



Australian Government



# Modern Slavery Statement

2020-21



# A message from our leaders

As an investor working on behalf of the Australian community, the CEFC recognises the importance of addressing modern slavery practices in our operations and supply chains.

While modern slavery is a global issue, with an estimated 24.9 million people in forced labour, regrettably it is also an Australian issue. In fact, there are an estimated 1,500 to 1,900 victims of modern slavery in Australia today.<sup>1</sup>

This Modern Slavery Statement describes the CEFC structure, operations and supply chains and the risks of modern slavery practices in its operations and supply chains. It also sets out the steps the CEFC has taken to assess and address those risks for the reporting period ended 30 June 2021. The Statement has been prepared in accordance with the requirements of the *Modern Slavery Act*.

This Statement was approved by the CEFC Board as the principal governing body of the CEFC on 4 November 2021.

**Steven Skala AO**  
Chair, CEFC

In providing our second Modern Slavery Statement, we summarise the actions we have taken to identify, assess and address modern slavery risks in our operations and supply chains in the 2020-21 reporting period.

The CEFC is committed to maintaining a strong focus on the appropriate governance, systems and processes necessary to identify and manage the risks associated with modern slavery in our operations and supply chains. We also recognise the role we can play in working with our suppliers and investment counterparties to raise awareness about the adverse impacts of modern slavery practices.

As we noted in our first Modern Slavery Statement, the CEFC Values and Code of Conduct and Ethics<sup>2</sup> set the standards of behaviour we require of our people. This includes treating others with respect and fairness and using CEFC resources for proper purposes. The actions we take to comply with the *Modern Slavery Act* are an important part of these endeavours.

**Ian Learmonth**  
Chief Executive Officer, CEFC

<sup>1</sup> <https://modernslaveryregister.gov.au>

<sup>2</sup> <https://www.cefc.com.au>



**The CEFC has a unique mission to accelerate investment in Australia’s transition to net zero emissions. We invest to lead the market, operating with commercial rigour to address some of Australia’s toughest emissions challenges.**

We’re working with our co-investors across renewable energy generation and energy storage, as well as agriculture, infrastructure, property, transport and waste. Through the Advancing Hydrogen Fund, we’re supporting the growth of a clean, innovative, safe and competitive hydrogen industry. And as Australia’s largest dedicated cleantech investor, we continue to back cleantech entrepreneurs through the Clean Energy Innovation Fund. With \$10 billion to invest on behalf of the Australian Government, we work to deliver a positive return for taxpayers across our portfolio.

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## Acknowledgement of Country

The CEFC acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, waters and culture.

We pay our respects to their Elders past, present and emerging.



# Section 1: Covered entities

Section 16(1)(a) of the Modern Slavery Act requires details about the reporting entity / entities covered by the relevant Modern Slavery Statement.

The Clean Energy Finance Corporation (ABN 43 669 904 352) is the reporting entity for this Modern Slavery Statement. This Statement covers the CEFC and both its wholly owned subsidiaries:

- CEFC Investments Pty Ltd (ACN 616 070 430) (CIPL): an investment vehicle for certain direct equity investments
- Clean Energy Investment Management Pty Ltd (ACN 628 443 854) (CEIM: holder of an Australian Financial Services Licence.

During the 2020-21 reporting period CIPL and CEIM had no direct employees and contracted only with the CEFC (except for limited professional advisory, consultant and audit services).

Neither CIPL nor CEIM are reporting entities for the purposes of the *Modern Slavery Act*.

Modern slavery describes situations where coercion, threats or deception are used to exploit people and deprive them of their freedom.

Modern slavery is a grave violation of human rights and, in Australia, is criminalised through various offences under Australian criminal law.

The second CEFC Modern Slavery Statement prepared in accordance with the *Modern Slavery Act*, reports on our activities to identify, assess and address modern slavery risks in our operations and supply chains in the 12 month reporting period to 30 June 2021.

This Statement discusses our targeted, risk-based approach to the identification and assessment of modern slavery risks. In emphasising a sector specific due diligence approach, we also discuss our collaboration with suppliers, investment counterparties and other industry participants.

We are committed to further developing our practices and procedures, collaborating with government and industry to play our part in tackling the complex and pervasive risks and impacts of modern slavery in domestic and global supply chains. In order to more fully assess the effectiveness of measures we have undertaken to date, we will continue to develop appropriate frameworks and processes.



# Section 2: Structure, operations and supply chains

Section 16(1)(b) of the Modern Slavery Act requires details about the structure, operations and supply chains of the reporting entity.

## Our structure

The CEFC invests in clean energy technologies, projects and businesses, to accelerate Australia’s transition to a low emissions economy.

We leverage our investment commitments to attract additional investment from the private sector and share our market and investment experiences, insights and expertise.

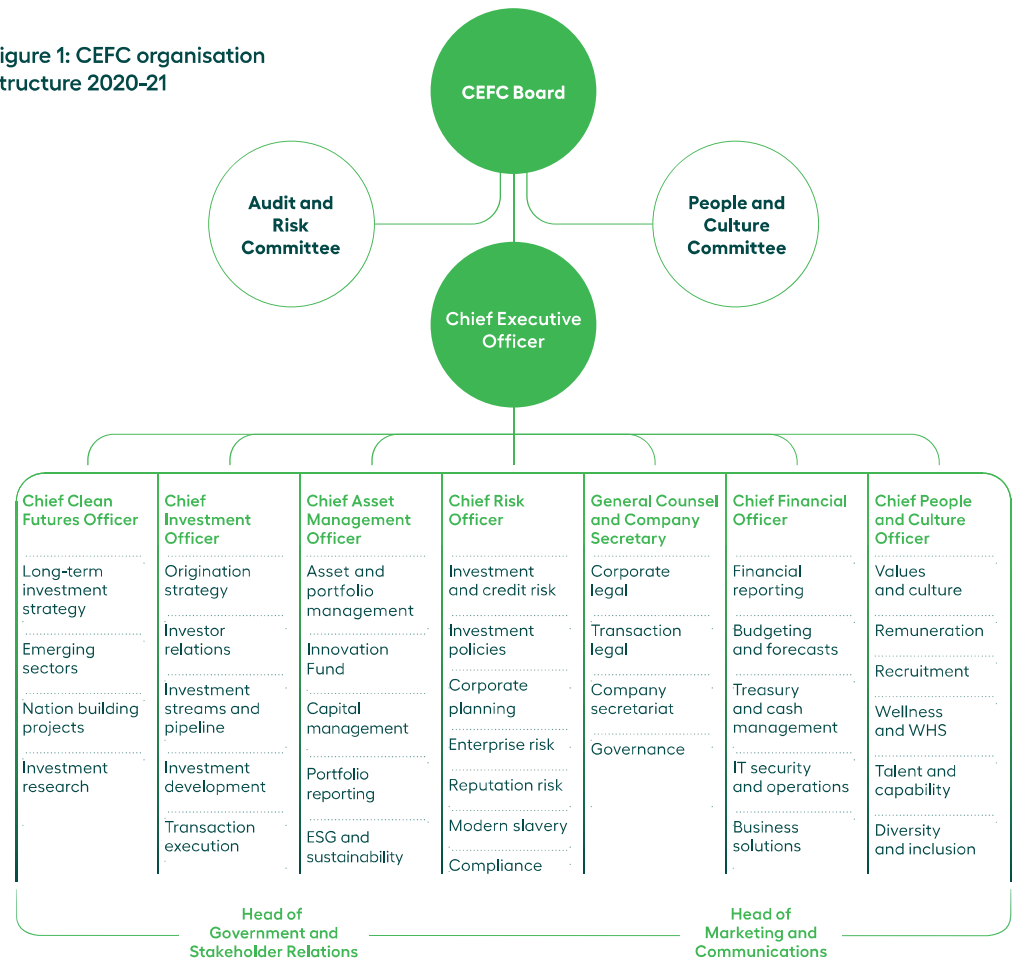
The *Clean Energy Finance Corporation Act* (CEFC Act) established the CEFC. It sets out the organisation’s purpose and functions and the arrangements for the Board, the CEO and staff. The CEFC is a corporate Commonwealth entity under the governance regime of the *Public Governance, Performance and Accountability Act* (PGPA Act) and is governed by an independent Board. The Board reports to the Australian Parliament through its responsible Ministers. The CEFC has access to funding of \$10 billion.

The *Investment Mandate Direction 2020* issued by the CEFC responsible Ministers under subsection 64(1) of the CEFC Act gives guidance to the CEFC Board in relation to the performance of the CEFC investment function and provides instructions as to policies to be pursued by the CEFC in performing its investment function.

The CEFC Board adopts private sector principles of good corporate governance in providing oversight and direction to the Executive including by the adoption of a Board Charter, Audit and Risk Committee Charter and People and Culture Committee Charter.

The CEFC Code of Conduct and Ethics influences the CEFC culture, setting the required standards of behaviour for the Executive and staff consistent with the highest professional and ethical standards.

Figure 1: CEFC organisation structure 2020-21





## Operations and supply chains

CEFC operations and supply chains include (1) offices and employees; (2) procurement processes for the supply of goods and services; (3) investments and (4) collaboration arrangements.

## Business operations

The CEFC has offices in Brisbane, Sydney, Melbourne and Perth with an additional staff member based in an Australian Government office in Canberra. At 30 June 2021, the CEFC had 124 employees, almost all of whom were permanent employees.

## Procurement of goods and services

The CEFC business is primarily office-based. The main procurement categories include (1) people and professional advisory services; (2) commercial office premises; (3) information technology, including software and hardware and (4) professional subscriptions.

## Operating arrangements

The CEFC regularly engages with private and public sector entities as part of its operations, including the Australian Renewable Energy Agency (ARENA), the Clean Energy Regulator (CER), and Australian, State and Territory governments and agencies, for the purposes of facilitating our investment function under the CEFC Act. As part of this, the CEFC enters into collaboration arrangements such as memoranda of understanding, consultancy agreements and joint venture and agency relationships with third parties.

<sup>3</sup> Excludes investment management fees and costs related to office space.

<sup>4</sup> Refer to CEFC 2020-21 Annual Report.

Figure 2: Overview of 2020-21 direct procurement by the CEFC

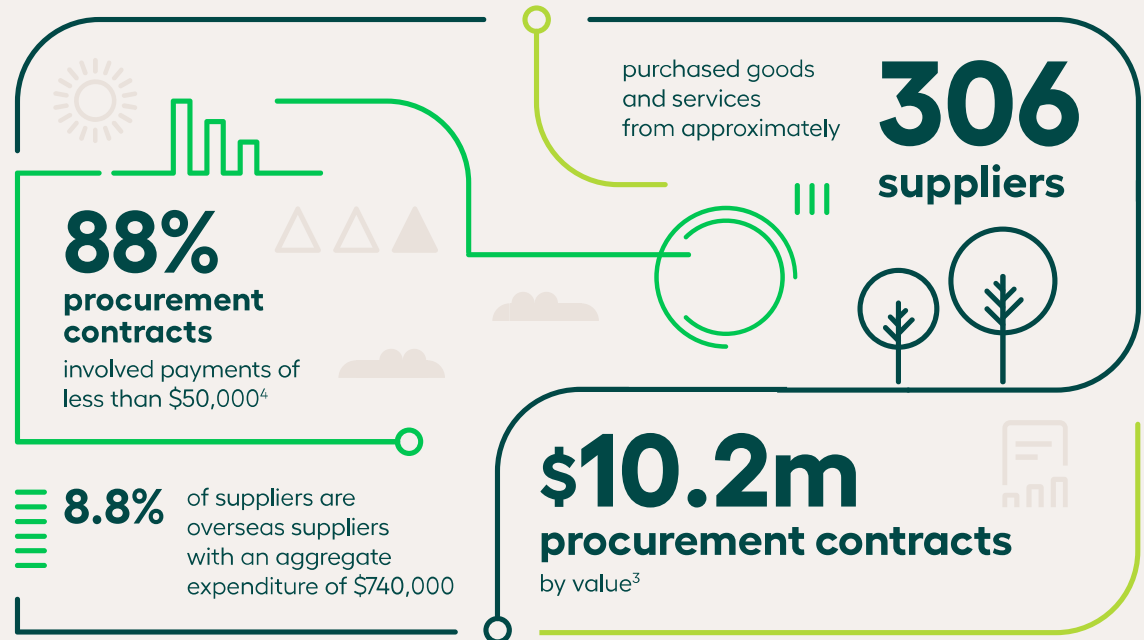
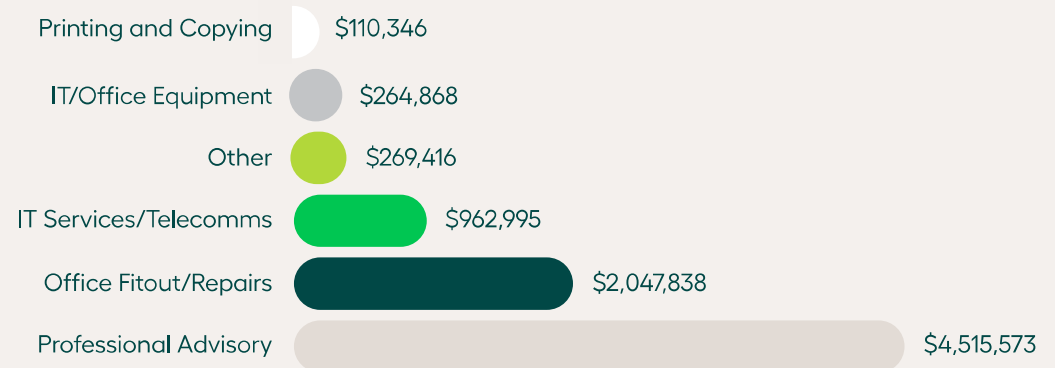


Figure 3: Overview of 2020-21 direct procurement by value by the CEFC





## CEFC investment focus

Under the CEFC Act, the CEFC invests in eligible renewable energy, energy efficiency and low emissions technologies. CEFC investments are solely or mainly Australian-based and may not be in a prohibited technology, defined as carbon capture and storage (within the meaning of the *National Greenhouse and Energy Reporting Act*), nuclear technology or nuclear power.

CEFC investment commitments during the 2020-21 year continued to demonstrate the breadth of our focus, with new investments in agriculture, cleantech innovation, hydrogen, infrastructure, property, transport and waste. This included investment commitments that support delivery of the Australian Government Technology Investment Roadmap, which seeks to accelerate the development and commercialisation of low emissions technologies.

The first annual Low Emissions Technology Statement (LETS), delivered in support of the Technology Investment Roadmap, identified five priority technologies as having significant emissions abatement and economic potential: clean hydrogen, energy storage, carbon capture and storage, low carbon materials (steel and aluminium) and soil carbon.

Together with project proponents and co-investors the CEFC has developed a strong pipeline of potential clean energy technologies including complying investments which support LETS priorities. We have also made a number of investment commitments that support the Technology Investment Roadmap.

Many of the LETS technologies are familiar to the CEFC. Some are developing technologies which the CEFC is targeting for investment. The CEFC is mindful that these technologies, both established and developing, will have inherent modern slavery risks with varying degrees of complexity and transparency.

## CEFC investment portfolio

The CEFC has a substantial investment portfolio and associated supply chains are long and complex. The CEFC makes:

### Direct investments

Our direct investments for small and large-scale clean energy projects include debt and equity finance, or a combination of both, tailored to individual projects.

### Debt markets

As well as debt products generally, we are a leading investor in Australia's emerging green bonds market, creating new options for investors, issuers and developers.

### Asset finance

We work with banks and co-financiers to deliver discounted finance to businesses, farmers, and manufacturers for their clean energy investments.

### Investment funds

We invest in new and established investment funds to deliver or facilitate clean energy developments in agribusiness, infrastructure, property, and other sectors. Our operations include equity investments where we have appointed external investment managers.



## Investment activities 2020-21

The CEFC made new investment commitments of \$1.37 billion across 22 transactions in the 12 months to 30 June 2021. With a total transaction value of \$5 billion, the new investments demonstrate the role of the CEFC in attracting additional private sector finance into the clean energy economy.

Over the same period, the specialist Clean Energy Innovation Fund marked its fifth year of investment with important milestones. Lifetime investments to 30 June 2021 reached \$117.6 million, driven by a record 11 investments in the year ending 30 June 2021, including five follow on investments. Together with its co-financiers, Innovation Fund finance has now reached almost 100 individual cleantech pioneers.

Figure 4: Strategic investment focus 2020–21

### 1. Low carbon electricity



Renewable energy, energy storage, demand management

\$426m

CEFC commitment

### 2. Ambitious energy efficiency



Agribusiness, industry, infrastructure, property, transport

\$458m

CEFC commitment

### 3. Electrification and fuel switching



All modes of electric transport, hydrogen, biofuels

\$33m

CEFC commitment

### 4. Reducing non-energy emissions



Recycling, low emissions materials, soil carbon

\$205m

CEFC commitment

Note: Table excludes increases in existing commitments, refinancing of existing commitments, follow-on equity investment commitments and commitments that reached financial close after 30 June 2021.





## Section 3: Risks

Section 16(1)(c) of the Modern Slavery Act requires details about the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.

### Modern slavery risks exist in the CEFC operations and supply chains, including in connection with our investments.

The CEFC takes a risk-based approach to identify these modern slavery risks. In conducting risk assessments, we consider:

- Business operations, including premises and staff
- Procurement of goods and services
- Investments.

#### Business operations

We assessed the risk of modern slavery existing within our immediate business operations as low in 2020-21. This assessment reflects the fact that our offices are based in metropolitan Australia and almost all of our staff are permanently employed directly by the CEFC.

While the risk associated with business operations has been assessed as low, a higher risk of modern slavery exists in the indirect supply chain associated with our office leasing including cleaning and security services.

#### Leasing of commercial office space by the CEFC

The CEFC Perth office moved to new premises. A modern slavery risk assessment did not identify any modern slavery risk relating to the property owner.

Due to heightened awareness of modern slavery risk in the commercial office space/property management and maintenance sectors we provided building management with the CEFC Principles for Suppliers. We also requested completion of the CEFC Modern Slavery Questionnaire.

The Questionnaire responses indicated the property management company was in the process of developing more robust modern slavery requirements, including auditing contractors and supply chains.

In the next reporting period we will take steps to follow up with each of our property managers to understand what steps they have taken to identify and assess the risk of modern slavery in their operations and supply chains.



## Procurement

We assessed the overall risk of modern slavery within our supply chain as low to moderate in 2020-21. This assessment was based on an analysis of modern slavery risk across direct suppliers to the CEFC (Tier One Suppliers) with a contract value of more than \$10,000.

Each risk assessment of direct suppliers includes a review of publicly available information and considers key risk factors including:

- Relevant industry
- Geographic location of associated supply chains
- Contracting structure
- Evidence of modern slavery policies and other mitigants.

More than 90 per cent of the Tier One Suppliers in the CEFC procurement chain are based in Australia. We understand that modern slavery risks may exist through our supply chain, and acknowledge that, to date, our procurement due diligence has been focused on Tier One Suppliers.

We have identified the following specific goods and services as having a higher risk of modern slavery associated with our indirect supply chain:

### Goods and services

### Assessment rationale

#### Property management services including cleaning and security services

- Opaque labour hire structures
- Base skill workforce

#### Information technology equipment

- Complex supply chains associated with products including raw material extraction and low-cost componentry manufacturing
- Assembly of componentry in potentially higher risk jurisdictions

#### Data hosting services and support call centres

- Remote locations with opaque labour hire contracting structures

## Telecommunications service provider

The CEFC contracts with a large telecommunications service provider for telephone and internet services. In their Modern Slavery Statement, that telecommunications service provider reported on areas of concern in their supply chain and documented the risk mitigants they implement to address the issues identified including ongoing supplier reviews consistent with its Supplier Code of Conduct.

This information supports our view that this Tier One Supplier was aware of modern slavery risk in its operations and supply chains and was actively managing associated risks.



## Assessing modern slavery risk in our investments

The CEFC investments must be solely or mainly Australia-based. Modern slavery risks associated with an investment are particular to the relevant sector and may also include direct and indirect supply chains based in jurisdictions other than Australia. Geographic location has the potential to pose higher modern slavery risk. As such, associated manufacturing facilities are a key consideration in the assessment of modern slavery risk.

The due diligence we undertake in connection with potential investment counterparties includes an assessment of potential modern slavery risk. Many CEFC investment counterparties are subject to the same or similar modern slavery reporting requirements as the CEFC, whether under the *Modern Slavery Act* or analogous legislation of other jurisdictions. This provides valuable information concerning that counterparty's modern slavery risk profile.

We complete a Reputational Report for all proposed investments including a detailed modern slavery risk assessment of key counterparties and key suppliers associated with that investment. This provides a framework within which the CEFC is able to identify and assess the level of modern slavery risk in our investments. This is discussed in more detail at Section 4: Actions.

The CEFC may be indirectly exposed to modern slavery risk through investments made in sectors with a higher risk of modern slavery in their associated operations and supply chains, such as manufacturing and construction. Relevant risk factors include:

- Geographic location of associated manufacturing facilities
- Processes involved in sourcing of raw materials
- Greater potential to hire vulnerable workers including base-skilled workers, foreign students and migrant workers.

## Manufacture of solar panels

An identified risk relates to the manufacture of solar panels used in renewable energy developments. During 2020-21 international reports<sup>5</sup> highlighted the risk of forced labour in the solar industry in the Xinjiang Uyghur Region of China.

- 95 per cent of solar panels rely on one primary material, solar-grade polysilicon
- The Uyghur Region accounts for approximately 45 per cent of the world's solar-grade polysilicon supply
- All four Uyghur Region polysilicon manufacturers have reportedly been implicated directly or indirectly in the forced labour of Uyghurs
- The four largest solar panel suppliers all source from at least one of these four polysilicon manufacturers.

The CEFC risk assessments have also identified original equipment manufacturers in industries other than the solar panel industry may be directly or indirectly exposed to forced labour in their supply chain. Section 4: Actions highlights the steps we have taken in response to this heightened risk.

## Collaboration arrangements

The CEFC regards risk of modern slavery in its collaboration arrangements as low, reflecting the following:

- These arrangements relate predominantly to information sharing and clean energy technology awareness
- The arrangements are with entities that operate under Australian law.

While the CEFC regards the risk of modern slavery in our collaboration arrangements as low, we recognise that our ability to influence the governance practices of collaboration counterparties is limited. However our collaboration arrangements provide an opportunity for us to better understand how others are approaching modern slavery risks in their own operations and supply chains.

5 "In Broad Daylight: Uyghur Forced Labour and Global Solar Supply Chains", Laura T. Murphy and Nyrola Elmä, Sheffield Hallam University, 2021.



## Section 4: Actions

Section 16(1)(d) of the Modern Slavery Act requires details about actions taken to assess and address identified risks, including due diligence and remediation processes.

The CEFC continued to strengthen our approach to modern slavery during 2020-21, by further integration of modern slavery considerations into our frameworks, policies, systems and processes.

### Modern Slavery Policy

We continue to implement the requirements of the CEFC Modern Slavery Policy and associated practices and procedures.

### Environmental and Social Governance Policy

The CEFC Board endorsed a new Environmental and Social Governance (ESG) policy as part of our investment and governance framework. The ESG policy is designed to ensure ESG risks and opportunities are considered as part of our operational and investment activities. Modern slavery, along with labour practices and employee health and safety generally, has been identified as a key element of the social pillar of the CEFC ESG Policy. The ESG Policy complements our:

- Investment Policies
- Risk Management Framework and Risk Appetite Statement
- Code of Conduct and Ethics
- Modern Slavery Policy
- CEFC Principles for Suppliers
- Reconciliation Action Plan
- Workplace Bullying, Discrimination, and Harassment Policy.

### Due diligence – Procurement

The CEFC continues to conduct due diligence for new Tier One Suppliers and monitors existing suppliers using publicly available information.

Where the CEFC risk assessment identifies suppliers as having a moderate or high modern slavery risk, the CEFC takes further steps to understand associated risks including:

- Additional due diligence of publicly available information
- Requesting the completion of the CEFC Modern Slavery Questionnaire or an analogous survey
- Engagement with appropriate levels of management
- Providing the supplier with the CEFC Principles for Suppliers.

In the event that a modern slavery risk is identified via due diligence, we engage directly with the relevant supplier to better understand associated risks.



## Due diligence – Investments

The CEFC completes a Reputational Report for all proposed investments. This includes a modern slavery risk assessment of all key counterparties, including key suppliers to projects in debt financing investments. Each Reputational Report includes:

- ASIC company searches, noting officeholders and shareholders
- Google and FACTIVA searches
- WorldCheck searches relating to Politically Exposed Persons, sanctions, regulatory breaches and financial crimes
- Review of each counterparty website, including information regarding modern slavery risk governance practices, including modern slavery policies and statements, ESG policies, Codes of Conduct and Annual Report disclosures
- Reviewing the Australian and UK Modern Slavery Registers to consider published Modern Slavery Statements, noting risk assessment processes and due diligence performed.

## Role of the Chief Risk Officer

A modern slavery risk rating and summary is added to Reputational Reports. Each report is reviewed by the Chief Risk Officer, taking into consideration the following factors:

- Modern slavery risk rating of low, moderate or high
- Adverse media and/or publicly available commentary indicating possible heightened risk of modern slavery
- Whether the relevant industry has a higher risk of modern slavery
- Publicly available information relating to modern slavery risk governance.

Subject to the reputational risk assessment, the Chief Risk Officer may seek further clarification, including through:

- Direct engagement with stakeholders
- Consideration of a completed CEFC Modern Slavery Questionnaire or an analogous survey
- Additional targeted due diligence screening
- Requiring specific contractual provisions to address the potential risk of modern slavery and associated monitoring by the CEFC portfolio management team.

The Chief Risk Officer will notify and consult with the CEFC Executive Investment Committee and the Board on material modern slavery risks associated with investments. Regardless of the modern slavery risk rating, ongoing screening of material counterparties is activated upon the contractual close of an investment.

## Capability building

During the reporting period, the CEFC undertook a number of initiatives to strengthen our approach to modern slavery risk assessment:

- Developed an organisation wide modern slavery training program
- Delivered tailored training to the CEFC Risk and Compliance and Legal teams to support the effective implementation of the CEFC Modern Slavery Policy, practice, and procedures and to enhance understanding of individual roles and responsibilities.

## Management systems

- Maintained a Global Fair Work (Modern Slavery) Working Group, led by members of the Risk and Compliance team, bringing together representatives from across the CEFC to support the consistent application of modern slavery practices and procedures
- Embedded modern slavery considerations into existing procurement and contracting processes
- Embedded modern slavery considerations into existing investment screening processes
- Issued questionnaires to selected Tier One Suppliers regarding the potential for modern slavery risk in their operations and supply chains.



## Benchmarking exercise

Initiated an external review of the CEFC Modern Slavery Policy, and related practices and procedures, including an external benchmarking exercise comparing the CEFC approach with that of our peers. This review will be completed in 2021-22 and will assist the CEFC to enhance modern slavery risk management systems and controls.

## Collaboration

- Actively collaborated with sector specific industry groups and Australian Government departments and agencies to identify and implement improved modern slavery practices and procedures
- Joined the human rights working group led by the Responsible Investment Association Australia
- Participated in the Clean Energy Council Risks of Modern Slavery Working Group, taking part in group meetings to consider modern slavery risks in the clean energy industry
- Engaged with the Australian Bankers Association Modern Slavery Working Group to share knowledge with other financial institutions on ways to identify and address modern slavery in the financial sector.

## Grievance and remediation

- The CEFC Modern Slavery Policy requires staff, suppliers and counterparties to report any suspicions or incidents of modern slavery to the CEFC Chief Risk Officer
- During the reporting period, the CEFC identified the formalisation of grievance and remediation mechanisms as an area for improvement in the 2021-22 reporting period.

## Solar panel suppliers: reputational reporting

Forced labour in the solar panel industry has been identified as having modern slavery risk in the clean energy sector. The CEFC Reputational Report extends to a risk assessment of the solar panel suppliers associated with the relevant CEFC investments.

The CEFC assesses the modern slavery risk associated with the relevant solar panel suppliers, considering publicly available information about the supplier, including references in international reports relating to forced labour in the solar industry, supplier responses and information about the supplier's modern slavery risk management practices.

We also seek responses from relevant project stakeholders, on their understanding and management of the potential risk of modern slavery in their solar panel supply chain. The CEFC acknowledges the complexities of this issue. We continue to monitor and consult with relevant industry bodies to better inform our modern slavery practices and investment decisions.

## Original Equipment Manufacturer

During an initial routine reputational risk assessment of a proposed investment, the CEFC Risk and Compliance team identified a possible modern slavery risk exposure. Publicly available information identified the proposed project's original equipment manufacturer (OEM) as potentially directly or indirectly benefiting from the use of forced labour transfer programs.

The CEFC Risk and Compliance team requested additional information from the project proponent to better understand the modern slavery issue and their management of it.

The OEM completed the project proponent's modern slavery questionnaire and provided this, and supplementary documents, to the CEFC Risk and Compliance team. The OEM responses satisfied the CEFC that the OEM did not benefit from the use of forced labour and that the OEM had implemented policies and arrangements to manage modern slavery risk effectively.

While satisfied with the additional due diligence, the CEFC included additional undertakings in the loan agreement that allowed the CEFC, as lender, to take action if the use of forced labour was subsequently identified.



# Section 5: Effectiveness

Section 16(1)(e) of the Modern Slavery Act requires details of how the reporting entity assesses the effectiveness of the actions being taken to assess and address modern slavery risks.

## Building our awareness

The CEFC ability to assess the effectiveness of its modern slavery practices and procedures has improved in the 2020-21 reporting period. Key factors include:

- Greater awareness of the risk factors associated with modern slavery
- Collaboration with industry stakeholders
- Increased availability and use of public information associated with modern slavery
- Training on modern slavery risks and CEFC practices and procedures.

## Internal reporting

Quarterly reporting on the monitoring of modern slavery risks is made to the Executive Risk Committee and the Board Audit and Risk Committee. This reporting covers:

- Modern slavery risk assessments related to procurement
- Modern slavery risk assessments conducted pre and post contractual close of CEFC investments
- Summary of specific action taken in response to identified risks
- Progress on modern slavery staff training.

## Training

Modern slavery is now part of the CEFC annual compliance training program required of all staff. Analysis of the reporting and training outcomes will assist the CEFC Risk and Compliance team to identify areas for focus in future years to continue to build organisational awareness of modern slavery matters.

## Review of policy, practices and procedures

The CEFC Modern Slavery Policy and related practices and procedures continue to evolve in response to:

- Improved risk assessment processes
- Access to more detailed and targeted due diligence reports
- The growth in publicly available information about modern slavery and highlighted risks.

## Impact of COVID-19

The CEFC recognises that disruption caused by the COVID-19 pandemic has temporarily reduced the potential of industry to thoroughly engage with lower level suppliers via site visits and to undertake physical due diligence and verification processes requiring travel.

## Formalisation of approach

We recognise the importance of establishing a formal approach to the way we assess the effectiveness of our actions in response to modern slavery risks. This will be developed further in 2021-22. Refer Section 7 for additional information.



## Section 6: Consultation

Section 16(1)(f) of the Modern Slavery Act requires reporting entities to detail the process of consultation with any entities that the reporting entity owns or controls.

The CEFC is governed by an independent Board, whose members are jointly appointed by its two responsible Ministers. The Board reports to the Australian Parliament through the responsible Ministers.

CIPL and CEIM are the only entities the CEFC owned or controlled during the 2020-21 reporting period. The directors of CIPL and CEIM are members of the CEFC Executive.

CEFC, CIPL and CEIM share common procurement processes and are bound by the same CEFC policies and procedures. This includes the CEFC Code of Conduct and Ethics, our ESG Policy and our Modern Slavery Policy.

In this way, the CEFC group has established a comprehensive, group wide response to modern slavery, led by the CEFC Chief Risk Officer in consultation with the CEFC Executive which includes the Directors of CIPL and CEIM.







# Section 7: Related activities

Section 16(1)(g) of the Modern Slavery Act allows for reporting entities to include any other relevant information that the reporting entity thinks is relevant. Accordingly, this section outlines other actions the CEFC is taking to combat modern slavery.

In the next reporting period, the CEFC will adopt a program of work across the following areas:

## Management systems and due diligence processes

The CEFC will continue to enhance our due diligence processes across procurement, investments, and collaboration arrangements to capture more detailed information on potential modern slavery risks.

This will enable the CEFC to improve its monitoring processes to track the progress and effectiveness of the measures implemented to assess and address material risks of modern slavery across its supply chains and operations.

The CEFC will formalise modern slavery risk tolerances and escalation guidelines to complement existing processes to inform future actions to be taken by the CEFC and to aid in monitoring and reporting.

## Benchmarking exercise

The CEFC will, through Global Fair Work (Modern Slavery) Working Group, consider and report on actions taken in response to the recommendations made as part of the benchmarking exercise.

## Continued collaboration

The CEFC will continue to work with Australian and State government agencies and industry bodies to benchmark and improve its modern slavery practices and procedures.

## Formalise the role of the Modern Slavery working group

The CEFC will formalise our approach by using our Modern Slavery Working Group to monitor the effectiveness of our program of work across procurement, investments, and collaboration arrangements.

This approach will assist the CEFC to measure the effectiveness of our activities related to modern slavery, including mitigation measures for areas identified as higher risk.

## Training

In the next reporting period, mandatory annual compliance training for all employees will include modern slavery awareness training and training for specific groups with responsibility for associated processes and procedures.

In addition, targeted training will be delivered to business units that support the identification and monitoring of modern slavery risks in our operations and supply chains.

## Establish external grievance and remediation procedures

Develop formal procedures to receive grievances and reporting procedures. This will better enable the communication of matters involving modern slavery associated with the CEFC operations and supply chains.

## About the CEFC

The CEFC has a unique mission to accelerate investment in Australia's transition to net zero emissions. We invest to lead the market, operating with commercial rigour to address some of Australia's toughest emissions challenges. We're working with our co-investors across renewable energy generation and energy storage, as well as agriculture, infrastructure, property, transport and waste. Through the Advancing Hydrogen Fund, we're supporting the growth of a clean, innovative, safe and competitive hydrogen industry. And as Australia's largest dedicated cleantech investor, we continue to back cleantech entrepreneurs through the Clean Energy Innovation Fund. With \$10 billion to invest on behalf of the Australian Government, we work to deliver a positive return for taxpayers across our portfolio.

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