

# Modern Slavery Statement 2023

REPORTING PERIOD 2022-23



# This statement covers Essential Energy's ongoing commitment towards eradicating slavery from our supply chain and the communities we serve

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# Structure of this Statement

Table 1 identifies the relevant headings in this Statement and how they align to Section 16 of the *Modern Slavery Act 2018* (Cth) (the Act) (Mandatory criteria for modern slavery statements).

**TABLE 1. ALIGNMENT TO SECTION 16 OF THE MODERN SLAVERY ACT**

Section within this document	Mandatory criteria requirements of Section 16 of the Act
<b>About Essential Energy</b>	(1) Identify the reporting entity; and (2) Describe the structure, operations and supply chains of the reporting entity; and (6) Describe the process of consultation with any entities that the reporting entity owns or controls.
<b>Risk Assessment</b>	(3) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls.
<b>Actions taken to assess and address risks of modern slavery practices</b>	(4) Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.
<b>Assessing the effectiveness of actions</b>	(5) Describe how the reporting entity assesses the effectiveness of such actions.
<b>Case studies</b>	(7) Include any other information that the reporting entity, or the entity giving the statement, considers relevant.
<b>Future commitments</b>	



# Message from the Chair and Chief Executive Officer

**We are pleased to present Essential Energy's fourth Modern Slavery Statement in compliance with the Modern Slavery Act 2018 (Cth) (the Act).**

This statement outlines our continuous efforts to address modern slavery and human trafficking risks within our organisation and supply chain for the financial year ending 30 June 2023.

Managing modern slavery risks is an important part of Essential Energy's ongoing commitment to sustainability, as we seek to enable regional development and resilient communities. This includes ensuring sustainable and resilient supply chains that are free from modern slavery, as well as integrating sustainability into our procurement decisions. It also includes championing an inclusive culture within our organisation, and therefore within the communities in which our employees live and work.

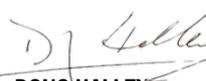
We believe we hold a unique position in modern slavery given the geographic extent of Essential Energy's network area and the nature of the energy industry that leads to opportunities, challenges and responsibilities to help combat modern slavery. Our reach extends across regional communities within 95 per cent of NSW and parts of southern Queensland. Our supply chain is both local and global. So our approach to combating modern slavery is tailored to our specific landscape and industry context.

Essential Energy prioritises maintaining and enhancing systems and processes to prevent any involvement in modern slavery or human rights violations across our operations, supply chain and services.

We are steadfast in our stance against all forms of modern slavery, recognising that it can take various forms, including forced labour, child labour, domestic servitude, sex trafficking, workplace abuse, and human trafficking.

We are dedicated to continually improving our initiatives to manage modern slavery risks by deepening our understanding of our supply chain and actively mitigating human rights and modern slavery risks. We take pride in our collaborative work with suppliers to identify and address potential risk areas within our supply chains. This statement highlights the progress we have made during 2022-23, demonstrating our unwavering commitment to enhancing the well-being of individuals in the communities in which we operate.

The Board of Essential Energy approved this Statement on 28 November 2023, signifying our collective dedication to combat modern slavery and uphold human rights standards.

  
**DOUG HALLEY**  
Chair

  
**JOHN CLELAND**  
Chief Executive Officer



# About this statement

The submitting entity is Essential Energy which qualifies as a reporting entity under the *Modern Slavery Act 2018 (Cth)*. This Statement covers all entities within Essential Energy and reports on the state of operations, structure, governance framework and activities during the reporting period **1 July 2022 to 30 June 2023**.

All dollar figures presented in this Statement are in Australian dollars unless otherwise indicated.

## Summary of progress since last year

TABLE 2. SUMMARY OF OUR PROGRESS TO ADDRESS MODERN SLAVERY DURING 2022-23

Commitments made in 2022 Modern Slavery Statement	Progress to 30 June 2023
<b>Review and maintain the Energy Procurement Supply Association (EPSA) self assessment questionnaire response from 95 per cent of addressable spend</b>	The FY23 assurance result was 87 per cent with 1,074 suppliers surveyed covering a spend of \$480M, compared to FY22 where the total surveyed spend was 94 per cent, with 475 suppliers, covering a spend of \$363M. Over the past 12 months a significant number of new suppliers have been added to the supply chain to address the evolving needs of Essential Energy's strategy, and although the assurance percentage has decreased, the actual number of suppliers surveyed has doubled.
<b>Engage a third-party vendor to monitor financial, environmental, social, governance, cyber security and reputational risks of our top 250 suppliers</b>	Third-party vendor engaged to assist with monitoring major risks components including sustainability issues and modern slavery.  Risk procurement framework is evolving to include broader requirements such as cyber security, sustainability and monitoring of emerging risks.
<b>Evaluate learnings from supplier engagement meetings and identifying potential actions for continuous improvement</b>	Last year's case studies reviewed to assess the findings and lessons learnt.  Met with suppliers from further spend categories that are considered potentially high or moderate risk from a modern slavery perspective. Conducted a review of their modern slavery risk program and engaged in discussions regarding their sustainable procurement strategies and frameworks.
<b>Design a standard template for future supplier engagements</b>	Following the completion of our case studies last year, evaluation template enhanced to more broadly examine the significant sustainability issues that could impact our supply chain, in addition to modern slavery. Revised template has been adopted for this year's suppliers' workshops.  Additionally, templates incorporating sustainable procurement criteria for market engagements tied to sourcing projects exceeding \$500K have been developed and implemented.
<b>Tabulate a category-wide risk matrix based on source location, approximate spend and potential forms of modern slavery</b>	Developing a heat map to support evaluating the risk profile of all our spend categories against the most relevant sustainability issues to Essential Energy, including forced and child labour.
<b>Compile case studies for due diligence and remediation (if applicable) in the process of identifying, preventing or mitigating adverse modern slavery practices within suppliers</b>	Engaged with suppliers from further spend categories to understand and assess different dimensions on our supply chain from a sustainability and modern slavery perspective. Conducted a review of their modern slavery risk program and held discussions regarding their sustainable procurement strategies and frameworks.
<b>Annual review of modern slavery compliance performance</b>	Review conducted of current metrics for assessing modern slavery risks throughout the supply chain and for addressing broader sustainable procurement issues. This has led to the implementation of additional metrics.
<b>Monitoring employee awareness and education session completion rates</b>	Approximately 2,800 employees have now completed a Modern Slavery Awareness training module.

# About Essential Energy



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## 890,000

electricity customers

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## 10,500

water customers

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## 3,280

employees

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**Essential Energy is a State Owned Corporation established under the *Energy Services Corporations Act 1995 (NSW)* and the *State Owned Corporations Act 1989 (NSW)* to provide services critical to the economy and infrastructure for NSW.**

We operate and maintain one of Australia's largest electricity networks, across 95 per cent of NSW and parts of southern Queensland.

Serving more than 890,000 customers – homes, hospitals, schools, businesses and community services – Essential Energy is an economic enabler for regional, rural and remote communities. We aim to continuously improve safety performance for employees, contractors and the community, along with the reliability, security and cost efficiency of the network, and to reduce our environmental impact where efficient to do so. We keep our customers' network charges as low as possible while delivering an acceptable Return on Capital Employed.

Essential Energy is one of the largest employers in regional NSW, with approximately 3,280 employees based at depots and offices in 100 communities across the state.

In the Far West of NSW, Essential Energy (trading as Essential Water) delivers secure water supply to 10,500 customers in Broken Hill, Menindee, Silverton and Sunset Strip, as well as rural customers.

Reliable sewerage services are provided to 9,700 customers in Broken Hill. Essential Water is not a separate legal entity.

In 2023, Essential Energy established a wholly-owned subsidiary entity, Intium Pty Ltd (Intium). Intium will focus on providing services in the competitive market. Intium does not meet the definition of a reporting entity under section 5 of the Act.

For this statement Essential Energy identifies as being the principal governing body and reporting entity in accordance with the Act. Essential Energy does not own or control any other entities with reporting obligations, with which a joint statement or process of consultation would be conducted under section 16 of the Act.

# Essential Energy Procurement

**\$500M**

spent annually

**>2,000**

direct suppliers

Essential Energy spends over \$500 million annually across more than 2,000 direct suppliers. We procure a diverse range of goods and services to support our core business of operating and maintaining the network.

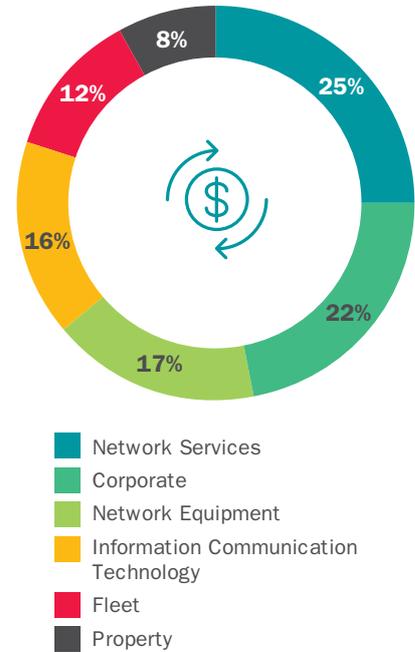
We are continuously improving our data sources to facilitate our supply base geographic location mapping and data accuracy.

Our key areas of expenditure are shown in figure 1.

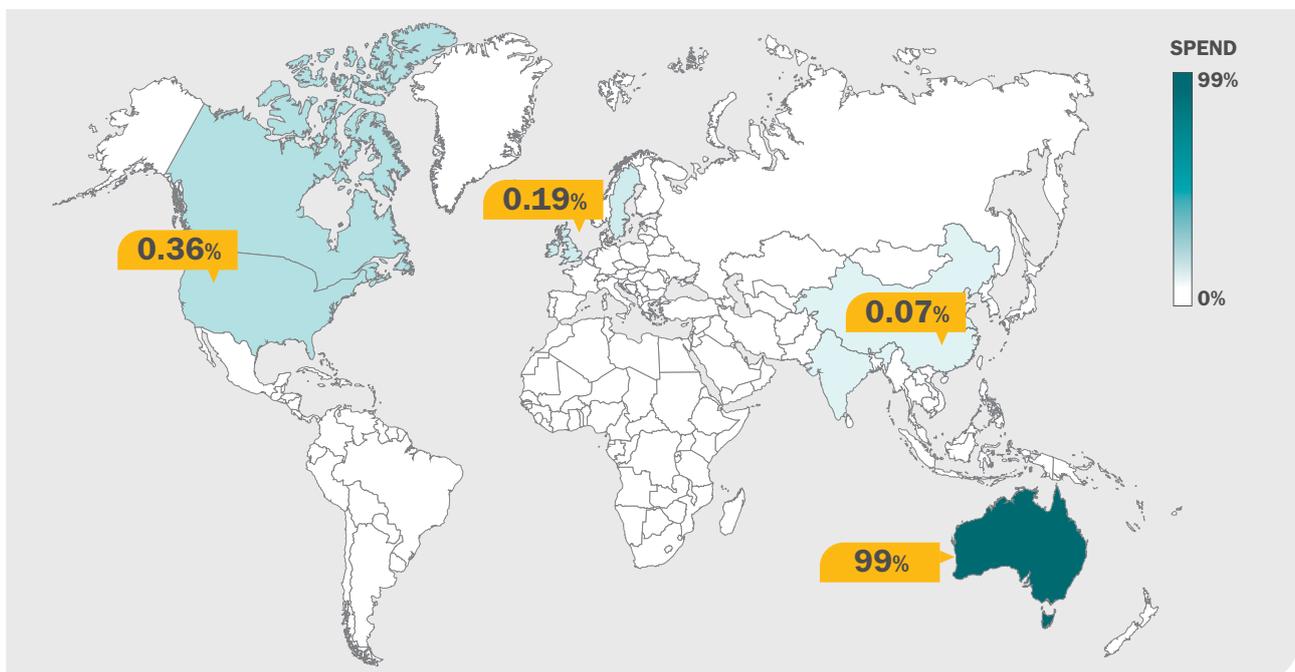
While the majority of our supplier's addressable spend comes from suppliers based in Australia (99 per cent as shown in figure 2), we continue to work on understanding our Tier 2 and Tier 3 supply chains, particularly where located outside of Australia.

This initiative aims to enhance visibility within our supply chain and identify any potential risks associated with modern slavery. By gaining a comprehensive understanding of the geographical distribution of our suppliers, we can better assess and mitigate any modern slavery risks, addressing ethical and responsible sourcing practices throughout our supply chain.

**FIGURE 1. ADDRESSABLE SPEND KEY CATEGORIES**

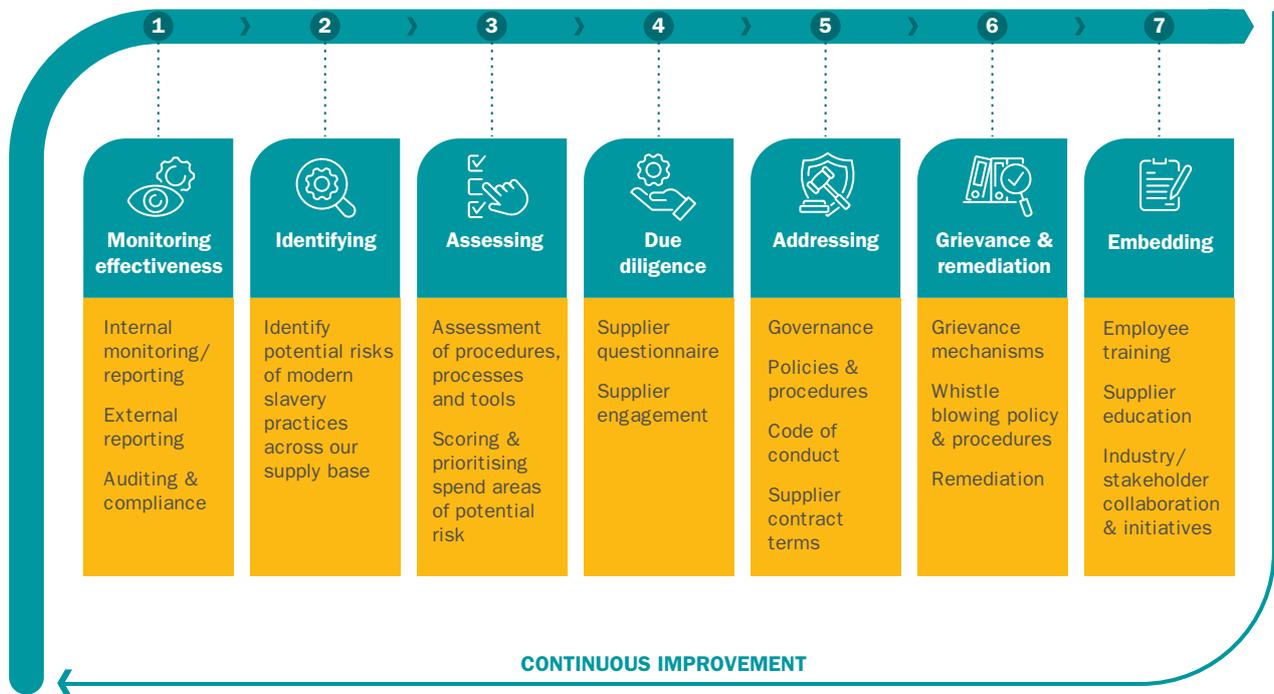


**FIGURE 2. ADDRESSABLE SPEND BY GEOGRAPHIC LOCATION**



# Our approach to Modern Slavery

FIGURE 3. OUR APPROACH TO MODERN SLAVERY



## Risk assessment

**Essential Energy’s operations are consistent with prior years and remain in Australia, largely within NSW.**

No areas of high risk have been identified in Essential Energy’s direct operations.

Where goods and services are provided by other organisations rather than directly through Essential Energy’s operations, these continue to be assessed and managed to minimise modern slavery risks.

We are continuing to refine our supply chain data and our procurement risks framework has been enhanced to provide regular monitoring of major and emerging risks also associated with modern slavery. The framework will include risk assessment tools and software to support Essential Energy in conducting deeper dives into our most critical spend categories and related major suppliers.



# Actions taken to assess and address risks of modern slavery practices

Essential Energy has entered its fourth year cycle of our continuous improvement framework, focusing on not only ensuring compliance with the Modern Slavery Act but also taking a broader look in assessing potential risks related to human rights and other relevant sustainability issues. The foundational elements of our strategy are summarised in figure 3 and outlined below.

## Governance

Essential Energy upholds the highest standards of corporate governance. Our Board, executive team, and relevant committees play a crucial role in providing guidance and leadership to ensure effective governance aligned with our organisational objectives. This encompasses fostering transparency, integrity, responsibility, and performance in our dealings with suppliers. These principles are fundamental to the long-term sustainability and continuous success of our business.

Regarding our supplier relationships, we have implemented comprehensive requirements. All suppliers are expected to adhere to our Statement of Business Ethics, as well as our policies and standards regarding ethical business practices, safety and environmental considerations. For example, our modern slavery clause, which accompanies all purchase orders, requires suppliers to ensure that all of their employees and contractors working within their organisation have legal authorisation to work, and that there is no presence of slavery or human trafficking in the manufacturing or provision of products and services to Essential Energy. Modern slavery updates have been provided to the Board, Board committees and executives on an ongoing basis.

To address a wider scope of modern slavery and other sustainability-related risks that may affect our supply chain, we have taken a proactive step by bringing subject matter experts into our business. As a result, we have introduced our sustainable procurement strategy and framework, initiating a range of impactful initiatives. For instance, we have integrated sustainable sourcing requirements,

including modern slavery, into our major sourcing projects, ensuring that sustainability considerations are embedded throughout our procurement processes.

In addition, we have developed an advanced procurement risk monitoring framework and implemented more robust risk control mechanisms. These measures are designed to promptly identify and address major and emerging risks within our supply chain, encompassing sustainability concerns and potential modern slavery risks.

## Policies and procedures

All relevant policies and procedures account for identifying and managing the risks associated with slavery and human trafficking and they are regularly refined to improve their effectiveness.

Documents include:

- [Code of Conduct](#)
- [Statement of Business Ethics](#)
- Procurement Policy
- Source to Contract Procedure
- Building a Respectful Workplace Procedure

Our Code of Conduct outlines our corporate values and ethical principles and sets out the behaviours expected of all employees, contractors and suppliers. Our Statement of Business Ethics reflects our position on slavery and human trafficking.

Both of these documents establish clear channels for reporting instances of wrongdoing related to modern slavery or any other compliance concerns. We have formalised processes in place to investigate reported wrongdoing. To facilitate this, we use the industry-leading

product Whispli, a secure and confidential whistleblowing platform widely adopted by numerous Australian companies. Whispli enables employees, contractors, suppliers, and the public to report any misconduct or concerns they may have regarding Essential Energy's operations.

Our Procurement Policy addresses commercial considerations, the mitigation of risk, compliance with regulatory requirements and guidelines and the requirement to act and be seen to act fairly, ethically and responsibly. It clarifies our business objectives, values and goals for market engagement. All procurement procedures, forms and tools including market engagement templates clearly articulate our position.

## Assurance and due diligence

Essential Energy's Standard Terms and Conditions of Purchase are clear regarding compliance requirements and governed for adherence accordingly.

In the event that a case of slavery or human trafficking is found to be occurring within our direct supply chain, we will engage directly with the supplier to remedy the issue. We are committed to working with our suppliers to understand and resolve issues, ensuring a balanced and pragmatic approach is adopted and decisions made are consistent with Essential Energy's values and ethics.

Mechanisms are in place for employees and third parties to report suspected or detected illegal activities or breaches of policy, including for non-conformance to our Code of Conduct and Statement of Business Ethics. This includes anonymous reporting options, including Whispli, for employees

and third parties to communicate any concerns of slavery or human trafficking. Reports received will be assessed for investigation and managed in a systematic, fair, timely and transparent manner. Reports received may also be referred by Essential Energy to law enforcement agencies such as the Australian Federal Police, or another relevant agency where appropriate based on the nature of the report.

We are dedicated to continually improving our assurance and due diligence process through the implementation of enhanced procedures, tools and comprehensive training programs.

## Continued industry collaboration

During 2022-23, Essential Energy continued its membership of the Energy Procurement Supply Association (EPSA) consortium for the additional benefit of synergistic industry-based risk assessment and assurance. EPSA uses the software as a solution (SaaS) product provided by a vendor, Informed 365, through which the consortium's survey initiatives are launched. The survey developed by EPSA is designed to capture key information from suppliers which feeds into dashboard style risk metrics. Each consortium member is then able to use this information to trigger continuous improvement initiatives.

We have conducted a comprehensive review among several EPSA member organisations in regard to their current and future initiatives related to modern slavery risk assessments and the broader sustainable procurement approach.

## Supplier assurance qualification

A data driven approach to supplier assurance surveys was developed in 2020-21. Building on this, Essential Energy has extended assurance qualifications to more than 1,000 suppliers.

Modern slavery assurance qualifications have been captured in our Enterprise Resource Planning (ERP) system, as a robust repository for supplier qualifications which provides a baseline for ongoing tracking and updating as our supplier base changes over time.

## Key supply chain mapping

Regarding assessing modern slavery risks along our supply chain, last year we focused on Tier 1 critical suppliers with supply chains extended offshore and mostly related to high-risk spend categories such as network equipment.

This year we have been focusing on other modern slavery related high or moderate risk procurement categories such as information technology hardware, tools and consumables, office cleaning and network general services.

Key suppliers have been selected out of these spend categories and meetings held to discuss mutual strategies and frameworks to assess modern slavery risks and the most relevant sustainability issues across our supply chain. As a result, case studies were identified. More details are provided in the Case Studies section later in this document.

We have also enhanced our third-party software to monitor key risks components mainly related to financial, reputational, cyber security and sustainability issues – including modern slavery and human rights risks – for our most critical suppliers.

A refresh of our spend category/sustainability issue heatmap is currently under development to assess major sustainability risks across our supply chain, including modern slavery risks, to support informed decisions and mitigation strategies.

We are also refining our data sources to enhance spend categories mapping in terms of supply base geographic location and data accuracy.

As part of our recently reviewed sustainable procurement strategy and framework, we have introduced sustainable procurement criteria which also address human rights, forced and child labour and any forms of modern slavery. These criteria have been embedded into all major sourcing projects. While we want to assess and address critical risks including modern slavery along our supply chain, we also want to positively influence our Tier 2 and 3 suppliers and the broader economy.



## Awareness and education

As a part of our comprehensive approach to meeting the requirements of the Modern Slavery Act, we have created modules on modern slavery awareness and education for both our employees and suppliers. These modules have been designed to provide a thorough understanding of various aspects related to modern slavery. The topics covered within these modules include, but are not limited to:

- providing background information on the Act itself
- defining modern slavery and exploring its different manifestations
- highlighting the potential impact of modern slavery practices on our supply chain
- presenting real-life examples of modern slavery occurrences
- outlining the appropriate steps to take if there is a suspicion or detection of slavery or human trafficking

Through these educational resources, we aim to raise awareness, enhance knowledge and empower our workforce and suppliers to actively contribute to combating modern slavery in all its forms.

To 30 June 2023, approximately 2,800 employees have completed a Modern Slavery Awareness training module, and this is now a standard for new employees joining Essential Energy.

The supplier module is located on the Essential Energy website, for easy access for all suppliers.

Additionally, internal workshops have been conducted with the Sustainability Team, to raise awareness about sustainability and sustainable procurement.



# Assessing the effectiveness of our actions

**Our modern slavery risk management action plan and due diligence processes will continue to be reviewed regularly as part of our sustainability and risk management reviews.**

While our maturity continues to grow in assessing our supply chain for risks, our year-on-year supplier surveys completed to date have not detected non-compliance to United Nations International Labour Organisation (ILO) Conventions or human rights breaches (including modern slavery). No grievances or issues relating to modern slavery were made via the self-reporting mechanisms, via our internal corruption hotline or ethics inbox during 2022-23. The effectiveness of our actions is assessed by ongoing monitoring and analysis of our performance against our four key focus areas – see figure 4, and indicators of effectiveness in table 3.

FIGURE 4. MODERN SLAVERY KEY FOCUS AREAS TABLE



**TABLE 3. EFFECTIVENESS INDICATORS OF OUR ACTIONS**

Focus Areas	Actions/Controls	Measures of Effectiveness
<b>Modern slavery governance</b>	<ul style="list-style-type: none"> <li>• Communication of supplier self-assurance status to Sustainability Steering Committee and to the Board</li> <li>• Assessment of suppliers</li> <li>• Whistle-blower communication lines availability</li> <li>• Code of Conduct (employees)</li> <li>• Statement of Business Ethics (suppliers)</li> <li>• Modern Slavery Statement</li> <li>• Annual review of the improvement plan and key milestones</li> <li>• Source to Contract Procedure including sustainable procurement criteria</li> </ul>	<ul style="list-style-type: none"> <li>• Percentage of addressable spend with suppliers which have been assessed or completed via self-assurance qualification</li> <li>• Number of potential medium to high-risk supplier engagement meetings held</li> <li>• Number of human rights or modern slavery violations or incidents identified or reported</li> <li>• Number of Board engagements and awareness training sessions conducted</li> <li>• Modern Slavery Statement compliance obligations completed annually</li> <li>• Percentage of spend related to sourcing projects with sustainable procurement criteria</li> </ul>
<b>Training and awareness</b>	<ul style="list-style-type: none"> <li>• Modern Slavery Awareness training as an online learning module for Essential Energy employees</li> <li>• Modern slavery information/expectations pack available to suppliers on the Essential Energy website</li> <li>• Sustainability and Sustainable Procurement workshops, including modern slavery</li> </ul>	<ul style="list-style-type: none"> <li>• Number of employees trained on modern slavery requirements</li> <li>• Number of new employees trained on modern slavery and Code of Conduct as a part of the onboarding process</li> <li>• Number of employees attended sustainability and/or sustainable procurement workshops, including modern slavery themes</li> <li>• Number of suppliers engaged annually to increase awareness</li> </ul>
<b>Risk assessment and due diligence</b>	<ul style="list-style-type: none"> <li>• Spend analysis, risk scoring and prioritisation by key products and services</li> <li>• Embed risk in our procurement process above \$500K in regard to sustainability criteria and modern slavery</li> <li>• Suppliers risk monitoring via third-party platform, including modern slavery</li> </ul>	<ul style="list-style-type: none"> <li>• Assessment of modern slavery risks amongst key suppliers and spend categories</li> <li>• Number of highest risk suppliers invited to complete deep dive assessments</li> <li>• Number of investigated cases of potential risks</li> <li>• Number of risks notifications, assessments and outcomes</li> </ul>
<b>Stakeholder engagement and collaboration – procurement and supply chain</b>	<ul style="list-style-type: none"> <li>• Engage with internal stakeholders through regular meetings</li> <li>• Supplier engagements through collaborative workshops and case studies</li> <li>• Regular meeting with the EPSA to discuss the modern slavery questionnaire, tool enhancement and best practice</li> </ul>	<ul style="list-style-type: none"> <li>• Number of supplier engagement meetings held</li> <li>• Number of potential human rights incidents or violations investigated</li> <li>• Number of corrective actions taken to address potential violations of modern slavery</li> </ul>



# Case Studies



**As part of our ongoing efforts to map modern slavery risks within our supply chain, we have focused this year on high- to medium-risk spend categories, including information technology (IT) hardware, tools and consumables, office cleaning, and network general services.**

For this purpose, we carefully selected suppliers to assess their approaches in evaluating their Tier 1 and 2 suppliers.

Building upon the insights gained from previous supplier case studies, we have taken a broader perspective to address sustainability issues that impact our supply chain, including modern slavery. During this process, we thoroughly reviewed the selected suppliers' sustainability practices and sustainable procurement strategies, engaging in discussions regarding frameworks and both current and planned initiatives.

One notable observation from this year's assessments is the growing emphasis on collaboration and fostering a meaningful dialogue between Essential Energy and our suppliers. We are actively seeking opportunities to exchange best practices and leverage each other's capabilities to drive positive change and further enhance our sustainability efforts, including initiatives targeted to eradicate modern slavery.

Highlights of these discussions are outlined in the following case studies.



## **1. INFORMATION TECHNOLOGY HARDWARE MANUFACTURER**

This multinational supplier is committed to complying with modern slavery policies and has a strong focus on sustainability. They conduct risk assessments, audits and corrective actions to address potential modern slavery risks in their supply chain. Supplier expectations are informed by international standards, and they use self-assessment questionnaires and certified third-party audits for both tier 1 and tier 2 suppliers, with a goal of auditing all high-risk supplier sites every two years. These audits assess the implementation of social and environmental responsibility standards, including measures to address human trafficking risks and controls.

Their efforts in human rights due diligence have been recognised internationally. Future initiatives aim to support and develop supplier workforce capabilities while raising awareness of human rights and fair work conditions.



## 2. NETWORK GENERAL SERVICES

This supplier is not legally obligated to release a Modern Slavery Statement, and they have adopted a policy focusing on modern slavery and sustainable procurement. They proactively address the risk of modern slavery in their supply chains and expect the same from all entities they engage with. Initial reviews and assessments classify the majority of their suppliers as Low Risk and none as High Risk. They acknowledge the evolving nature of modern slavery and commit to regular reviews of their supply chain and proper onboarding of new suppliers. They are interested in Essential Energy's approach to modern slavery for approved suppliers to enhance collaboration and share best practices.

Future areas of focus include scrutinising medium-risk suppliers using ad-hoc procurement risk tools.



## 3. FACILITY MANAGEMENT/ CLEANING SERVICES

This supplier has made significant strides in sustainability and combating potential risks related to modern slavery. To address modern slavery risks, they conduct training programs for staff at all levels and take proactive measures such as mapping supply chains, visiting key suppliers, conducting regular audits, and promptly reporting any signs of modern slavery to relevant authorities.

While they perceive the risk of modern slavery within their own operations as low, they acknowledge the potential exposure through subcontractors, consultants and procurement activities. To mitigate this, they collaborate with industry bodies, address import risks and promote sustainable practices sector-wide.

Furthermore, they express their willingness to contribute to industry-wide efforts or support a levy that streamlines requirements and enhances the collective impact in combating modern slavery. This demonstrates their commitment to continuous improvement and collaboration for the betterment of the industry and society as a whole.



## 4. SAFETY EQUIPMENT

With their extensive global supply chain, this company demonstrates a strong commitment to sustainability and addressing modern slavery risks. They have identified key areas of focus for the future, including reducing carbon emissions, expanding Indigenous product opportunities, improving packaging waste recycling, and participating in battery stewardship initiatives.

To ensure freedom from modern slavery in their Tier 1 and Tier 2 suppliers, they have implemented an ethical sourcing program. Suppliers are classified based on risk and subject to specific requirements, involving registration, self-assessment questionnaires and audits. The inclusion of modern slavery clauses in new contracts highlights their dedication to addressing this issue, with particular attention given to high-risk areas such as labour hire contracts, cleaning services and transport.

While they refrain from assigning a specific rating to the overall level of modern slavery risk, they adhere to well-established procedures and collaborate with other divisions and external partners. They effectively communicate material risks through their Modern Slavery Statement.

The company manages supplier compliance through self-assessment or third-party audits, using a proven supply chain risk assessment methodology. Regular audits and the requirement for non-compliance remediation ensure accountability among suppliers.

They prioritise supplier education, develop comprehensive remediation plans, and closely monitor progress. Additionally, they conduct Foreign Migrant Worker Assessments to identify any instances of forced labour or other violations.

Complementing their Modern Slavery Statement, they have an ethical sourcing policy in place, further solidifying their commitment to ethical practices.



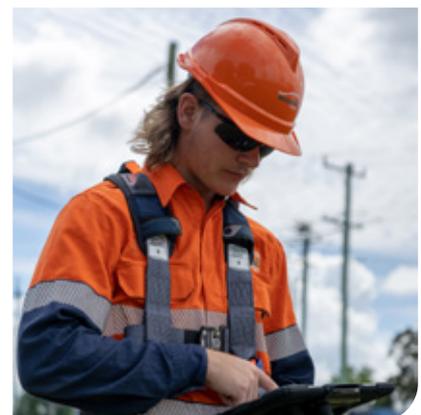
## 5. PROTECTIVE GARMENT AND UNIFORMS

In their pursuit of ethical practices and modern slavery risk mitigation, this organisation has taken a comprehensive approach. They ensure that all their Australian suppliers adhere to Ethical Clothing Australia (ECA) standards, making ECA accreditation a prerequisite for procurement. This company holds ECA accreditation itself and undergoes annual audits, mirroring the same requirement for their Australian vendors.

For overseas suppliers, they mandate SEDEX membership, a global organisation verifying ethical procurement supply chains. SEDEX requires detailed questionnaires and annual SMETA (Sedex Members Ethical Trade Audit) audits, focusing on working conditions, health and safety, and ethical treatment of workers. This stringent oversight contributes to their assessment of a low modern slavery risk within their supply chains.

This supplier's commitment extends to sustainability, evident in their future priorities. They are transitioning vans to hybrid electric models, adopting recycled packaging materials, and switching to low-voltage LEDs for lighting. The move to electric forklifts, cardboard packaging reuse, and a paperless warehouse also underscore their environmental dedication.

The company's ongoing risk mitigation strategy involves incorporating it into annual audits and monthly health, safety, and environment (HSE) checks. This comprehensive approach showcases this company's dedication to maintaining ethical practices, ensuring sustainable procurement and addressing modern slavery risks across their supply chain.



# Future commitments

A status update of our initiatives for 2022-23 with proposed plans for the next two years is summarised in Table 4.

**TABLE 4. PROGRESS TO DATE AND PLANS FOR THE COMING TWO YEARS**

2022-23 – Progress to date	2023-25 – Future Commitments
<ul style="list-style-type: none"> <li>• Adopted a third-party platform to monitor financial, environmental, social, governance, cyber security and reputational risks for our top critical suppliers</li> <li>• Reviewed and maintained EPSA self-assessment questionnaire response from 87% of addressable spend</li> <li>• Evaluated learnings from supplier engagement meetings and identified actions for continuous improvement</li> <li>• Designed a standard template for future supplier engagement meetings</li> <li>• Commenced the development of a heatmap to assess key sustainability issues across our spend and to also identify potential forms of modern slavery</li> <li>• Compiled case studies for due diligence in the process of identifying, preventing or mitigating adverse modern slavery practices within suppliers along with other sustainability risks</li> <li>• Annual review of modern slavery compliance performance</li> <li>• Embedded sustainable procurement criteria into our large sourcing projects</li> </ul>	<ul style="list-style-type: none"> <li>• Progress our broader approach to sustainability strategy including modern slavery</li> <li>• Further integration of modern slavery and sustainability into our tender documentation</li> <li>• Continuing awareness and training programs about modern slavery and sustainability including monitoring of employees session completion rates</li> <li>• Continue EPSA consortium engagement on future survey and platform improvements, including potential options for including additional supply chain tiers in assurance surveys</li> <li>• Continue targeted supplier interviews and meetings to share understandings, expectations and actions – both underway and proposed to address modern slavery and sustainability in our supply chain.</li> <li>• Review and refresh spend and supply base mapping</li> <li>• Additional sustainable sourcing criteria adoption and extension to smaller sourcing projects</li> <li>• Ongoing modern slavery compliance performance review.</li> </ul>