

# Modern Slavery Statement

2022

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**EnergyAustralia**  
LIGHT THE WAY

# Message from the Managing Director

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I'm pleased to release EnergyAustralia's 2022 Modern Slavery Statement.

At EnergyAustralia, we are undergoing a bold transformation of our business as we lead the way in the energy transition. We believe in actions over words and recently updated our focus from company values to behaviours. These behaviours of 'being purposeful', 'be bold and move fast', 'make a difference', and 'play more together' are central to our commitment to help prevent the global human rights abuse that is modern slavery.

The nature of the work undertaken by EnergyAustralia, as both an energy generator, and electricity and gas retailer is multi-layered and complex, and we are aware that it brings with it risks of modern slavery. The energy and resources sector more broadly is not immune to these high risks.

We have stringent processes in place that are regularly reviewed to identify where risks of modern slavery exist within our business. But we know that on an international scale our influence is often limited when working with multinational suppliers, many of which have complex supply chains.

We will work collaboratively with the suppliers we are in business with, along with industry stakeholders and Government, to understand where risks are, and where we need to make changes.

EnergyAustralia has made marked progress on our commitments, and in 2022 we doubled down on focus by developing a new framework of KPIs, outlining areas of focus, actions we are actively taking and have taken, and importantly – outcomes.

The very nature of modern slavery is that it is deceptive and hidden, but eradicating it is critical, and we as a business will always work to operate ethically. We are continuing to play an active role as is outlined in this statement.

Mark Collette

**Managing Director, EnergyAustralia**

# About this Statement

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## i. Reporting Entity

This Modern Slavery Statement is made under the *Modern Slavery Act 2018 (Cth)* (the Act) by EnergyAustralia Holdings Limited (EAH) (ABN 57 101 876 135) on its own behalf and on behalf of the following controlled subsidiary companies, which meets the reporting entity criteria of the Act:

- EnergyAustralia Pty Ltd (99 086 014 968)
- EnergyAustralia Yallourn Pty Ltd (47 065 325 224)
- EnergyAustralia NSW Pty Ltd (75 163 935 635)
- EnergyAustralia Ecogen Pty Ltd (86 086 589 611)
- EnergyAustralia Tallawarra Pty Ltd (69 081 074 142)
- EnergyAustralia Investments Pty Ltd (27 113 121 592)
- EnergyAustralia AusPower Pty Ltd (83 073 060 054)

As of 31 December 2022, the EnergyAustralia Holdings Limited Group comprised of 37 controlled subsidiaries and 3 Joint Venture entities. Together, EnergyAustralia Holdings Limited and its controlled subsidiary companies are referred to as EnergyAustralia. EnergyAustralia is a wholly owned subsidiary of CLP Holdings Ltd (CLP).

The Boards of EnergyAustralia's reporting subsidiary companies and the Board of EnergyAustralia Holdings Limited have reviewed this Modern Slavery Statement. This Statement has been approved by the Board of EnergyAustralia Holdings Limited on behalf of all reporting entities and it is signed by the Managing Director and Chair. This Statement has been prepared to meet the mandatory reporting criteria set out under the Act.

# About EnergyAustralia



## i. Our structure

EnergyAustralia is a wholly-owned subsidiary of Hong Kong based CLP and one of Australia's largest integrated energy businesses. As an energy retailer as well as a generator, we buy electricity and natural gas on behalf of our customers, manage their accounts and make sure they have access to products which help them control their gas and electricity consumption.

## ii. Governance

All EnergyAustralia entities operate under a common set of governance policies, including a Modern Slavery Policy which outlines EnergyAustralia's stance on modern slavery and how risks of modern slavery within our operations and supply chain are to be identified, assessed and addressed. Our Modern Slavery Policy is supported by other policies, processes and systems described in this Statement.

The Board of EnergyAustralia Holdings Limited has oversight of our compliance with legal and regulatory matters.

As part of its governance structure, EnergyAustralia has an Audit and Risk Committee which functions to review the effectiveness of our risk management systems for both financial and non-financial risks and internal controls, and the systems and procedures for compliance with applicable legal and regulatory requirements. An Executive Sustainability Committee was formed in December 2021, which now supports the Board Sustainability Committee, and meets on a quarterly basis.

Sustainability at EnergyAustralia means how we conduct business sustainably through a commitment to making a positive impact on health, safety, employee wellbeing, the environment, climate change and the net zero transition, the community and cultural heritage. Our approach to Modern Slavery is part of

this important commitment. The Executive Sustainability Committee is accountable for the performance of the business in relation to Sustainability.

The Executive Sustainability Committee's charter includes reviewing the effectiveness of our programs based on our continuous improvement ambitions, as well as providing recommendations, information, and reports to assist the Board Sustainability Committee fulfil its responsibilities.

In turn, the Board Sustainability Committee will assist the Board and management in the oversight and review of EnergyAustralia's objectives to be a sustainable organisation. They will review and monitor key sustainability policies, strategies and programs, including those related to Modern Slavery.

# About our operations

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## i. Overview

EnergyAustralia employs nearly 2,200 people. Most of our workforce are engaged directly via employment contracts and/or enterprise agreements on a permanent, fixed/maximum term or casual basis. Our employment contracts, enterprise agreements and workplace policies are regularly reviewed to ensure compliance with workplace laws, including the *Fair Work Act 2009 (Cth)* and National Employment Standards.

All forms of modern slavery and related behaviour are forbidden under EnergyAustralia's Code of Conduct, Workplace Behaviour Policy and Modern Slavery Policy. We also have a comprehensive Work Health and Safety (WHS) policy and site-specific WHS procedures regarding working conditions. Our direct employees and extended workforce undertake mandatory annual training in relation to the Code of Conduct.

## ii. Risks of modern slavery

An internal assessment focusing on EnergyAustralia's hiring policies and practices was completed in 2022. The audit confirmed that we did not have any significant risks of modern slavery in our operations.

We acknowledge that while no current significant risks were found in that assessment, this does not guarantee that instances of modern slavery cannot occur. As such, we will continually monitor risks and review our internal policies and practices to ensure compliance.

## iii. Actions taken to address modern slavery risks

EnergyAustralia has several mechanisms in place to capture employee concerns and grievances, including those relating to modern slavery. These are communicated to all employees on commencement as part of induction processes and then regularly to people via the Company intranet, direct emails and online training and include:

- **Grievance policy and procedures**
- **Whistleblowing program**
- anonymous **Employee Engagement Survey**
- **Code of Conduct**

In the final quarter of 2022, all employees participated in face to face or an online training session covering our Code of Conduct, Whistleblower Policy and Modern Slavery Policy. Conducting the training this way allowed people to ask questions, explore scenarios, raise concerns and build deeper

understanding of the policies. The sessions also reinforce how seriously EnergyAustralia takes any conduct that is unlawful, improper or in breach of our policies and to encourage anyone impacted to report and seek support.

A register is kept by the People and Culture team to record any breaches of our employee related policies. Other policy and compliance breaches are recorded by other relevant functions such as Group Internal Audit and Legal and Governance.

No modern slavery breaches have been confirmed in 2022; however any allegations of modern slavery in our operations would be reviewed and comprehensively investigated where appropriate by a senior member of EnergyAustralia's People and Culture team and Group Internal Audit. Any breach of our policies or procedures could result in measures such as individual disciplinary action, corrective operational changes, or a review of compliance controls.

# About our supply chain

## i. Overview

As of 31 December 2022, EnergyAustralia had 2,957 active suppliers, 1655 (60 per cent) of which are classified as Australian small businesses. 95 per cent of our suppliers are registered with an Australian address, including a number of multinational suppliers with Australian headquarters, and these suppliers represented 98.9 per cent of our expenditure in 2022. In 2022, EnergyAustralia's total spend with suppliers was ~\$2.4 billion.

Many of our suppliers have supply chains that are outside Australia. We rely on Supplier Self-Assessment Questionnaires to report about their own operations and supply chains. We use this information in conjunction with human rights reports, media articles and our risk framework to assess the risk of modern slavery in our supply chain (see below).

## ii. Risks of modern slavery

Our Risk Assessment Framework considers risk factors based on registered supplier location and the commodity they provide. These factors enable us to determine a risk rating. We use independent data from the US Bureau of International Labour Affairs' List of Goods Produced with Child Labour or Forced Labour, and from Walk Free, an initiative of the Minderoo Foundation to determine the risk of the commodities we purchase.

In 2022, we had 7 suppliers who are registered in four potential high-risk geographic locations for Modern Slavery: India, China, Malaysia, and the Philippines.

The commodities we consume that are high risk based on these sources are:

Commodity	
<b>Solar collection devices &amp; batteries</b>	<p>There are multiple allegations of modern slavery risks in the global solar supply chain, particularly in relation to polysilicon production, connected to the Xinjiang Uyghur Autonomous Region (XUAR), as well as current and historical risks associated with cobalt (a raw material in the manufacturing of batteries) being sourced through child and forced labour in artisanal mines in DR Congo.</p> <p>The US Customs and Border Protection (CBP) Department has banned the importation of solar panels made with forced labour, through the US Uyghur Forced Labor</p>

	Protection Act, from four Chinese manufacturers after the CBP investigation found evidence of forced labour in 2022.
<b>Electronic Goods (including Computers, communication devices, electronic hardware and equipment, office machines and domestic appliances)</b>	The electronic manufacturing industry has had numerous allegations of modern slavery through all levels of the supply chains of componentry including in the sourcing of raw materials from high-risk geographies. The industry is at risk of forced labour and human trafficking including the use of migrant labour particularly in countries where electronics are predominantly produced.
<b>Clothing and Footwear</b>	The clothing and footwear manufacturing industries are high risk industries for modern slavery. Multiple allegations, both current and historical, have been made in relation to the manufacture of clothing and footwear, in multiple countries. Recent reports also claim that cotton from XUAR is produced by forced labour and laundered through other countries to hide its point of origin.
<b>Security and Cleaning services</b>	Security and Cleaning Services are considered a high risk of modern slavery in Australia due the prevalence of sub-contracting arrangements in the industry and high rates of migrant labour.
<b>Personal Protective Equipment (PPE)</b>	The Australian latex and nitrile glove industry have reported on forced labour found in their factories and supply chains. The US CBP has blocked import of gloves from certain manufacturers based in Malaysia after finding evidence of forced labour.

CLP purchased a subscription in 2022 for an online portal to provide a risk view of suppliers across all CLP Group companies. EnergyAustralia used this tool to monitor for changing risk profiles for our suppliers through multiple risk arenas. This combined with news alerts assisted EnergyAustralia in maintaining a detailed view of modern slavery risk in our supply chain.

Existing suppliers who are assessed as high risk are required to complete our revised Modern Slavery Survey and their responses are reviewed in accordance with our Risk Assessment Framework (see below). New suppliers are assessed in line with our onboarding process (see page 11).

### iii. Assessing modern slavery risks

As a wholly-owned subsidiary of CLP, we have been providing information to CLP regarding CLP Group’s [Responsible Procurement Policy Statement](#) (RePPS) since 2015, which is fed into their annual [Sustainability Report](#). This occurs through a voluntary questionnaire for suppliers who currently hold or will hold a contract with a total value of \$1 million or more. These questionnaires cover questions

regarding modern slavery, corporate social responsibility, environmental management and resource usage, and organisational governance. We have included these questionnaires in our assessment of modern slavery risk in our supply chain in 2022. CLP commenced a review of their RePPS process in 2022 which is expected to be completed during 2023.

EnergyAustralia's Modern Slavery Survey asks a range of questions relating to suppliers' knowledge of their supply chain; organisational policies, including modern slavery; countries from which the products or services were sourced from; country in which they are headquartered; awareness of allegations of modern slavery in their operations, industry or supply chain; organisational size; and whether they screen suppliers in their supply chain for modern slavery risks.

In 2022, we asked 83 suppliers to complete our modern slavery survey and 88 suppliers to complete the RePPS questionnaire (~representing ~33% of our 2022 spend). The surveys help us understand the origin of the goods and services our suppliers provide to EnergyAustralia, and the policies and practices in their organisations that would mitigate risks of modern slavery.

In 2022, we also surveyed the first tranche of Tier 2 suppliers focussing on our merchandise supplier, a small business without the capacity to survey their own suppliers. The surveys were a slightly modified version of our standard Modern Slavery Survey, with additional questions regarding origin of raw materials and whether the Tier 2 suppliers had visibility of migrant workers in their supply chain. Overall, Tier 2 responsiveness was positive and the Tier 2 supplier's responses were shared with our merchandise supplier, including if we had any concerns about their supplier responses.

Whilst most Suppliers responded to these surveys, as at 31 December 2022, we had not yet received responses from some. Three of these suppliers have also failed to respond in 2021 and we have implemented controls to ensure that no future orders can be placed with them. This action is only taken after multiple attempts to follow up with the supplier to understand what processes or policies they may or may not have in place to address modern slavery. EnergyAustralia welcomes working with suppliers to address any policy or process gaps they may have and ending our relationship with a supplier is a last resort. We will continue to follow up the suppliers who have not responded to our survey request, with oversight through our Executive Sustainability Committee.

Of the suppliers who completed our modern slavery surveys, 35 of these suppliers did not have any formal policies in place specifically relating to modern slavery risk. In 2022 we looked at the size of the supplier's business and took two different approaches. For Australian small business suppliers with fewer than 20 employees, we asked the suppliers to confirm that they abide by our Supplier Code of Conduct. For suppliers with over 20 employees, we asked the suppliers to confirm that they abide by our Supplier Code of Conduct and to create relevant policies and/or processes over the next 12 months, advising suppliers to contact their local Chamber of Commerce or other Industry association for policy templates. We will follow up with these suppliers in 2024.

For the purchase of international carbon offset certificates, EnergyAustralia sources reports from Ndevr Environmental for major purchases which, in part, examines the human rights risk of projects. These reports guide EnergyAustralia whether or not to purchase from the carbon offset project based on the risks of modern slavery in the supply chain or ownership of the project.

#### iv. Policies and contractual terms

EnergyAustralia has a publicly available [Supplier Code of Conduct](#) which details the behaviours we expect from our suppliers. These include paying wages and benefits in accordance with the law; workers not exceeding local work hour limits or 60 hours per week; and prohibiting the use of forced labour or child and underage labour. Our Supplier Code of Conduct was updated, and all suppliers notified of the update in December 2022. The updates included additional content regarding cybersecurity, product quality and safety, climate change and supply chain management.

Our Purchase Order terms and contract precedents require suppliers to confirm that they consider the risks of modern slavery in their operations and supply chain and will notify us of any suspected or actual instances of modern slavery within their operations and supply chain.

#### v. Working with EnergyAustralia for the first time

New suppliers of EnergyAustralia are required to complete our onboarding questionnaire which includes questions relating to modern slavery, including whether they have their own working practices and safeguards in place to evaluate and select their own suppliers and subcontractors relating to these same issues. Where suppliers indicate that they do not have their own similar policies or working practices, we ask them to confirm that they commit to EnergyAustralia's Supplier Code of Conduct.

#### vi. Investigating allegations of modern slavery

EnergyAustralia actively monitors various sources for relevant information that can help inform our understanding of risks. We are aware of allegations of modern slavery at an industry level (such as in the manufacturing of solar panels, and nitrile and latex gloves) and in some of our suppliers' supply chains. We work with our suppliers to understand their supply chains, what actions they have taken to address or remediate issues and confirm that their own governance policies and processes act to mitigate risks of modern slavery. Only as a last resort would we terminate a relationship with a supplier. We also work with industry and other stakeholders including government, as we seek to help mitigate the risk of modern slavery practices occurring in the supply chains of goods and services.

## Assessing effectiveness

An effective response to modern slavery is one where our policies, processes and other actions identify the modern slavery risks in our supply chain including any emerging risks, where we mitigate those risks, and where we respond appropriately to any instances of modern slavery.

We acknowledge that the hidden nature of modern slavery can make it difficult to accurately determine the full impact of our actions and initiatives. We remain committed to continuous improvement in our approach to assessing the risks of modern slavery in our operations and supply chain. We developed the following KPIs in 2022 to measure our effectiveness.

Focus	Objective	Actions	2022 Output	Outcome
Risk identification	<p>Identifying modern slavery risks in EnergyAustralia's supply chain</p> <p>Identifying modern slavery risk in EnergyAustralia's operations</p>	<ul style="list-style-type: none"> <li>Monitoring supplier risk through media alerts and third-party risk services</li> <li>Issuing and assessing self-assessment questionnaires to suppliers</li> <li>Maintaining our grievance and whistleblowing programs, review of half yearly engagement survey results and comments</li> </ul>	<ul style="list-style-type: none"> <li>Increased supply chain visibility through a supplier risk portal and media alerts</li> <li>171 self-assessment questionnaires requested</li> </ul> <p>Code of Conduct, Whistleblower Policy and Modern Slavery Policy face to face training conducted for all employees and contractors</p>	<ul style="list-style-type: none"> <li>Increased supply chain transparency</li> <li>Increased understanding of potential supply chain and operational risks</li> <li>Clarity of how seriously EnergyAustralia takes any conduct that is unlawful, improper or in breach of our policies and how to report and seek support.</li> </ul>

Engagement	Continuing engaging with our people, suppliers, customers, investors, regulators, industry, and civil society	<ul style="list-style-type: none"> <li>Active participation in industry and civil society fora</li> <li>Information sharing with strategic suppliers and commercial and industrial customers about Modern Slavery risk</li> </ul>	<p>Ongoing</p> <p>Ongoing</p>	<ul style="list-style-type: none"> <li>Building capacity and new industry norms</li> <li>Collaborative approach to modern slavery risk assessment, and mitigation and remediation activities where required</li> </ul>
Education	<p>Increasing awareness and understanding of modern slavery risks throughout EnergyAustralia</p> <p>Ensure that mandatory Code of Conduct Training is completed by staff and relevant contractors</p>	<ul style="list-style-type: none"> <li>Develop bespoke Modern Slavery learning module</li> <li>Monitor completion of training and ensure completion</li> </ul>	<ul style="list-style-type: none"> <li>Learning module completed, pilot session run with attendance across the business</li> <li>Every employee and contractor completed Code of Conduct training. With this being face to face, people were able to ask questions, explore scenarios and build deeper understanding</li> </ul>	<ul style="list-style-type: none"> <li>Awareness of modern slavery risks and obligations across our Operations and Supply Chain</li> </ul>
Oversight	Embed ownership of modern slavery risk and processes in the Board and Executive Sustainability Committees	<ul style="list-style-type: none"> <li>Modern slavery is a recurring agenda item</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Senior oversight of modern slavery risk across operations and supply chain</li> </ul>

## Looking ahead

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Our work to identify and mitigate modern slavery risks in our business is an ongoing process. Our efforts to date have laid a strong foundation for continued improvement. Building on what we've learned so far, EnergyAustralia will continue to refine its approach with best practice advice.

Our priorities for 2023 are:

- Continued work with suppliers who have not yet completed our Modern Slavery Survey
- Ensuring our People and Culture team maintain their current training and awareness of modern slavery risks and practices in our Operations
- Ensuring our Procurement team maintains their current training and awareness of modern slavery risks and practices in our supply chain
- Continuing our culture of speaking up and taking action if you see something that's not right
- Continue working with CLP on their Third Party Risk Management framework for suppliers and supply chain, and implement any tools and processes that are developed
- Roll out a Supply Chain focussed Modern Slavery training package for all staff
- Continuing collaboration with other organisations to share knowledge and improve processes

Against our priorities for 2022, we have made the following progress:

Improvement initiative	Progress
Continued improvements to our internal processes such as reviewing our supplier surveys and policies in line with best practice	<p><b>Ongoing</b></p> <p>Supplier surveys were moved to a more user-friendly platform so that suppliers could respond to our surveys easier.</p> <p>EnergyAustralia's governance processes include two-yearly review of all policy and process documents</p>
Ensuring our Procurement teams maintain their current training and awareness of modern slavery risks and practices, both globally and within our business	<p><b>Ongoing</b></p> <p>EnergyAustralia completed training for the Procurement team and developed training material to be delivered across all of EnergyAustralia. News, alerts and research were shared with the relevant Procurement teams for their action.</p>
Continuing collaboration with other organisations to share knowledge and improve processes, including how to	<p><b>Ongoing</b></p> <p>EnergyAustralia has held discussion with multiple companies in 2022 regarding supplier risk, including modern slavery risk.</p>

tackle issues of modern slavery if identified	We have also participated in forums and briefings on modern slavery with other Australian organisations.
Creation of an EnergyAustralia Sustainability Board Committee and Executive Committee, which will include responsibility for Modern Slavery risk and processes	<b>Complete</b> Committees have a calendar of meetings and are responsible for oversight of Modern Slavery risk management processes.
Inclusion of Modern Slavery in a broader EnergyAustralia Sustainability Framework including communication and training opportunities	<b>Ongoing</b> A Sustainability Working Group has been developed with representation from multiple Business Units. This Working Group provides feedback into communications and training materials, and provides points of contact across the organisation.
Collaboration across the CLP Group on Supply Chain Risk	<b>Ongoing</b> EnergyAustralia has continued to participate in CLP Group projects regarding Responsible Procurement, Supplier Code of Conduct update, and the development of a Third Party Risk Management Framework.
Review of risk management tools within EnergyAustralia, to examine how best to track supply chain risks	<b>Ongoing</b> Multiple tools were examined, including in conjunction with CLP Group.
Continued work with suppliers who have not yet completed our Modern Slavery Survey	<b>Ongoing</b> We have continued discussions with suppliers who have not completed our Modern Slavery Survey in order to continue to build a fuller picture of our risk profile.
Cyclical Review of EnergyAustralia's Procurement Policy, Modern Slavery Policy and Supplier Code of Conduct	<b>Complete</b> Policies and procedure documents have been refreshed and are available on our internal intranet for all staff.
Ensuring our People and Culture team maintain their current training and awareness of modern slavery risks and practices	<b>Ongoing</b> We continue to conduct training and awareness through regular policy reviews, face to face and online training, employment law forums and updates.

Continuing our culture of speaking up and taking action if you see something that's not right	<p><b>Ongoing</b></p> <p>In addition to our formal policy training, our EnergyAustralia behaviours encourage everyone to "Be courageous, communicate honestly and openly", and "Do the right thing for each other, our stakeholders, communities and environment".</p>
Creation of Key Performance Indicators to measure the effectiveness of our modern slavery approach	<p><b>Complete</b></p> <p>See Key Performance Indicators above.</p>

## Consultation

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All EnergyAustralia entities share a common set of governance policies. Work undertaken by our Procurement, People and Culture and Risk Assessment teams outlined in this Statement included engagement with our senior leadership and Executive Leadership Team and each reporting entity covered by the statement and the entities we own or control.

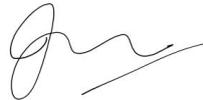
## Approval

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The Executive Leadership Team of the EnergyAustralia Group has also been involved in the review and endorsement of this Statement. This Statement was approved on 15 June 2023 by the board of EnergyAustralia Holdings Limited, the holding entity of the EnergyAustralia Group, after consultation with the Board Sustainability Committee.



**Mark Collette**  
**Managing Director, EnergyAustralia**



**Jane McAloon**  
**Chair of the Board, EnergyAustralia**

At EnergyAustralia, we recognise the Aboriginal and Torres Strait Islander peoples as the Traditional Owners of the land on which we operate and the communities we serve. Our goal is to build working relationships with Aboriginal and Torres Strait Islander peoples, communities and businesses. Through reconciliation we live our behaviours of being purposeful and making a difference.

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## EnergyAustralia Whistleblowing information

You can submit a report in a number of ways:

1. In writing or verbally to Head of Group Internal Audit on (03) 9060-0000 at Level 19/697 Collins St
2. Contacting the anonymous externally hosted channel 'Fair Call' via
  - **Phone:** 1800 500 965. This free call number is available 24 hours, 7 days a week.
  - **Email:** [faircall@kpmg.com.au](mailto:faircall@kpmg.com.au)
  - **Web:** <http://faircall.kpmg.com.au>. Whistleblowers may complete and submit a form online. This method does not permit two-way communication unless the whistleblower provides contact details.
  - **Post:** FairCall Manager, PO Box H67, Australia Square 1213, Sydney
  - **Fax:** (02) 9335 7466