

2022
Modern Slavery
Statement



Lifting
the digital
capability
of Australia

About this report

This is the Modern Slavery Statement of NBN Co Limited for the reporting period 1 July 2021 to 30 June 2022 (FY22).

REPORTING ENTITY

This is the Modern Slavery Statement of NBN Co Limited ABN 86 136 533 741 for the reporting period 1 July 2021 to 30 June 2022. There were no controlled entities during the reporting period.

Throughout this statement, NBN Co Limited is referred to as 'NBN Co' or 'the Company'.

PREPARING THIS STATEMENT AND CONSULTATION

This statement has been prepared in accordance with the *Modern Slavery Act 2018* (Cth) ('the Act') and outlines the potential risks of modern slavery across NBN Co's operations and supply chains, its response to these risks, and potential impacts and how NBN Co evaluates the effectiveness of its response.

FORWARD-LOOKING STATEMENTS

This Modern Slavery Statement includes information about NBN Co's performance for the period 1 July 2021 to 30 June 2022. Any forward-looking statements are based on NBN Co's current expectations, best estimates and assumptions as at the date of preparation, many of which are beyond NBN Co's control. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, which may cause actual results to differ materially from those expressed in the report. Such forward-looking statements should not be relied on or considered to be a representation of what will happen by any third party. NBN Co does not give any guarantee or assurance that the results, performance or achievements expressed or implied by such forward-looking statements will actually occur.

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NBN Co Limited has its registered office at Tower 5, Level 14, 727 Collins Street, Docklands VIC 3008.

ABN 86 136 533 741

MODERN SLAVERY ACT 2018 (CTH) - MANDATORY REPORTING CRITERIA

How this Statement addresses the mandatory reporting criteria of the Act is outlined in the table below.

Modern Slavery Act 2018 (Cth) criteria	2022 NBN Co Modern Slavery Statement Reference
Identify the reporting entity	About this report
Describe the reporting entity's structure, operations and supply chains	About NBN Co - structure, supply chain and operations
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	Modern slavery risks
Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	Approach to assessing and addressing risks of modern slavery
Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	Assessing effectiveness
Describe the process of consultation with any entities the reporting entity owns or controls	Our future focus, consultation protocol and approval - Consultation
Any other relevant information	Our future focus, consultation protocol and approval

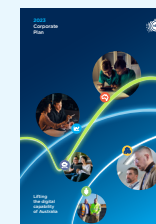
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2022 NBN CO ANNUAL REPORTING SUITE



Annual Report



Corporate Plan



Tax Transparency Report



Modern Slavery Statement

[View reporting suite online](#)

at nbn.tm/CorporateReports



In the spirit of reconciliation NBN Co acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Chair and Chief Executive Officer’s message

This is NBN Co’s third Modern Slavery Statement, which outlines the progress the Company has made in identifying, managing and mitigating risks of modern slavery in our operations and supply chain. Our purpose is to lift the digital capability of Australia and we are committed to upholding respect for human rights.

As the operator of Australia’s digital backbone, NBN Co recognises the complexity of Environmental, Social and Governance (ESG) risks associated with our operations and supply chain. In response to those risks, we have taken action to address potential modern slavery risks. These actions support our obligation to meet community expectations and those of our stakeholders.

The social focus areas within our Sustainability Approach include *Decent, healthy and safe work*, with action supported by our Modern Slavery Workplan.

Key highlights in FY22 include:

- Established a Modern Slavery Working Group and Modern Slavery Workplan
- Expanded internal programs to improve business knowledge and awareness and tools to support the Procurement team in identifying and mitigating potential modern slavery risks
- Incorporated modern slavery risk considerations into the supplier relationship management review process with strategic partners
- Explored opportunities for industry collaboration and information sharing.

NBN Co’s commitment to being a transparent and accountable business means it has ethical and sustainable business practices and a strong focus on reducing direct and indirect modern slavery risks across the Company’s supply chain.

We will continue to improve and strengthen our response to modern slavery risks and potential impacts.

We will continue to improve and strengthen our response to modern slavery risks and potential impacts.



Left:
NBN Co CEO
Stephen Rue and
Chair Kate McKenzie

Despite our progress made in FY22, we know that more work needs to be done.

Our intended actions for FY23 and beyond include:

- Strengthening our modern slavery due diligence framework and developing a formal supporting management system
- Further due diligence on suppliers and operations, including audits and deep dive reviews on higher-risk suppliers
- Review of grievance response mechanisms
- Capacity and capability building through awareness communications and training
- Exploring opportunities for multi-stakeholder collaboration beyond the Company’s industry boundaries, to support systemic change.

Kate McKenzie
Chair

Stephen Rue
Chief Executive Officer

About NBN Co – structure, supply chain and operations

NBN Co is committed to responding to the digital connectivity needs of all Australians, working with industry, governments, regulators and community partners, to lift the digital capability of Australia.

NBN Co’s purpose and structure

NBN Co is wholly-owned by the Commonwealth of Australia as a Government Business Enterprise (GBE), incorporated under the *Corporations Act 2001* (Cth) and operated in accordance with the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act).

As a GBE, the principal responsibility of NBN Co is to build and operate the National Broadband Network in accordance with the Commonwealth Government’s Statement of Expectations (SoE).¹

One of the Company’s key objectives is to maximise the economic and social benefits enabled by the **nbn**® network. NBN Co will support Australia’s digital economy and enhance social connection by creating opportunities for communities, governments and industry to drive digital adoption and innovation.

In addition to building and operating a network that is reliable, fast, resilient and secure, NBN Co also has the objective of meeting the current and future broadband needs of households and businesses, including in regional Australia, fostering productivity and innovation, and supporting the nation to be a leading digital economy and society.

As the network wholesaler, NBN Co provides wholesale broadband services and related activities to access seekers, including Retail Service Providers (RSPs) on a non-discriminatory basis. This approach is intended to level the playing field in the Australian telecommunications industry, enhancing competition and innovation, and providing greater choice for customers² across the country. It is through RSPs that customers connect to the **nbn**® network for access to high-speed internet.

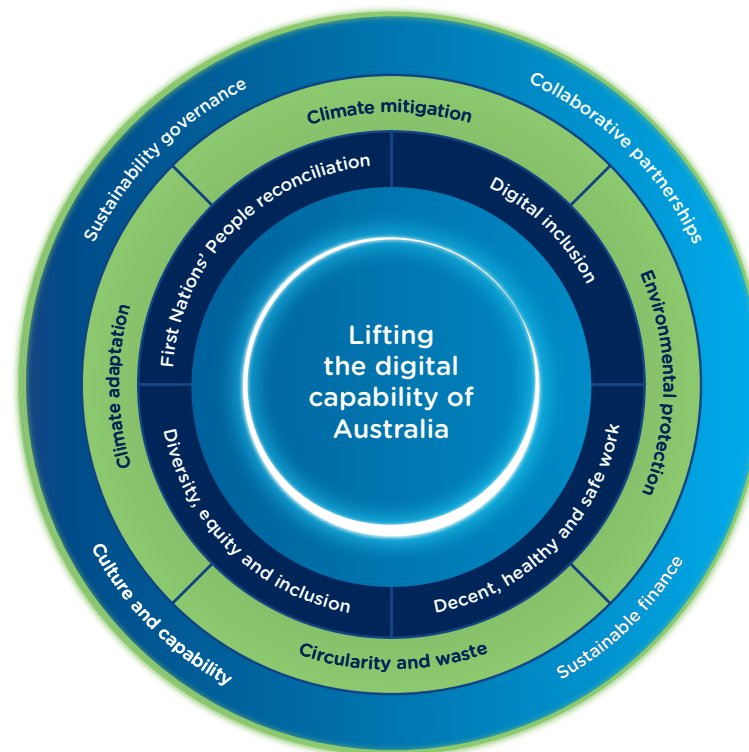
NBN Co is delivering high-speed broadband to customers across Australia over an area of more than seven million square kilometres. Working in collaboration with industry partners, the Company is committed to connecting Australian homes and businesses so they can access the social and economic benefits that fast broadband enables.

Sustainability Approach

NBN Co’s approach to managing modern slavery risks is embedded into the Company’s Sustainability Approach.

In FY22 the Sustainability Approach and supporting Program of Work focused on six material topics and their related risks, issues and opportunities. The material

FIGURE 1. NBN CO SUSTAINABILITY APPROACH



topic, *Transparent and Accountable Business*, included a focus on ethical supply chain management, inclusive of modern slavery. In FY22 the Program of Work supported the establishment of the Modern Slavery Working Group and Modern Slavery Workplan.

In FY23, NBN Co’s Sustainability Approach (see figure 1) and Program of Work will focus on Environmental, Social and Governance (ESG) themes and environmental and social focus areas, including *Decent, healthy and safe work*. The FY23/24 Program of Work will be supported by key initiatives, including the continued implementation and evolution of the NBN Co’s Modern Slavery Workplan.

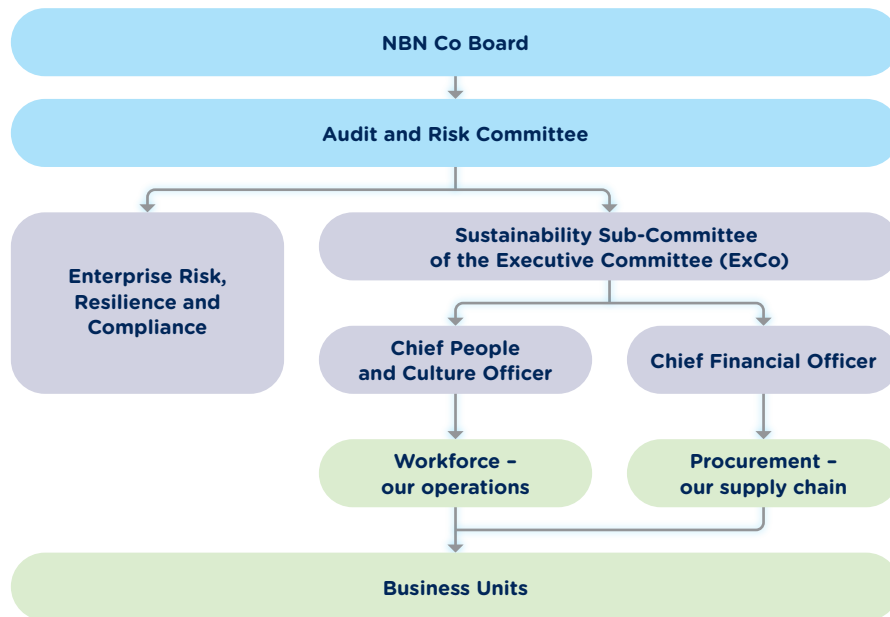
1. <https://www.nbnco.com.au/corporate-information/about-nbn-co>
 2. Final downstream customers of Retail Service Providers (RSPs).

Governance

NBN Co's Sustainability Sub-Committee of its Executive Committee, consisting of six members, oversees the implementation of the Sustainability Program of Work. In FY22 the Committee met quarterly and monitored implementation of the Modern Slavery Workplan.

In FY23, the Committee will continue to meet quarterly and support the integration of sustainability into business processes and programs. In conjunction with the Sustainability Team, it will also provide regular updates on the Company's Sustainability Program to the Board. For further details on governance and NBN Co's three lines model, see page 15.

FIGURE 2. **NBN CO MODERN SLAVERY GOVERNANCE**



NBN Co's value chain

The **nbn**® network consists of a Multi-Technology-Mix of broadband access technologies including Fibre to the Node (FTTN), Fibre to the Premises (FTTP), Fibre to the Curb (FTTC), Fibre to the Basement (FTTB), Hybrid Fibre Coaxial (HFC), Fixed Wireless and **nbn**® Satellite Services connected to access seekers via national transmission and traffic aggregation networks.

NBN Co undertakes activities that include network solution development, systems solution development, network design, construction, service activation, service assurance, network operations, network and facilities management, corporate services, and product development and marketing.

See more online

For more information on how NBN Co creates value see the **2022 NBN Co Annual Report for the Company's Value Creation Model**.

OPERATIONS

NBN Co's operating model consists of employees and non-**nbn** employees to deliver core activities and corporate functions. The NBN Co Resource Engagement Policy sets out how the Company manages role-based and outcomes-based workers.

Employed workforce³

As at 30 June 2022, NBN Co employed approximately 4,700 employees who work in office, technical facility and field-based environments.

Non-employed workforce⁴

NBN Co also has a large, indirect supplier-based workforce (approximately 10,000 as at 30 June 2022), comprising workers who deliver a range of services to NBN Co such as constructing and maintaining the network, business process, IT support and facilities management services.

These services are governed by contractual agreements with service providers.

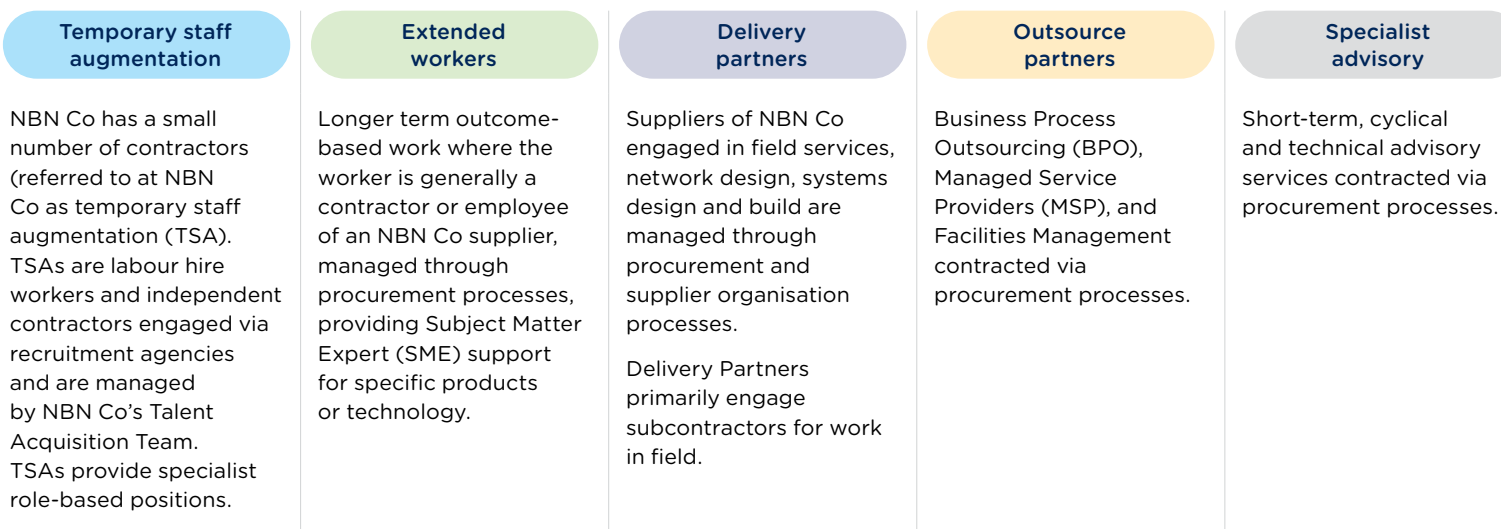
Activities

NBN Co's employed and non-employed workforce undertake work activities that include:

- Network planning and design
- Civil and telecommunications construction
- Network assurance and service delivery
- Facilities management
- Corporate services
- Product development and marketing.

NBN Co is domiciled solely in Australia with most operations taking place in Australia. The Company's Australian operations are supported by some overseas-based suppliers and their workers who provide services to NBN Co, including business process and IT support.

FIGURE 3. OVERVIEW OF NBN CO'S NON-EMPLOYED WORKFORCE



3. In NBN Co 2021 Modern Slavery Statement this group of workers was referred to as the Company's 'Internal workforce'. This included Temporary Staff Augmentation (TSA). TSAs are non-NBN Co employees and in FY22 have been described in the section on NBN Co's non-employed workforce.

4. In NBN Co 2021 Modern Slavery Statement this group of workers was referred to as the Company's 'Extended workforce'. In FY22 groupings of workers has been simplified into employed and non-employed workforce. TSAs who are non-NBN Co employees have been included in the Company's non-employed workforce.

FIGURE 4. NBN CO VALUE CHAIN - OPERATIONS AND SUPPLY CHAIN

SUPPLY CHAIN

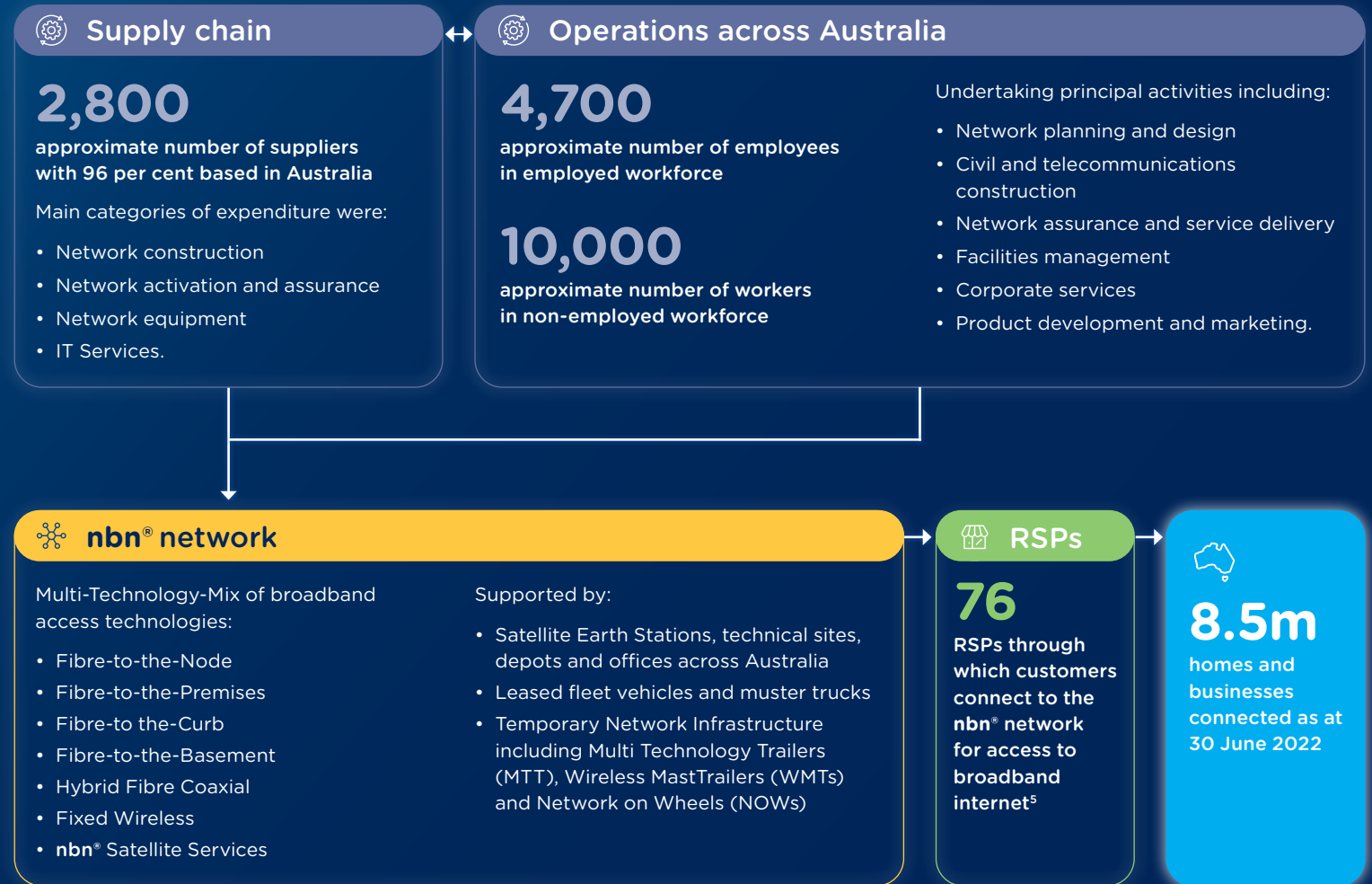
NBN Co actively manages the Company’s suppliers, including identifying and managing contracts, its supplier database, and the goods and services that suppliers provide.

The Company has focused on developing strategic, long-term relationships with key suppliers in each of its main spend areas. These key suppliers have mature corporate policies and business processes. NBN Co has communicated its values and expectations to all suppliers through the **nbn®** Supplier Code of Conduct. NBN Co’s supplier governance forums also support active conversations around operations, and supply chain management.

The Company utilised a network of approximately 2,800 direct suppliers during the reporting period that were mainly based in Australia (96 per cent). The main categories of expenditure were:

- Network construction
- Network activation and assurance
- Network equipment
- IT Services.

The remaining 4 per cent of direct suppliers are predominantly domiciled in the United States, Europe and Asia. However, many of these suppliers may have extensive global manufacturing and supplier networks that extend beyond their primary locations.



5. RSPs as at 28 September 2022. Not all providers will be available at all locations.

Modern slavery risks

NBN Co acknowledges the complexity of ESG risks associated with its supply chain and operations, and the importance of managing these to mitigate negative impacts on the Company’s stakeholders, including workers and communities. These risks include the global and systemic challenges of modern slavery.

To better understand its potential modern slavery risks during the reporting period, NBN Co continued to evolve its processes for risk analysis and assessment of the Company’s operations and supply chain.

NBN Co operations risks

NBN Co’s employed workforce in its operations is considered as being a lower risk of modern slavery due to high skill levels, a mature regulatory environment and largely office-based roles. These workers are employed in Australia through well-regulated industrial arrangements.

NBN Co supply chain risks






RISK IDENTIFICATION AND ASSESSMENT PROCESSES

Leveraging the risk assessment completed in FY21, in FY22 NBN Co engaged a third-party organisation for data analytics services to improve understanding of exposure to potential direct and indirect modern slavery risks across the Company’s supply chain.

NBN Co supplier spend data informed a dashboard, that enables analysis of potential modern slavery exposures in the Company’s supply chain, beyond Tier 1 (or direct) suppliers. Review of the dashboard demonstrated that key spend risk categories remain consistent with those identified in FY21.

This analysis is intended to further inform due diligence actions in FY23 and the 2023 Modern Slavery Workplan.

FIGURE 5. NBN CO’S SUPPLY CHAIN RISKS

	 Network and IT equipment	 Business outsourced services	 Security and cleaning services	 Uniforms and PPE	 Network construction
Primary region of origin	Asia, Europe	Asia	Australia	Asia	Australia
Description of goods or services provided	This is the equipment that is used to operate the nbn® network such as routers, switches and distribution units	Supply of outsourced services for business-related back office operations. A mix of Australian and offshore personnel, predominantly based in India, provide the related services	Supply of cleaning services to network infrastructure buildings, waste management, and security services for NBN Co premises	Manufacture of uniforms and personal protective equipment	Network construction, connection and maintenance work across Australia. Although, Australia is a lower-risk country for modern slavery risk, sections of the construction industry are considered to be potentially higher risk
Inherent modern slavery risk factors	<ul style="list-style-type: none"> • Sector and industry • Geographic • Entity 	<ul style="list-style-type: none"> • Geographic • Regulatory regime 	<ul style="list-style-type: none"> • Sector and industry 	<ul style="list-style-type: none"> • Geographic • Sector and industry 	<ul style="list-style-type: none"> • Sector and industry • Entity • Low skills level • Labour intensive

Approach to assessing and addressing risks of modern slavery

NBN Co's approach to addressing modern slavery risk focuses on understanding potential modern slavery risks, maturing management frameworks and operationalising business processes to identify potential risks, guide mitigating actions and, where necessary, remediation.

Overall approach

NBN Co's approach to addressing risks of modern slavery is embedded within the Company's Sustainability Approach and Program of Work.

In FY22, the program focused on six material topics, including being a transparent and accountable business. The Company's objective for this material topic is to demonstrate NBN Co's values through ethical and sustainable business practices.

A key action within the program was to increase focus on the Company's ethical supply chain management approach which includes modern slavery. In the Company's FY21 Modern Slavery Statement, NBN Co committed to continually improve its processes and effectiveness in managing the risk of modern slavery.

The Company also committed to initiatives that seek to focus on:

- Expanding internal programs to improve business knowledge and awareness of modern slavery, and develop toolkits to support the procurement team in identifying and mitigating modern slavery risks
- Continuing to work towards expanding current programs with suppliers to strengthen contractual obligations and facilitate constructive dialogue with suppliers in identifying and mitigating modern slavery risks
- Conducting scenario testing of the updated Modern Slavery Allegation Handling and Non-conformance Investigation Checklist process to assess effectiveness
- Exploring opportunities for industry collaboration and information sharing.



Modern Slavery Workplan

To progress action on these commitments, in FY22 a Modern Slavery Working Group was established and a Modern Slavery Workplan developed. See Figure 6 for an update on progress on these commitments and Workplan actions.

The Modern Slavery Working Group is a cross-functional team, with representatives from Procurement, Sustainability, Employee Relations, Legal and Operations. This Working Group implements the Workplan and reports progress to the governing management body, the Sustainability Sub-Committee of the Executive Committee.

Workplan implementation began in February 2022, and actions will run throughout the calendar year. New actions and those not completed in the 2022 Workplan will be included in an updated plan for 2023.

The Workplan provides NBN Co’s programmatic approach to strengthening modern slavery risk management and governance processes and builds on previous actions aimed at building capability in managing modern slavery risks in the Company’s operations and supply chain.

From the 2022 Workplan, six actions were completed with the remaining in progress as at the end of FY22.

FIGURE 6. **NBN CO MODERN SLAVERY WORKPLAN PROGRESS**

Area of focus	Workplan action	Status
Modern slavery management	Embed modern slavery in NBN Co Sustainability Approach (i.e. strategy)	●
	Establish roles and responsibilities across Business Units for implementing Workplan	●
Risk management	Pilot third-party risk analysis tool to further support due diligence activities	●
	Enable Procurement Team decision-making through real time access to data through third-party risk analysis tool	●
	Continue operationalisation of due diligence framework including further risk analysis and assessment, evolving the audit approach, and conducting audits and/or deep dive reviews of suppliers	●
	Embed modern slavery into internal leadership forums	●
	Embed modern slavery into external engagement forums	●
Capability and training	Uplift Procurement Team capability through annual training	●
	Revise skills and training matrix to expand on modern slavery requirements	●
	Redesign and implement company-wide awareness program	●
Grievance and access to remedy	Undertake NBN Co grievance response preparedness assessment	●
Industry collaboration	Explore opportunities for industry collaboration	●
Performance monitoring and disclosures	Embed modern slavery disclosures into 2022 Annual Report, to support journey towards Integrated Reporting	●

● Completed in FY22 ● In progress

Due diligence approach

NBN Co's approach to risks in its supply chain includes identifying, assessing, mitigating, and remediating risks based upon a due diligence framework that is supported by business capability, company standards and continuous improvement.

Modern slavery risks in the Company's operations - while potentially lower than in the supply chain - are mitigated through mature employment policies and practices, clear communication of NBN Co's values, standards and expectations and engagement with employee representative bodies.

In FY22 NBN Co's modern slavery due diligence approach included:

- Risk identification and assessment (see page 8 of this Statement)
- Business standards and policies for managing modern slavery risk
- Risk management processes and controls
- Grievance handling and remediation
- Building internal awareness and capability
- Monitoring and reporting processes.

BUSINESS STANDARDS AND POLICIES FOR MANAGING MODERN SLAVERY RISK

NBN Co policies and procedures are an essential part of how the Company identifies and addresses modern slavery risk and undergo regular review. The table on the right provides an overview of the key policies that supported our approach to modern slavery in FY22.

Policy	Purpose
Resource Engagement Policy	Defines resource engagement types available at NBN Co and when it is appropriate to use each engagement type. These engagement types are intended to provide NBN Co with the flexibility it requires.
Code of Conduct	Contains NBN Co's expected standards of behaviour and applies to all direct employees, TSAs, Directors, and Extended Workers. The Code states that NBN Co will not tolerate unacceptable or disrespectful behaviour, including engaging in conduct that breaches or has the potential to breach relevant modern slavery legislation. In addition to complying with the standards, TSAs and Extended Workers are required to adhere to any other specific requirements provided for in NBN Co supplier contracts.
nbn® Supplier Code of Conduct	<p>Articulates NBN Co's expectations of its suppliers in terms of responsible procurement and is formally incorporated into all major contracts. The Supplier Code of Conduct covers:</p> <ul style="list-style-type: none"> • Human rights and workplace relations • Health, Safety and Environment • Ethical behaviour and good business practices • Management systems. <p>Suppliers are expected to ensure that their owners, employees, subcontractors, agents and other parties (including Group entities) comply with this code. The nbn® Supplier Code of Conduct is updated as required to reflect changes to legislation and NBN Co's evolving expectations.</p>
Whistleblower Policy	Sets out the process for individuals to disclose, either anonymously or otherwise, their concerns regarding potential wrongdoing, or suspected unethical, unlawful or undesirable conduct without fear of reprisal or detrimental conduct and with the support and protection of NBN Co.
Managing Workplace Grievances Policy	Applying to all direct employees, TSAs and Extended Workers working at NBN Co it provides clarification on what is recognised as a workplace grievance, the principles and processes that the Company will follow in addressing a grievance, and the possible informal and formal options for resolution.
Health, Safety and Environment (HSE) Policy	Sets out NBN Co's commitment to providing a safe, healthy, and respectful workplace for all, and to protecting human health, public safety, the environment and cultural heritage values from the potential impacts of our activities. It sets out the minimum requirements to ensure compliance with applicable HSE laws, relevant codes of practice and other, including voluntary, requirements that apply to NBN Co.
Procurement Policy	<p>NBN Co's Procurement Policy describes the key principles to be followed when undertaking a procurement activity on behalf of NBN Co including sourcing, contract management and purchase to pay (P2P) practices.</p> <p>It states procurement activity must take into consideration the real or potential impacts associated with the production or sale of goods and/or services including but not limited to health, safety, human rights, and ethical production.</p>

RISK MANAGEMENT PROCESSES AND CONTROLS

Operations (internal workforce) risk management

NBN Co recruits and manages role-based employees through processes and procedures which comply with relevant Australian employment legislation. NBN Co has robust processes for recruitment and employment contract management and procedures for direct employees. This helps ensure the Company operates and recruits talent in a fair, open, and transparent process.

NBN Co has negotiated two Enterprise Agreements with relevant unions and the Company fulfils its contractual and legal obligations under these Agreements.

Supplier evaluation

During NBN Co's tender process, or before entering into a significant contract with a supplier, the Company's procurement team assesses the supplier's human rights risks by issuing a Human Rights Schedule for response. These responses are reviewed by a dedicated procurement risk manager to assess and advise on any human rights related matters that may be evident from the response.

NBN Co's standard supplier contracts incorporate references to the **nbn**[®] Supplier Code of Conduct, which forms a contractual obligation on suppliers to comply with relevant legislation including the Modern Slavery Act 2018 (Cth) ('the Act').

Suppliers with high-risk factors are subject to additional analysis and research to validate their risk profile. When warranted, NBN Co will include supplementary contract terms in addition to the requirements outlined in the **nbn**[®] Supplier Code of Conduct; this may include the right to conduct third-party audits or request evidence of the business's risk management practices.



Supplier management and engagement

During FY22 modern slavery risk was incorporated as a standing agenda item into the supplier relationship management review process with NBN Co's strategic partners. It also formed a standard agenda item in the Procurement leadership forums, where potential risks of modern slavery are captured for action and remediation.

In practice, it requires procurement managers and NBN Co's business units to actively seek more information from the suppliers and discuss strategies, actions or initiatives to mitigate NBN Co's supply chain risks.

Response to global events

During FY22, the enduring challenges of the global COVID-19 pandemic continued to impact customer, employee, contractor and community health and safety. These challenges were further compounded by geopolitical tensions, global labour shortages, extreme weather events and persistent supply chain disruptions.

To ensure business continuity, in FY22 NBN Co continued to implement COVID-19 protocols and safety procedures. This enabled the Company's due diligence and governance arrangements and relationships with suppliers to be maintained.

Supply chain and strategic partner/third party disruption is a material business risk. NBN Co proactively manages this risk through supplier governance forums and regular performance reporting. In relation to the supply of goods, the Company is monitoring supply demands and usage to forecast, build strong relationships with key suppliers, and increase inventory holdings where appropriate.

NBN Co is also aware of the implementation of the *Uyghur Forced Labor Prevention Act*⁶ in the United States. This new legislation will be considered in FY23, as part of updating the Company's approach to due diligence across its supply chain.

6. <https://www.state.gov/implementation-of-the-uyghur-forced-labor-prevention-act/>



GRIEVANCE HANDLING AND REMEDIATION PROCESSES

All grievances from direct NBN Co employees, plus TSAs and Extended Workers, are managed according to the internal Managing Workplace Grievances Policy.

As part of NBN Co's whistleblower process, NBN Co uses KPMG FairCall to assist in handling whistleblower disclosures – a reporting hotline administered by an external and independent third party (KPMG Australia).

Allegation and incident handling

The *Modern Slavery Allegation Handling and Non-conformance Investigation Checklist* defines the process for assessing and addressing any complaints or allegations of modern slavery practices.

It defines a method to systematically review and assess any potential allegations or incidents raised in respect of modern slavery risks and involves the following six-step process:

1. Raise awareness of modern slavery risks
2. Identify allegations of modern slavery
3. Assess the allegation
4. Remediate where required
5. Reflect on action
6. Record and report modern slavery allegations or non-conformance.

During FY22, the Company received complaints, grievances and allegations through various channels including direct from employees and other grievance processes such as consultations with representative unions. The Company takes appropriate action in these situations including investigation and resolution where necessary.

BUILDING INTERNAL AWARENESS AND CAPABILITY

Training in NBN Co policies and procedures

Training is key to ensuring NBN Co's people are aware of standards and policies, are able to identify and assess risks, and are equipped to respond to those risks. NBN Co conducts mandatory rolling training on the key policy suite, known as NBN Co Business Standards, including training on: Your Ethical Responsibilities (Fraud, Corruption and Whistleblower); Freedom of Information; Code of Conduct; and Risk Management.

Direct NBN Co employees and TSAs are expected to complete this training. Extended Workers complete this training during their onboarding orientation. A modern slavery training module is also available through the Company's learning and development platform.

CASE STUDY

Training for Procurement team members

The Procurement team supports the business in the procurement of goods and services for NBN Co, from supplier selection through to contract execution. Building capability in this team was an important focus for NBN Co in FY22 with specialised training delivered to achieve the following outcomes:

1. Improved understanding of the depth and breadth of modern slavery risks from industry experts
2. Understanding of specific NBN Co policies and how they can be used to support the management of modern slavery risk
3. Providing skills to start a conversation with a supplier on modern slavery; including how to identify potential red flags
4. Understanding key questions to be asked when onboarding new suppliers
5. Providing practical examples through case studies on how to identify modern slavery risk and the process for assessing and reporting that risk.

The Procurement team attended this training in FY22 with further rollout of training of this type planned for FY23.



MONITORING AND REPORTING PROCESSES

Ongoing internal monitoring, reporting and escalation

Managing modern slavery risks is a maturing risk management activity for NBN Co. The Company continually monitors risks through supplier performance reviews, research of publicly available resources and engagement with suppliers. Where risks are identified, NBN Co takes appropriate actions.

Assessing effectiveness

NBN Co’s modern slavery governance is designed to ensure the effectiveness of NBN Co’s approach to managing modern slavery risks.

Modern slavery governance and reporting

The 2022 Modern Slavery Workplan, with actions focused on integrating modern slavery into the overall Sustainability Approach and risk management, aims to strengthen the governance of modern slavery risk and appropriate due diligence activities.

Management approach – roles and responsibilities

The NBN Co Chief People and Culture Officer (CPCO) and Chief Financial Officer (CFO) supported by the Sustainability Sub-Committee of the Executive Committee, have governance and program responsibility for modern slavery risks managed within their business units for Operations and Supply Chain respectively.

Roles and responsibilities have been clearly defined across business units to manage modern slavery risks for both operations and the supply chain. Responsibility for managing modern slavery risks for operations has been assigned to the People and Culture team, and the Procurement team for the supply chain.

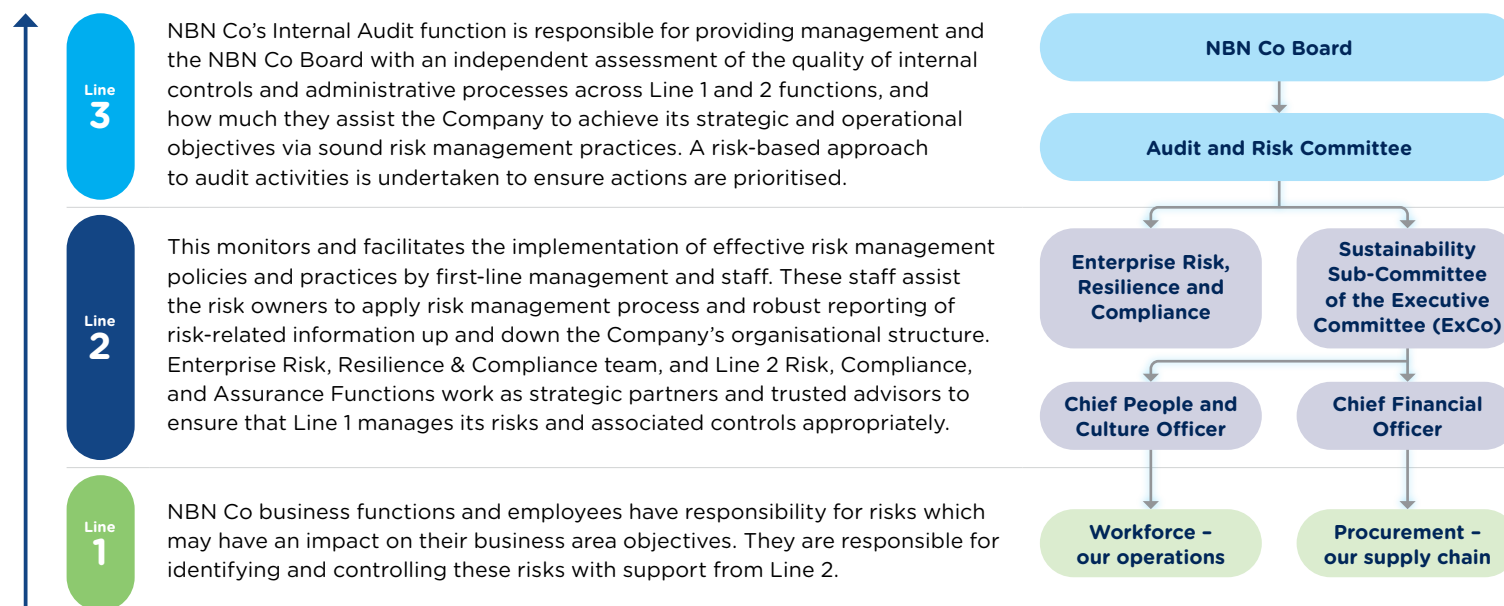
The Modern Slavery Workplan has been developed by the Modern Slavery Working Group, a cross-functional team, led by the Sustainability and Procurement teams. The Modern Slavery Workplan is reviewed, and monitored by the CPCO, CFO and the Sustainability Sub-Committee of the Executive Committee who meet quarterly to provide sustainability leadership across NBN Co and oversee the implementation of the Sustainability Program (which the Modern Slavery Workplan is part of).

Risk management and assurance

Modern slavery risks are reflected in the risk registers of People and Culture and Procurement. The NBN Co risk management framework includes quarterly risk reviews with business unit risk owners and the Company’s Enterprise Risk, Resilience and Compliance team. This framework requires that any incidents are reported to the Board’s Audit and Risk Committee.

The management of modern slavery risks and potential impacts and reporting, are supported by NBN Co’s three lines model for managing risk and by assessing performance through audits, reviews and inspections of the supply chain and operations.

FIGURE 7. NBN CO THREE LINES MODEL





Supply chain audit

On occasions when it is appropriate and applicable, NBN Co will exercise its right in contracts with suppliers to conduct audits within its operations and supply chains to assess whether legal obligations are being met.

Allegations and grievances

NBN Co reviews complaints, grievances and allegations received directly from employees, contracted workers and whistleblower channels and consults with representative unions and suppliers, as appropriate, to assess the risk of modern slavery across the Company's operations and supply chains.

Measuring the effectiveness of our approach

The Modern Slavery Working Group tracks implementation and appropriateness of Workplan actions on an ongoing basis.

Where an action requires a change, the Working Group discusses, and presents any updates to the Sustainability Sub-Committee of the Executive Committee. In FY22, this resulted in re-prioritisation of actions and has informed proposed actions in FY23, including further development of the Company's Modern Slavery Due Diligence Framework. Improvement opportunities for measuring the effectiveness of NBN Co's approach to managing potential modern slavery risks and impacts will also be considered in the new Modern Slavery Due Diligence Framework.

In FY22, NBN Co commenced a program of work to further assess the processes used to manage third-party risk, including that of modern slavery, with the intent of increasing visibility of such risks across the organisation and building company wide capability to assess, mitigate, manage and monitor those risks.

Reporting

Senior management in the Procurement team and People and Culture team are responsible for identifying and implementing actions to improve the Company's management of modern slavery risks. Action is implemented through the Modern Slavery Workplan and coordinated through the Modern Slavery Working Group.

The Sustainability team reports on the status of the Modern Slavery Workplan quarterly to the Sustainability Sub-Committee of the Executive Committee.

The annual Modern Slavery Statement is reviewed and authorised by the NBN Co Board. It discloses details of the Company's risks, actions, remediation, and due diligence as well as governance, and management approach for modern slavery risks.

CASE STUDY

Third Line assurance over the management of ESG risks

In FY22, a Third Line internal audit was conducted by an independent third-party on NBN Co's management of the Sustainability Program's *Transparent and Accountable Business* material topic. The scope of this internal audit included consideration of actions related to management of ESG risks in the supply chain, including modern slavery. In response, NBN Co will assess the need for an overarching strategy across economic, environmental, and social dimensions relevant to the Company's supply chain.

Our future focus, consultation protocol and approval

NBN Co plan for FY23 and beyond

To continually improve and strengthen the Company's response to managing modern slavery risks and potential impacts, NBN Co commits to implement the actions within its 2022 Modern Slavery Workplan. The Company also intends to develop its future workplan that will seek to focus on:

- Strengthening policy commitment actions on modern slavery
- Further maturing the Company's Modern Slavery Due Diligence Framework and its supporting Management System
- Further due diligence on suppliers and operations, including audits and reviews of higher-risk suppliers where required
- Reviewing grievance response mechanisms
- Capacity and capability building, through awareness communications and training
- Exploring opportunities for multi-stakeholder collaboration beyond the Company's industry boundaries.

Consultation

As NBN Co is the sole reporting entity for the purposes of the Act, and there were no controlled entities during the reporting period, it was not required to consult with other entities. The Modern Slavery Statement was, however, extensively consulted on internally, with input received from Employee Relations, Procurement, Risk, Legal and Sustainability teams before being circulated to the Executive team and the Board of NBN Co.

Approval from Board and CEO

This statement was approved by the Chief Executive Officer and Board of NBN Co on 16 December 2022.



Stephen Rue
Chief Executive Officer



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