practices given service happens after hours. Low visibility over contractors' practices (wages, working hours) can exacerbate threat.
	Safety Equipment & Workwear	Potential lack of labour practices and transparency of manufacturing processes. PPE clothing, wet weather gear and boots, facial protection, gloves, alcohol and drug testing.
	Human Resources, Contractors & Temp Field Labour	Temporary nature and skill levels present risks.
	Security Services & Equipment	Patrolling and guards are usually outsourced - temporary nature of work and low-skilled nature of work means higher risk.
	Logistics	Risks associated with international logistics and labour practices.
IT	IT Services	Potential for limited visibility of offshore labour practices.
Asset maintenance services	Traffic Management	Temporary nature and skill levels present risks.
Equipment and materials	Meters, Parts Supply	Raw materials extraction and labour practices visibility.
	Line Hardware	
	Cables	
	Switchgear	

⁴ Adapted from Energy Procurement Supply Association, Respecting Human Rights in our Supply Chains, 2019: https://epsaonline.net/media/uploads/white_papers/EP_SA_Respecting_Human_Rights_in_our_Supply_Chain.pdf

ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

WORKING WITH THE ENERGY PROCUREMENT SUPPLY ASSOCIATION

While we continue to address modern slavery risks in our own supply chains, we recognise our peers across the energy industry will likely face many of the same challenges we do. In response, we continue to partner with the Energy Procurement Supply Association (EPSA) which is leading efforts across the energy sector to address modern slavery risks.

Our work with EPSA includes:

- undertaking desktop research and workshops to assess and identify the supply chain categories applicable to our industry
- assessing the likelihood and consequences of modern slavery risks in these categories
- using the joint white paper: *Respecting Human Rights in Our Supply Chains (2019)* to enhance our response to Modern Slavery.

OUR MODERN SLAVERY WORKING GROUP

Our Group's Modern Slavery Working Group leads our response to modern slavery risks. It is composed of representatives from our Group's Procurement, Legal, Human Resources and Corporate Affairs teams, together with other business units. Its work has received support and endorsement from our Managing Director and Executive Leadership Team.

OUR MODERN SLAVERY ACTION PLAN







We have developed our Modern Slavery Action Plan comprising activities grouped in six key phases - Commit, Assess, Adapt, Address, Track and Communicate - while also detailing the actions we plan to take as we continue to assess and address modern slavery risks.

MODERN SLAVERY WORKING GROUP MANDATE:

To develop clear, efficient, and robust ways to identify and address modern slavery risks across our operations and supply chains.

OUR WORKING GROUP ACTIONS

Over the past 12 months our Modern Slavery Working Group has continued to deliver in line with its mandate and plan and has achieved the below:

<p>Commit</p> 	<ul style="list-style-type: none"> • Demonstrated our commitment to tackling modern slavery and human rights through: <ul style="list-style-type: none"> ▫ communicating across our Group, including developing intranet content ▫ communicating externally through various communication channels such as social media, supplier forums and terms of business documents. 	<p>Address</p> 	<ul style="list-style-type: none"> • Implemented a modern slavery program of work including a clear action plan. • Formalised and implemented a clearer process for capturing supply chain and operational modern slavery risks in the Group risk register. • Undertook multiple engagements with industry and suppliers to discuss ongoing modern slavery progress, educate suppliers and monitor their progress via performance meetings.
<p>Assess</p> 	<ul style="list-style-type: none"> • In collaboration with the EPSA, developed and distributed a joint supplier assessment questionnaire (SAQ) to our key suppliers to collect information on their modern slavery risks and mitigation practices. • Regularly monitored government and digital information hubs. • Engaged with external bodies such as the Chartered Institute of Procurement and Supply, World Commerce & Contracting, and the Procurement and Supply Association for training, knowledge sharing and industry insights. 	<p>Track</p> 	<ul style="list-style-type: none"> • Formally launched our Informed 365 digital platform to capture supplier information and potential Modern Slavery risk as part of EPSA consortium. • Regularly monitored digital channels including Reuters News, United Nations Security Council, Know The Chain and Business & Human Rights Resource Centre. • Regularly reviewed United States Customs and Border Protection sanctions and reported incidents.
<p>Adapt</p> 	<ul style="list-style-type: none"> • Reviewed and updated supplier contracts to include clearer modern slavery obligations and notification requirements. • Reviewed and updated purchase order terms and conditions to reflect our modern slavery requirements. • Reviewed and updated all procurement documentation including standard templates and market requests for information to include relevant modern slavery information and requests. • Commenced a Group policy review and realignment process. • Used the EPSA heatmap outlining the modern slavery risks in our industry's supply chains to direct our focus on areas of high risk and high influence. 	<p>Communicate</p> 	<ul style="list-style-type: none"> • Provided targeted training to relevant employees. • Started planning and implementation of a Group-wide modern slavery awareness raising and training project. • Developed and issued our second modern slavery statement.

OUR GOVERNANCE AND POLICY FRAMEWORK

A robust governance and policy framework underpins our Group's efforts to tackle modern slavery risks within our operations. These outline how we manage our people, as well as the actions and behaviour expected of them when dealing with and appointing suppliers. The framework reflects our values: We Care, Think Like a Customer, Better Together, Be Accountable and Find a Better Way.



We care

We value safety and wellbeing for ourselves, our community and environment



Think like a customer

Our actions consider our customers, community, and other stakeholders



Better together

We value the diversity of our people, working together to achieve great outcomes



Be accountable

We accept responsibility to deliver our commitments



Find a better way

We find improved and innovative ways to work

CODE OF CONDUCT

Our Group Code of Conduct explains the standard of behaviour our people are expected to uphold at all times. It is in keeping with our values and all relevant laws and regulations. The Code applies to employees across our Group as well as our suppliers. It commits us both to caring for the people in our operations and across our supply chains. Our people receive annual mandatory Code of Conduct training.

WHISTLEBLOWER POLICY

Our Group is committed to a culture of corporate compliance, good corporate governance, and ethical behaviour. Our Whistleblower Policy protects people who wish to raise concerns about actual, suspected, or anticipated unlawful or unethical behaviour relating to the Group.

A copy of our Group's Whistleblower Policy is available on request.

PROCUREMENT AND CONTRACTING POLICY

Our Procurement Policy commits us to taking a fair and commercially sound approach to our dealings with suppliers. In 2022, we will continue to review our Procurement Policy to incorporate our new Contracting Policy so we have a single policy that expressly addresses our commitment to mitigating modern slavery risks across our supply chains.

REMUNERATION

Our Group reward standard aims to maintain fair and equitable rates for all employees based on their performance and in comparison with competitive rates in the market. We aim to encourage, recognise and reward strong performance, and provide a remuneration framework that is scalable, flexible and consistent. Remuneration is reviewed for all roles at least annually.

SUPPLIER PAYMENT CODE AND PAYMENT TIMES REPORTING

In 2021 the Group put in place systems and processes to effectively identify small businesses within its supply chain and report on payment times, as part of our commitment to good practice in procuring goods and services. This helps enhance their cash liquidity, ability to operate, pay staff and invest in their business.

Our payment performance has been submitted to the Payment Times Reporting Scheme, and we are a signatory to the Business Council of Australia's Supplier Payment Code.

ASSESSMENT OF EFFECTIVENESS OF ACTIONS

There are six main ways in which our Group has assessed the effectiveness of our actions to address modern slavery risks.

ACTION	DESCRIPTION
Modern Slavery Working Group	Regular meetings of our Modern Slavery Working Group to monitor progress against our action plan. This includes assessing any perceived or real risks identified.
Collaboration with industry peers	<p>Collaboration with our industry peers to assess the effectiveness of our actions through discussion, knowledge sharing, and comparison with other practices within the energy industry.</p> <p>Engaging with external bodies such as Chartered Institute of Procurement and Supply, World Commerce & Contracting and Procurement and Supply Association for training, knowledge sharing and Industry insights.</p>
Internal reporting	<p>Reporting of our progress against our action plan to our Group's leadership team.</p> <p>Reporting on supplier information held by Informed 365 against supplier records to ensure capturing of relevant data.</p> <p>Reporting against supply chain and operational risks through our formal risk management process ensuring formal assessment of mitigation strategies where and when risks are identified.</p>
Collaboration with our suppliers	Collaboration and discussion with our key suppliers to ensure effectiveness of our approach and to evolve our understanding of our supply chains.
Assessment of our program of work	Continuous assessment and reflection on our program of work ensuring we add any learnings and update as we progress.
External reporting channels	Monitoring for sanctions and other reported issues via various digital channels to see if our process is missing any significant risks and applying our learnings.

CASE STUDY: WORKING HAND IN GLOVE

Like many organisations during the COVID-19 Pandemic, our requirements for personal protective equipment (PPE) increased considerably, including the need for surgical gloves.

As part of a review of our PPE supplies, we identified 12 types of surgical gloves in use in our business.

Following processes established through our Modern Slavery Action Plan, this review included checking international resources reviewing information from the United States Customs and Border Protection, the United Nations and the Business and Human Rights Resource Centre, to see if there were any sanctions against suppliers or manufacturers. We identified a sanction against one of the manufacturers that produces gloves we had procured via a third party supplier. We engaged our supplier on the issue, raising their awareness of the implications of modern slavery risks in supply chains and continued proactive supplier discussions. The sanction against the manufacturer was later lifted.

Even though our Group purchases and uses a comparatively small number of gloves, compared to other industries, we were pleased to see our processes worked even in relation to a relatively small purchase. We were also able to share our findings with industry peers and EPSA members.

OTHER INFORMATION

CONSULTATION ACROSS OUR GROUP

Members of senior leadership across our Group continue to be engaged and consulted in the ongoing management of our modern slavery approach.

To ensure our people are familiar with our approach to addressing modern slavery risks we continue to:

1. Leverage our governance and policy framework to ensure modern slavery related obligations are effectively managed and communicated to relevant stakeholders including information about our mitigation approaches.
2. Communicate and deliver our modern slavery program of work that includes our action plan to mitigate the risk of modern slavery in our operations, and to ensure that a consistent approach is applied across our Group.
3. Enhance our systems and processes across our Group to support the identification, mitigation and reporting of modern slavery risks.
4. Continue to deliver training across our group to raise awareness of this important issue and to enable staff to identify and report any operational and supply chain risks.

ONGOING IMPACT OF COVID-19

As a Group, we continued to deliver our modern slavery action plan, despite the ongoing impact of the COVID-19 Pandemic. Through 2021, we engaged with our highest-profile suppliers on their modern slavery risks and deployed a Group-wide modern slavery training module. Our need for PPE and related items meant we needed to obtain these quickly, which meant expanding our supply chains. This in turn exposed us to an additional degree of modern slavery risk. We were pleased our processes identified a potential issue with surgical gloves, and we were able to work closely with our supplier to raise awareness of the risks.







The main impact of the COVID-19 Pandemic on our response to modern slavery continued to be limitations on being able to conduct site visits with our key suppliers. We look forward to implementing this aspect of our action plan in 2022.



NEXT STEPS

While we are pleased with the progress we have made thus far, we know we have more work to do to reduce the risk of modern slavery across our supply chains and operations. As we move through 2022 we will continue to identify opportunities to improve our practices and will strive to raise awareness of modern slavery risks within our organisation and across the energy industry.

Over the next year and beyond, we intend to focus on the following activities, in line with the six key phases of our action plan:

 <p>Commit</p>	 <p>Assess</p>	 <p>Adapt</p>	 <p>Address</p>	 <p>Track</p>	 <p>Communicate</p>
<ul style="list-style-type: none"> • Learn from modern slavery experts both in Australia and internationally. • Provide guidance and support to our suppliers. • Where relevant incorporate into our process internationally recognised standards for example Ethical Trading Initiative (ETI) Base Code. • Further enhance our processes to clearly capture how we review products with complex supply chains and high risk but low influence, for example, debt bondage practices associated with glove manufacturing. 	<ul style="list-style-type: none"> • Review and enhancement of existing supplier induction processes. • Ongoing assessment and review of supplier base, risk assessments and supply channels to identify suppliers at risk or those who have sanctions against them. • Commence further supply chain reviews to look at all levels of the supply chain to further understand risks. 	<ul style="list-style-type: none"> • Development of a supply chain review plan to expand supplier due diligence practices across the group with an initial focus on suppliers who we can influence. • Link our systems to easily identify suppliers who have undergone a Modern Slavery risk assessment. 	<ul style="list-style-type: none"> • Further review of documentation, i.e. policy, procedures and guidance material across operations and supply chain. • Enhancement of our internal audit regime across operations. • Enhancement of our supplier relationship management program to further incorporate Modern Slavery assessments and discussions with key suppliers. 	<ul style="list-style-type: none"> • Establish and implement specific and quantitative targets. • Launch of our standardised and clear remediation plan that takes into account various scenarios to understand and assess, on a case-by-case basis, our ability to influence, the issues identified and the nature of the supplier. 	<ul style="list-style-type: none"> • Implement learnings from our peers, suppliers and industry into our plans. • Communicate our updated procurement process, policy and procedures to our people and suppliers. • Enhance our training and knowledge sharing with the implementation of an interactive eLearning training module.

