AusNet

Modern Slavery Statement

Calendar Year 2024 (CY2024)

Acknowledgement of Country

AusNet acknowledges Aboriginal and Torres Strait Islander people as the Traditional Custodians of the lands on which we live and work. We pay our respects to Elders past and present, and celebrate their continuing connection to Country.

About the artist

As part of our reconciliation action plan we have commissioned an artwork by the artist Bitja (also known as Dixon Patten). A proud descendant of the Gunnai, Gunditjmara, Dhudhuroa, and Yorta Yorta tribes, with blood ties to Wiradjuri, Yuin, Wemba Wemba, Wadi Wadi, Monaro and Djab Wurrung, Bitja is deeply connected to his roots.

The artwork honours the strength in being part of a community, it honours our commonality as humans, but honours our diversity also and by having different views and experiences.
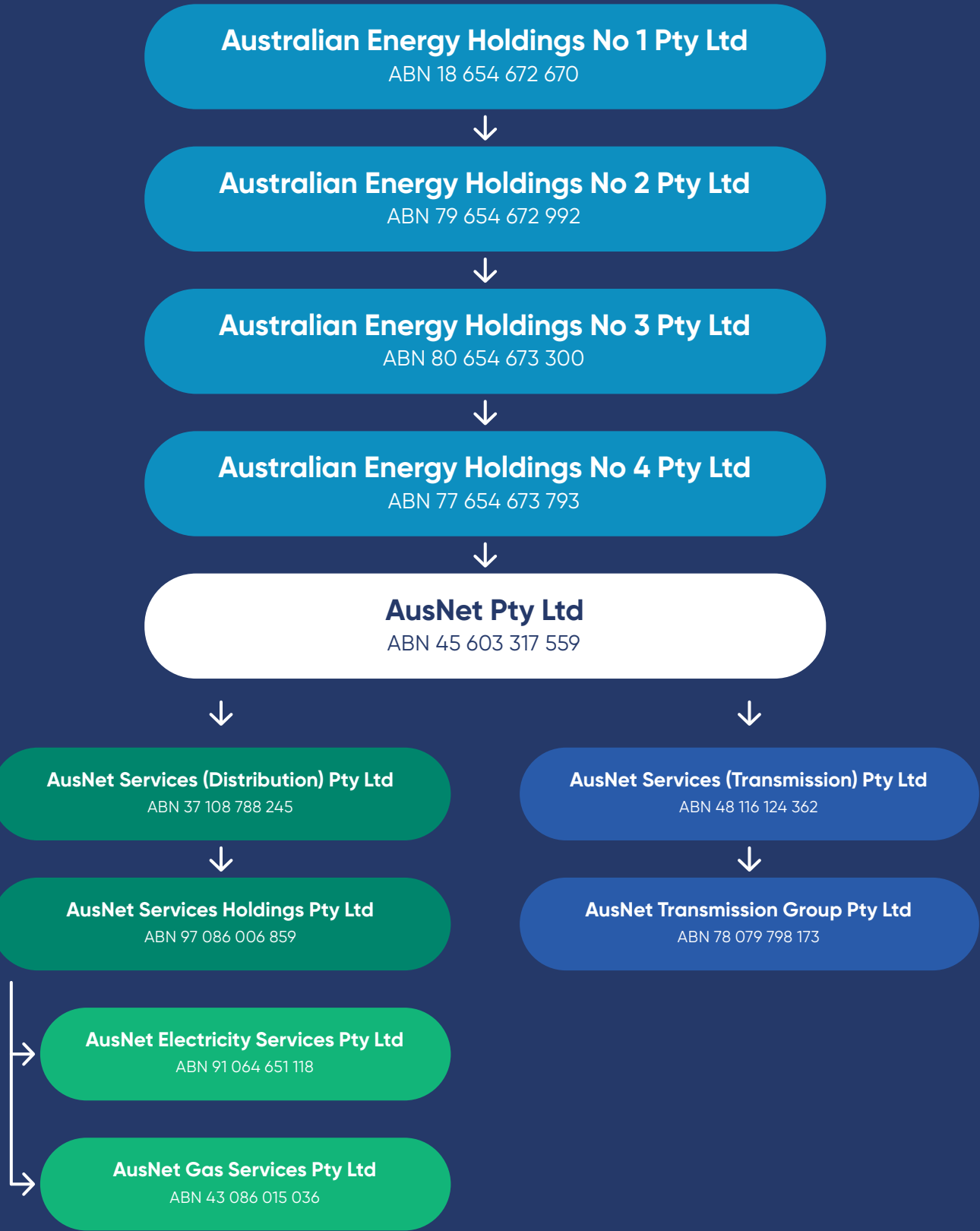
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AusNet Reporting Entities Diagram

Australian Energy Holdings No 1 Pty Ltd
ABN 18 654 672 670

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Australian Energy Holdings No 2 Pty Ltd
ABN 79 654 672 992

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Australian Energy Holdings No 3 Pty Ltd
ABN 80 654 673 300

↓

Australian Energy Holdings No 4 Pty Ltd
ABN 77 654 673 793

↓

AusNet Pty Ltd
ABN 45 603 317 559

↓   ↓

AusNet Services (Distribution) Pty Ltd   **AusNet Services (Transmission) Pty Ltd**
ABN 37 108 788 245   ABN 48 116 124 362

↓   ↓

AusNet Services Holdings Pty Ltd   **AusNet Transmission Group Pty Ltd**
ABN 97 086 006 859   ABN 78 079 798 173

→ **AusNet Electricity Services Pty Ltd**
ABN 91 064 651 118

→ **AusNet Gas Services Pty Ltd**
ABN 43 086 015 036

About this Statement

This Modern Slavery Statement ("Statement") outlines the actions taken by the AusNet Reporting Entities (AusNet, we, us, our or our Company) to assess and address the modern slavery risk in our operations and supply chains, throughout the period 1 January 2024 to 31 December 2024 (CY2024).

The AusNet Group, which comprises AusNet Pty Ltd and each of the entities it owns or controls, is a diversified Australian energy infrastructure business with over $13 billion of electricity and gas network and connection assets.

This is a joint statement that covers the members of the AusNet Group depicted in the diagram above and, from 17 February 2022, the AEH Entities (together, the AusNet Reporting Entities). No other member of the AusNet Group meets the reporting entity criteria under the Modern Slavery Act 2018 (Cth)(Act).

Each of the AusNet Reporting Entities is an Australian company with a registered head office in Melbourne, Victoria.

This Statement has been prepared as of 31 December 2024, in compliance with the mandatory reporting requirements of the Act.

The mandatory criteria in the following sections of the Act are addressed in the following sections of this Statement:

- 16(1)(a) and (b) of the Act: 'Important information'; 'About us'
- 16(1)(c) and (d) of the Act: 'CY2024 highlights'; 'Our approach'
- 16(1)(e) of the Act: 'Monitoring and evaluating performance'
- 16(1)(f) and (2)(b) of the Act: 'Consultation, engagement and approval'
- 16(1)(g) of the Act: 'Looking ahead'.

This report contains forward-looking statements, including current intention, opinion, or predictions or expectations as to possible future events. These statements are not statements of fact, and there can be no certainty of outcome in relation to the matters to which the statements relate. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements, and the outcomes are not all within our control. Statements about past performance are also not necessarily indicative of future performance.

CEO

I am pleased to share with you our latest Modern Slavery Statement and to update you on our progress.

AusNet remains committed to assessing, addressing and mitigating the risk of modern slavery in our operations and supply chains, and doing what's right by our communities and customers for whom we provide essential energy services, and by our suppliers and partners.

On 2 December 2024, the Australian Government released its response to the landmark statutory review of the Modern Slavery Act 2018 (Cth). In brief, the Government response agrees (in full, in part, or in principle) to 25 of the 30 recommendations in the review and proposes five recommendations.

We look forward to those recommendations translating into actions as we seek as an industry and a nation, to address the issue of modern slavery in all its forms. We will continue to fully support any legislated changes and further enhance our modern slavery compliance program.

Our approach continues to mature

Now in our sixth year of reporting, we continue to broaden and deepen our program as we learn from our suppliers, our industry, and our own experience.

In this latest reporting year, we focused on what matters most to us and the industry, increasing focus of our Supplier Assessment Questionnaires (SAQs) and Supplier Extended Due Diligence reviews (EDD) on higher-risk categories, such as solar and batteries.

As the transition to clean, renewable energy and towards Net Zero emissions continues, we are increasingly reliant on global supply chains for clean energy infrastructure, such as solar panels and wind turbines, in which we believe the risks of modern slavery may be elevated.

Program highlights

I am proud of the progress we continue to make and am pleased to share with you some of this year's highlights. This year we:

- increased the number of supplier assessment questionnaires to 721 (up from 586 completed since the introduction of the Modern Slavery Act)
- completed another six 'deep dives' into suppliers who had identified potential instances of modern slavery in their operations and supply chains
- continued to engage across our industry to share best-practice and collaborate, including continued involvement with our Energy Procurement Supply Association (EPSA) peers.

One of the organisational highlights for the 2024 reporting period was the launch of AusNet's new Purpose and refreshed Vision and Strategy. Our Purpose is to **'Connect communities with reliable, affordable and sustainable energy'.**

With that purpose comes the responsibility to work with our communities, customers, suppliers, partners and stakeholders to create a fair and equitable energy transition where everyone benefits and, most importantly, where no one is harmed.

David Smales
Chief Executive Officer, AusNet

Increased consideration of high-risk products such as solar panels and batteries

Overall visibility to 721 submitted supplier self-assessment questionnaires (SAQs)

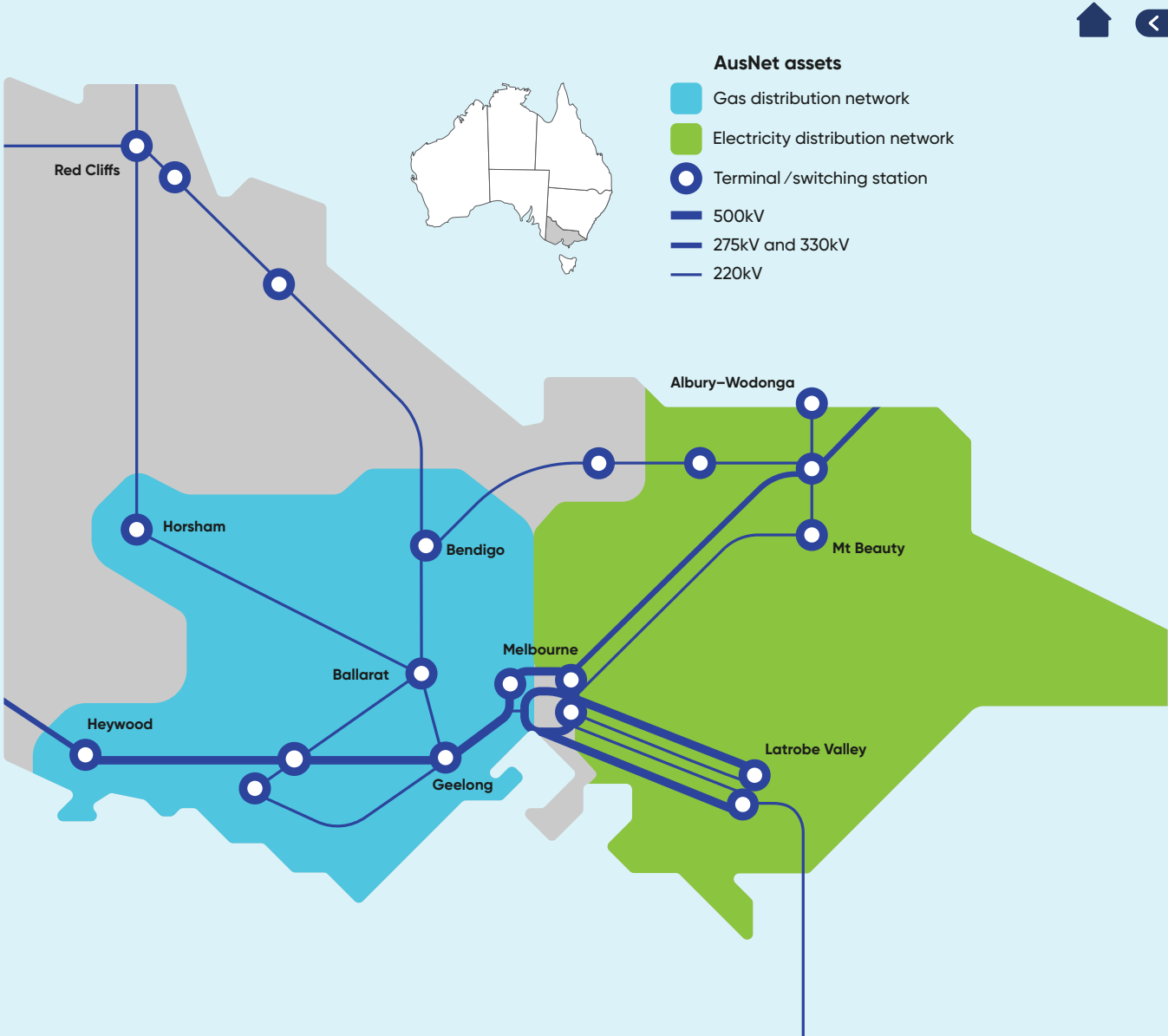135 suppliers submitted supplier self-assessment questionnaires

Our journey

CY2024 program highlights

Monthly collaboration between 14 energy industry peer organisations

Six extended due diligence supplier reviews conducted and closed

AusNet assets

- Gas distribution network
- Electricity distribution network
- ◯ Terminal / switching station
- — 500kV
- — 275kV and 330kV
- — 220kV

Red Cliffs
Albury–Wodonga
Horsham
Bendigo
Mt Beauty
Melbourne
Ballarat
Heywood
Latrobe Valley
Geelong

About us

We are Victoria's largest diversified energy network business. With over **$13 billion in assets**, we operate three core regulated networks: electricity distribution, gas distribution and the state-wide electricity transmission network.

We have a dedicated team of over **1,300 employees** who serve around **1.6 million customers**.

- We work safely
- We're one team
- We do what's right
- We deliver

Our electricity distribution network

supplies electricity to 802,000 customers across eastern and north-eastern Victoria, and in Melbourne's north and east

Our transmission network

transports power from where it's generated to Victoria's five distribution networks, and connects and supplies power to 6.6 million Victorians. We also help connect power to New South Wales, South Australia and Tasmania.

Our gas distribution network

distribute gas to 824,000 residential, industrial, and commercial customers in western Melbourne, Geelong and parts of Western Victoria.

Development and Future Networks (D&FN) including Mondo

D&FN provide contracted infrastructure assets that fall outside the regulated asset base.

We're introducing more green energy to the grid by connecting wind farms and solar farms and energy storage. Our mini-grids and solar programs are supporting regional communities to become more resilient and achieve their energy goals.

Our purpose
Connect communities with reliable, affordable and sustainable energy

Our vision
Trusted to bring the energy today and build a cleaner tomorrow

Our values
Guide the actions of all our people, every day

Our supply chains

As a provider of essential services to our customers and communities, we interact with a broad range of suppliers.

With a total operational spend[1] for CY2024[2] of $1.38 billion, our supply chains include the following:

Electricity networks and connections – $766.5m

- electricity distribution and transmission
- design services
- vegetation management
- metering equipment and services
- land management
- other electricity network

Asset materials and related services – $152.0m

- transformers and spares
- switchgear and electrical protection
- cables
- plumbing equipment and services
- poles and towers
- logistics and warehousing
- battery equipment and services
- solar equipment and services
- line hardware
- conductors
- other electricity network

Corporate services – $106.7m

- non-IT consultancy services
- recruitment services
- professional services
- security equipment and services
- office supplies and services
- facility maintenance and repair services
- real estate services
- utilities
- personal protective equipment
- travel and entertainment

Technology – $196.8m

- technology services
- software
- technology hardware
- communications
- technology security
- data centres
- other technology

Fleet and vehicles – $28.5m

- fleet
- mobile plant and equipment

Gas network and connections – $128.3m

- gas network
- metering services
- metering equipment

Our tier one level of the supply chain has strong Australian-based networks. We predominantly use Australian companies and international companies with an Australian presence, and their affiliated international networks. We acknowledge that suppliers within tier two of our supply chain and beyond may be based in countries with a higher risk of modern slavery. Our supplier base is generally stable and based on longer term relationships.

Governance framework

Our governance framework enables us to set and monitor performance against our business objectives, articulate our risk appetite and mitigate our risks, including those relating to modern slavery.

AusNet Board

Executive Leadership Team

Modern Slavery Steering Committee
Procurement | Governance | Strategy | People | Sustainability

Business Units

Suppliers   **Operations**

This year, we continued to enhance our capacity to manage risks of modern slavery across our operations and supply chain, by including our controls within the organisation-wide risk and compliance tools and processes. This improves the visibility and importance of mitigating modern slavery risks across our organisation.

Business-wide approach to addressing modern slavery

Our Modern Slavery Steering Committee brings together people from Group Operations (including Procurement), Legal, Sustainability, Risk, Compliance and People teams to determine the best way to identify and address the risks of modern slavery within our operations and supply chain. In addition, key business leaders (typically executives leading large areas of supplier engagement and spend) participate directly in targeted supplier deep-dive assessment processes. The inclusion of a wide range of participants in our modern slavery program provides a better opportunity to identify, assess, address and mitigate risks. The involvement of key business leaders in our framework demonstrates to suppliers our commitment to the program.

Modern Slavery Act compliance is a standard agenda item at our Regulatory Change Forum. The purpose of the forum is to monitor and track upcoming regulatory changes that may affect our business, guaranteeing that necessary processes are implemented to meet new obligations. Additionally, Modern Slavery Act compliance program updates are a standard agenda item at the quarterly Sustainability Working Group.

Robust policies are designed to underpin our company values. They guide our operations and how we engage with our employees and suppliers, as well as the values and behaviours we expect of them. The following policies (as amended from time to time) apply to our operations and supply chain and include provisions to set expectations relating to modern slavery.

Supply chain

To make informed purchasing decisions that are aligned to our values and help us mitigate risk, we developed and published a Supplier Code of Conduct, which outlines our requirements to suppliers.

In addition, we've also published a Sustainable Procurement Policy that guides our internal procurement decisions and defines the business requirements and accountabilities for the sustainable procurement of externally sourced goods and services. The policy aims to achieve positive environmental, social and economic impact over the entire life cycle, while simultaneously meeting legislative requirements. This policy mirrors the Supplier Code of Conduct's requirements in relation to labour practices and human rights practices. It also reflects the United Nations Global Compact Principles as they relate to Human Rights and Labour.
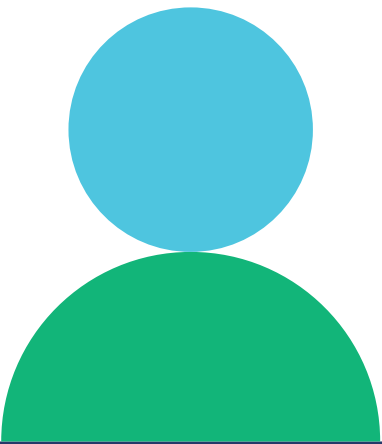
Both the Supplier Code of Conduct and the Sustainable Procurement Policy are distributed to potential suppliers and also posted on our website for full transparency and visibility of our values and supplier expectations. In addition, these documents are referenced in internal education processes with our employees and through "Sharing Our Experience" sessions with suppliers.

To help employees understand our modern slavery policies, we developed the following manuals and processes to provide guidance on expectations and requirements:

- Strategic Procurement Policy
- Tendering Procedure Manual
- Supplier onboarding processes.

Our Third-Party Risk Management Framework considers the Modern Slavery Act and associated compliance obligations.

We utilise source information from credible organisations, such as the Walk Free Global Slavery Index (GSI), to guide our modern slavery compliance program. The top five categories of at-risk products, as defined by the GSI in 2021, are electronics, garments, palm oil, solar panels and textiles. This data identifies key areas where intervention and responsible sourcing practices may be needed. By focusing on these high-risk products, we can better allocate resources and efforts to combat modern slavery.

Operations

We consider culture, which is underpinned by our policies, guidelines and practices, to be an essential mitigant against the risk that our operations 'contribute' to modern slavery practices. For our employees, we promote a culture of acting lawfully, ethically and responsibly. This means we encourage our employees to act with integrity and report unethical practices. There are various methods available to report a suspected or known breach, outlined in our Code of Conduct and Whistleblower Policy. Our policies are reviewed periodically so they are relevant to, and applicable in, the current environment.

We mitigate the risk that our operations are "directly linked" to modern slavery practices through our approach to identifying, addressing and assessing risks within our operations. We explain our approach in the "Risk identification" and "Assessing and addressing modern slavery risk" sections of this Statement. This includes our approach to recruitment, and contingent and fixed-term labour hire arrangements, as well as to some of the most labour-intensive components of the supply chains that we utilise.

▼ **Table 1** | Our policies

Operations	Supply chains
Code of Conduct	Supplier Code of Conduct
Whistleblower Policy	Sustainable Procurement Policy
Diversity and Inclusion	Strategic Procurement Policy
Anti-Bribery and Corruption Policy	Tendering Procedure Manual
Employee Lifecycle Procedure (released February 2023), incorporating elements of previous Recruitment and Selection Policy, Training and Compliance policies, Equal Treatment Policy and Discipline Policy	Supplier Onboarding Processes
Third-Party Risk Management Framework	Social Procurement Policy

The UN Global Compact Principles on Human Rights and Labour*

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.

Principle 5: Businesses should uphold the effective abolition of child labour.

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Source: UN Global Compact 'The Ten Principles of the UN Global Compact'

Our approach

Evolution of our modern slavery compliance

Each year, we identify improvement opportunities in our program to identify, assess, address and mitigate modern slavery risk and incidents within our operations and supply chain.

AusNet methodology

Step 1 – Utilise existing governance structure and identify our risks

Step 2 – Assess and action (address and mitigate)

Step 3 – Review effectiveness of our actions

Step 4 – Implement program improvements post-review

Foundation years

Established and developed program

FY2020

- established a cross-functional modern slavery steering committee for internal governance
- established a joint pilot program with industry peers to explore options for assessment of supply chain for modern slavery risk
- published policies aligned to the Act – Supplier Code of Conduct and Sustainable Procurement Policy. Integrated terms in contracts that address modern slavery.
- standard supplier self-assessment questionnaires (SAQ) issued and completed. Digital tool implemented.
- standard supplier self-assessment questionnaires (SAQ) issued and completed. Digital tool implemented.

Consolidation years

Program embedded within business processes and supplier engagement

FY2022 and CY2022

- increased number of energy industry organisations using the common digital platform
- rapid progression of supplier data available through the SAQ program
- enhanced the extended due diligence review scope
- increased supplier numbers assessed through the extended due diligence program
- introduced Key Performance Indicators related to the scale of supplier assessments
- introduced annual self-assessment program for the joint industry program.

CY2023

Seeking continuous improvement and asking how we can "do better"

- increased focus on industry-specific risk, including solar panels and batteries
- took action to incorporate the impact to workers/victims/survivors into the overall program
- took steps to review and implement options for increasing visibility of deeper tier modern slavery risk
- presented and participated in numerous external forums, engaging with wider industry and community
- continued supplier preliminary assessments
- commenced new SAQ process: re-issuance of SAQ for updated supplier risk ratings
- continued increase of supplier numbers assessed through the extended due diligence programs
- increased number of our team members leading the extended due diligence reviews.

2024 and beyond

Seeking continuous improvement and asking how we can "do better"

- increasing focus on industry-specific risk, including solar panels and batteries
- identified challenges with the legislation due to unwillingness of suppliers to disclose details of the lower tier suppliers involved in incidents
- taking action to incorporate the impact to workers/victims/survivors into the overall assessment. Preliminary engagement with the Red Cross to understand victim impacts and support systems
- taking steps to review and implement options for increasing visibility of deeper tier modern slavery risk
- continued supplier preliminary assessments and re-issuance of SAQ for up-to-date supplier risk program ratings
- continued increase of supplier numbers assessed through the extended due diligence programs, focusing on high-risk material suppliers
- increased number of our team members leading the extended due diligence reviews
- updates to internal policies and procedures, focusing on supplier compliance with the SAQ program
- conducted review of the SAQ with industry peers for viability.

Operations

Most of our employees are employed directly on permanent contracts and based in Australia. See the following table for our permanent and contractor workforce breakdown.

▼ **Table 2** | AusNet employees, by employment type, as of 31 December 2024

Permanent	Fixed term	Contractor	Total
1,446 (94%)	46 (3%)	45 (3%)	1,537

As a result, the risk that our operations "cause" instances of modern slavery are low. We continue to focus on the risks that our operations may:

- 'contribute' to modern slavery through, for example, unethical or unsustainable procurement, or contracting processes or targets that may encourage or require exploited labour to be used by our suppliers
- 'be directly linked' to modern slavery through the use of supply chains that are engaging in modern slavery practices.

In addition, our recruitment and employment practices are managed by our experienced and qualified team of People professionals, with support from our Procurement and Governance functions, including Legal, Risk and Compliance. We also have external support where appropriate.

Qualified and reputable immigration advisers are engaged to assist with the recruitment of any overseas candidates for employment opportunities in Australia. We do not charge candidates recruitment fees, or retain passports, visas, bonds or engage in other practices, with respect to our employees or recruitment, which are inconsistent with the UN Global Compact Principles on Human Rights and Labour.

Supply chain – implementation framework overview

We continue to use and refine our implementation framework and methodology.

Our focus areas and high-level activities are summarised in the following implementation framework diagram.

Monitoring and reporting
- Establishment of key performance indicators
- Establishment of internal reporting frameworks
- External reporting

Governance
- Policy
- Assigned responsibilities
- Communication of governance arrangements

Risk assessment
- Deeper dive risk assessment
- Stakeholder engagement
- Risk validation

Embedding: capability
- Training of procurement employees
- Training of AusNet employees
- Employee active program participation

Embedding: grievance and mediation
- Grievance mechanisms
- Remediation processes
- Communication to stakeholders

Embedding: due dilligence
- Supplier requirements
- Audit strategy and protocols
- Engagement with, and standards for, suppliers

Risk identification

Operations

The risk of modern slavery in our operations is low. All our employees are qualified or skilled in their respective work functions. Most of our team members are employed directly, with their employment terms and conditions set out in employment contracts governed by Australian employment laws and relevant industrial instruments. Eighty-six per cent of our team members are covered by one of three different enterprise agreements. These agreements outline minimum pay and entitlements and provide for consultation regarding significant operational and business changes. We recognise the rights of team members to negotiate collectively, with or without the involvement of third parties (including industrial associations/unions). We monitor and address human rights issues in our workforce under various policies and procedures, including our Code of Conduct and Diversity and Inclusion policies.

> **1,446**
> **payroll employees**

> **1,330 employees**
> **on employment contracts**

> **116 employees**
> **on agreements**

As of 31 December 2024, AusNet had 1,446 payroll employees. The vast majority of our employees are located in Victoria, Australia. The total employee group comprises 1,330 employees on individual employment contracts and 116 employees on enterprise bargaining agreements, noting that an Enterprise Agreement or Modern Award underpins those on individual employment contracts. The Modern Awards underpinning our employees are the Electrical Power Industry Award, Miscellaneous Award, Gas Industry Award and the Clerks Award.

Supply chain

Over our six reporting periods, we utilised inherent risk analysis, annual supplier spend levels, results from our prior supplier assessments and learnings from the wider community, to inform our assessment priorities each year. As knowledge of modern slavery risk and the number of completed supplier risk assessments increases, we adapt the priority of suppliers selected for annual review.

Previous reporting years

During the establishment and development phases of our program (FY2020–FY2021), we conducted risk assessments of the first tier of our supply chain based on category of spend and country of origin. We identified high to very high-risk suppliers and strategic/high-spend suppliers for further investigation using the Walk Free Foundation's Global Slavery Index 2018 and the Energy Procurement Supply Association (EPSA) Heat Map. In the consolidation and embedding phases (FY2022 and 9M2022), we continued using the same methodology for preliminary risk identification, selecting suppliers for assessment based on geographic and category risk, and highlighting high to moderate risk suppliers and top-spend suppliers for inclusion in the assessment phase. As we moved into our fifth reporting year with a stable supply chain, we re-evaluated the modern slavery risks identified, adding solar panels and batteries to our preliminary selection processes to guarantee industry-specific risks received appropriate focus.

Current reporting year

Our sixth reporting year has been a continuation of the SAQ and re-issuance program, while having a focus on improving processes such as updating the SAQ in agreement with our industry peers. We have also had an increased focus on high-risk material groups such as solar panels and batteries.

Our Extended Due Diligence program (outlined in "Assessing and addressing modern slavery risk" page 23) focused on high-risk industries, such as:

- technology providers
- consultancy services
- cleaning and facility maintenance
- solar products and services.

Tier one: supplier operational spend by high-risk category

In 2019, EPSA published an outline of spend categories with high and significant human rights risks. This has assisted us in focusing our program on areas of greatest potential impact, since the commencement of the modern slavery compliance program. This has been coupled with in-depth risk assessments conducted and published by Walk Free's Global Slavery Index 2023. In CY2024, our risk categories continued to be focused on higher risk categories, such as solar panels[3] and batteries[4]. A summary of the combined risk categories is outlined below.

Risk categories in the AusNet supply chain[5]

High to Very High Risk

Safety equipment and workwear	Solar/Batteries	Cleaning services

Moderate Risk

Human resources, contractors and temporary field labour	Security services and equipment	Line hardware
Logistics	IT managed services	Cables
Traffic management	Meters and parts	Switchgear

Tier one: supplier operational spend[6] by country

Analysis of our tier one spend in CY2024 confirms a continued predominance of Australian entities and, therefore, country risk for us is generally low. Country risk is more likely in deeper levels of our supply chains, with tier one potential risk highest in our Indian and Chinese supply chains.

Note: the KPIs for the CY2024 program were based on CY2023 spend.

Potentially high-risk country

Canada 0.0699%
USA 0.0785%
Sweden 0.0084%
Ireland 0.0029%
United Kingdom 0.0102%
Netherlands 0.0227%
Switzerland 0.001%
China 0.6389%
Hong Kong 0.0070%
India 3.0346%
Singapore 0.0021%
96.0789% Australia
New Zealand 0.0459%

3 'The Global Slavery Index 2023': Global-Slavery-Index-2023.pdf (walkfree.org).
4 RenewEconomy, reneweconomy.com.au/modern-slavery-the-grim-problem-facing-australia-wind-solar-and-battery-supply-chains.
5 'Respecting Human Rights in our Supply Chains': epsaonline.net/resource-hub.
6 'Operational' spend excludes spend not processed via a purchase order. Main categories include tax, network charges, rent, government levies, insurance and internal labour costs.

Assessing and addressing modern slavery risk

We have embedded two programs in our procurement framework to assess and address supplier modern slavery risk. In combination, these two programs provide a breadth of review across a large number of suppliers and an in-depth assessment for a subset of suppliers assessed as being of higher risk or strategic suppliers.

Overview

Program One – Supplier Self-Assessment Questionnaires (SAQ)

Program Two – Supplier extended due diligence reviews

Both programs allow us to engage with suppliers and review the risks of modern slavery across our supplier base.

Program One CY2024: Supplier Self-Assessment Questionnaires (SAQ)

The modern slavery risk assessment using supplier SAQ is a foundation element of our modern slavery compliance program. It is embedded into our established processes, including a proactive program that is a targeted supplier focus, and assessments aligned to the onboarding of new suppliers. See "CY2024 Scope – Scale of risk assessments" (page 25) for greater detail in relation to the focus suppliers for CY2024 review.

Initial supplier assessment process

The process for initial supplier assessment:

1. Selection of supplier for program inclusion, as per Risk Identification phase (see page 21), at supplier onboarding or external customer request.
2. Supplier contact data loaded into third-party tool and supplier issued an online SAQ.
3. Initial supplier response received/reviewed.
4. Clarification questions sent to supplier, if required.
5. Supplier response.
6. Supplier updates responses within the SAQ (if required).
7. Final supplier risk rating obtained automatically through the risk-rating tool. The third-party tool contains an embedded risk profile assessing suppliers against key questions, with each supplier receiving a modern slavery risk-rating of low, moderate, medium, high, or very high.

8. Suppliers with a risk rating of high or very high are presented at the Steering Committee, to determine if formal remediation is required. See the "Risk mitigation and remediation" section for additional detail.
9. Suppliers may be invited to attend our "Sharing Our Experience" session to enhance awareness and capabilities in relation to modern slavery compliance.
10. Suppliers may be invited to participate in Program Two – the supplier extended due diligence program.
11. SAQ re-assessment – suppliers requested to update SAQ via third-party tool.
12. Return to step 3 with re-submission of the supplier SAQ response.

Process enhancements

- supplier re-assessments: We released our second round of re-issued SAQs. This process involved re-issuing the modern slavery SAQ to suppliers that had previously completed an SAQ, prior to 30 June 2023, and were within scope. This was an automatic re-issue that enabled our supplier base to update previous responses, resulting in updated supplier risk ratings.
- minor updates to the Informed 365 platform increased visibility and data integrity. We implemented changes to the main dashboard for better visibility of supplier engagement and trends over the reporting years. Greater customisation of the dashboard improves the user experience and can be tailored to the user's requirements. Other upgrades include live supplier uploading with supplier comparison and data validation within the platform, to increase data integrity and avoid duplication.

Note:

- the SAQ tool provides links to data sources that provide the supplier with education related to modern slavery compliance
- future process enhancement: In 2023, the shared Informed 365 reporting tool was reviewed by the University of Technology Sydney (Rapido R&D Innovation Hub). While some updates have been processed, there are still program improvements in the pipeline, including reporting improvements, redesign of automatic emails to reduce spam queries and historical risk reporting.

Scale of overall SAQ program since introduction of the Modern Slavery Act 2018 (Cth)

The section below outlines the scale of the overall SAQ program in the last three reporting periods.

▼ **Table 3** │ Annual closed and submitted SAQ assessments

Annual closed and submitted SAQ assessments						
9M2022 total SAQ		**CY2023 total SAQ**		**CY2024 total SAQ**		
Submitted* and closed**	Submitted* only	Submitted* and closed**	Submitted* only	Submitted* and closed**	Submitted* only***	**Total program** (since introduction of the modern slavery legislation)
30	123	44	131	22	113	721

* 'Submitted' refers to SAQs received by AusNet.

** 'Closed' refers to SAQs that have been submitted, and additional AusNet clarification is required prior to establishment of a supplier modern slavery risk rating.

*** 'CY2024 submitted only' comprises 85 SAQs included in the CY2024 proactive program and re-issued program, and 49 SAQs submitted by other AusNet suppliers (including new suppliers and suppliers reviewed by other EPSA organisations). If risk rating of 'very low' or 'low' was assessed after SAQ submission, no further action was required.

▼ **Figure 1** │ Cumulative supplier assessments since introduction of the Modern Slavery Act

■ External assessment ■ Supplier Self-Assessment Questionnaires (SAQ) ■ Extended due diligence review

▼ **Figure 2** │ SAQ coverage of top 100 operational* spend suppliers (as at 31 December 2024)

SAQ coverage of top 100 operational*spend suppliers


■ Percentage of spend
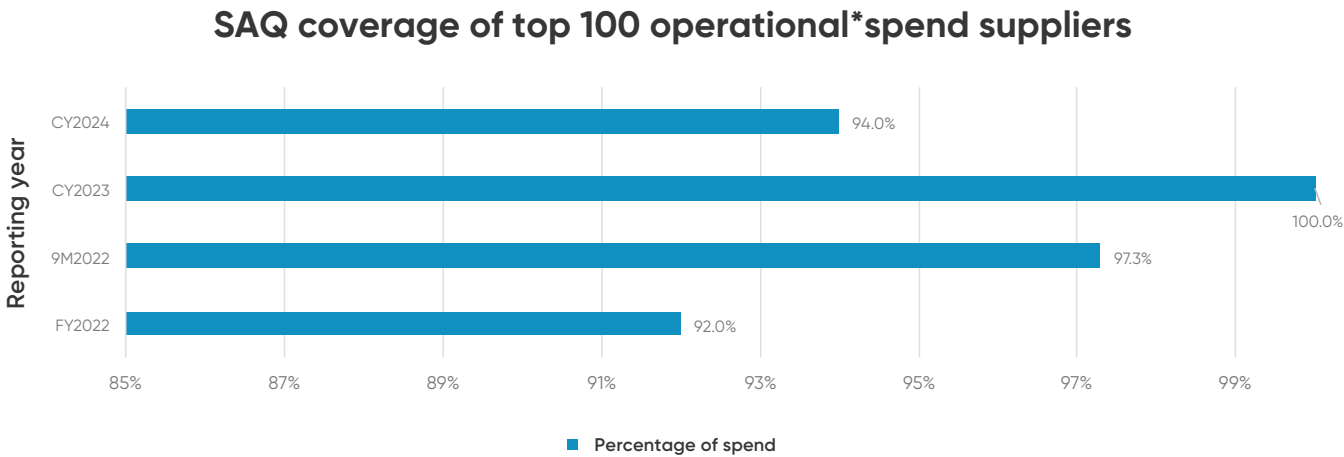
Trending of supplier risk ratings

Case Study 1 "Downward Trend of Risk Ratings: supplier re-assessment" outlines a process and tool capability introduced in CY2023, namely the issuing of a secondary SAQ to previously assessed suppliers.

With this new data, we can measure movements in modern slavery risk ratings for an individual supplier over time.

Changes in supplier risk ratings observed for the 40 SAQ re-issuances in CY2024 are summarised in Figure 3.

▼ **Figure 3** | Changes in reissued supplier risk ratings: original SAQ to CY2024 SAQ

% change in observed risk rating
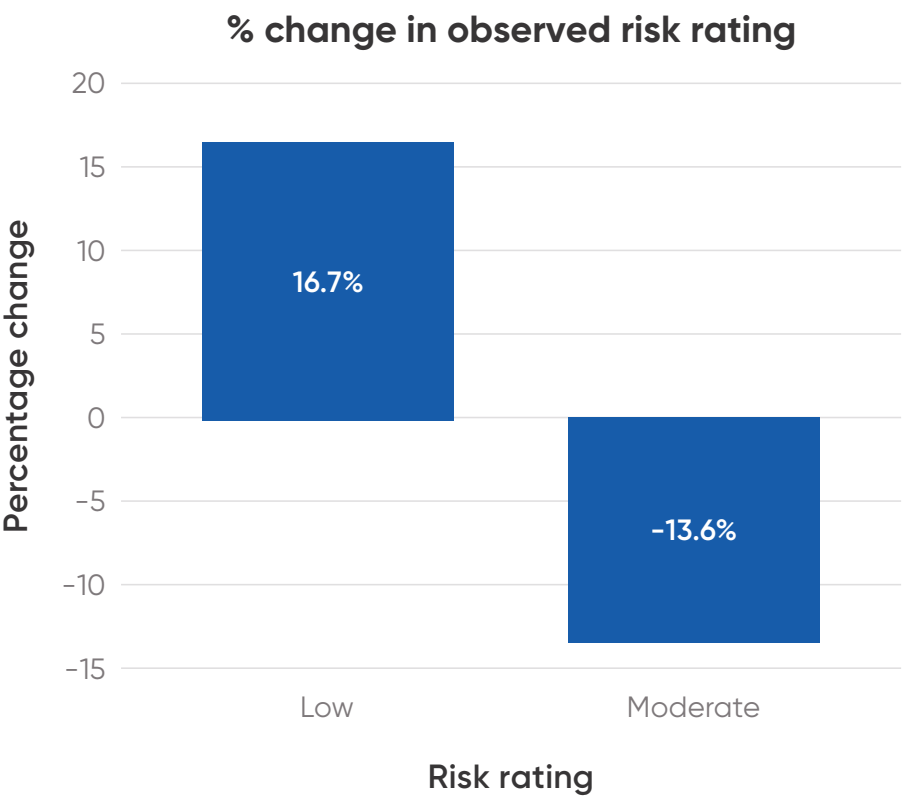
These findings underscore the evolving nature of modern slavery risk management efforts across our supply chain. Our suppliers are adopting strategies to effectively address both known and emerging risks within their supply chains. Continued vigilance and proactive measures are essential to sustain progress and meaningful impact in the fight against modern slavery.

Case Study 1 – Downward trend of risk ratings: supplier re-assessments

Many companies now utilise Self-Assessment Questionnaires (SAQs) to assess and mitigate the risk of modern slavery within their operations and supply chains.

SAQs assist organisations to identify areas of vulnerability regarding modern slavery risk and take appropriate action to address them.

Starting In 2023 and continuing in 2024, our suppliers who had completed an SAQ prior to 1 July 2022/2023 were re-issued the SAQ form. We requested an updated response to questions that were included within the original SAQ, in addition to a response to newly released questions. The intent was to understand the changes in risk ratings over time.

During 2024, analysis revealed a progressive downward trend in SAQ risk ratings. There appears to be a gradual shift to a lower level of modern slavery risk in our supply chain since commencement of our program. This was evidenced by:

1. a large and continued decrease in the percentage of moderate SAQ responses (–13.6%) in the current period compared to the previous period showing a positive change in our supply chain's modern slavery response

2. an increase in the percentage of low SAQ responses from the previous period to the current of 16.7%.

Comparison between the previous response and CY2024 suggests that continued engagement and education of our supply chain, as well as other factors, resulted in increased awareness of, and compliance with, the Modern Slavery Act by our supply base.

Summary of Assessments

- a total of 135 submitted SAQs were available over CY2024, as part of our overall program

- similar to CY2023, in CY2024, suppliers assessed for modern slavery risk accounted for nearly **95 per cent** of expenditure on goods and services for operational spend[7] for the 12 months up until 31 December 2024 (94.5 per cent)

- over time, we aim to increase the percentage of suppliers completing initial assessments via the SAQ process. At the end of CY2024, **94 per cent** of the top 100 suppliers (by operational spend) had completed an SAQ assessment. Six suppliers increased their spend in 2024, moving them into the Top 100 and they will, therefore, be included in the CY2025 program.

- introduction of the supplier re-assessment process in CY2023 provided visibility to changes in supplier modern slavery risk for **143** suppliers, overall.

Next...

- the following sections outline both inherent and assessed supplier modern slavery risk, visible after the completion of a supplier SAQ.

In the CY2024 program, many SAQs were assessed using the Informed 365 modern slavery compliance tool, providing updated insight into supplier alignment with the Modern Slavery Act 2018 (Cth).

Program One CY2024:
Scale of risk assessments

The CY2024 Modern Slavery Program One scope consisted of suppliers grouped into four categories:

Proactive program of assessments, consisting of:

- top 200 spend suppliers that have not previously been assessed

- suppliers with medium, high to very high-risk categories that have not previously completed an SAQ and are outside of the top 200 spend suppliers.

New suppliers, with focus on:

- annual spend above an agreed level

- suppliers based outside of Australia

- very high/high or medium risk, based on category heat map.

Re-issued suppliers:

- all suppliers that have previously completed and submitted an SAQ prior to 1 July 2023.

Other suppliers:

- based outside of Australia (where not included in the above categories)

- raised for focus through external customer bids.

[7] 'Operational' spend excludes spend not processed via a purchase order. Main categories include tax, network charges, rent, government levies, insurance and internal labour costs.

Inherent modern slavery risk indicators such as country of origin, category of spend, and industry subsector are published by external sources.

Of the suppliers included within the CY2024 program, inherent country risk is generally very low to low, with four suppliers classified as high risk. Inherent category risk is variable between low, medium and high for our top spend categories reviewed this year, while inherent industry risk for our top industries is rated as medium to very high.

The country of origin of suppliers reviewed in the CY2024 SAQ program is provided in Table 4. Australia is the most frequent country of origin – over 95 per cent of total operational spend is with suppliers based in Australia, which has very low inherent risk. However, increased inherent risk may be present in deeper supply chains. These statistics are outlined below.

▼ **Table 5** │ Tier one top eight spend categories of suppliers assessed in CY2024

Spend category	Number of suppliers	% of suppliers reviewed	Inherent country risk**
Consultancy Services – Corporate Planning & Strategy	21	15%	Medium
Station Construction – Transmission	10	7%	High
Metering Services Electricity	7	5%	Medium
Technology Services – Professional Services	5	4%	Medium
Contractor – Others	3	2%	Low
Public Relations & Marketing	3	2%	High
Vehicle – Purchase	3	2%	High
Asset Inspection – Transmission	3	2%	High

** *see Respecting Human Rights in Our Supply Chain, epsaonline.net/resource-hub.*

▼ **Table 4** │ Tier one country of origin of suppliers assessed in CY2024

Country	Number of suppliers	% of suppliers reviewed	Inherent country risk*
Australia	119	88%	Very Low
China	3	2%	High
United Kingdom	3	2%	Low
Singapore	2	1%	Low
United States of America	2	1%	Low
Canada	1	1%	Low
Germany	1	1%	Low
India	1	1%	High
New Zealand	1	1%	Very Low
South Korea	1	1%	Medium
United Arab Emirates	1	1%	Medium
Total	**135**	**100.0**	

* *see walkfree.org/global-slavery-index/downloads*

▼ **Table 6** │ Tier one top eight reported industry subsector of suppliers assessed in CY2024

Industry	Number of suppliers	% of suppliers reviewed	Inherent country risk***
Construction Materials	16	12%	High
Research & Consulting Services	9	7%	Medium
Electrical Components & Equipment	8	6%	Very High
IT Consulting & Other Services	7	5%	Medium
Construction & Engineering	6	4%	High
Cable & Satellite	5	4%	Medium
Specialty Stores	5	4%	Medium
Trading Companies & Distributors	5	4%	High

*** *Inherent industry risk derived from 'GICS taxonomy for Modern Slavery Risk', commissioned by Informed 365, from Edge edgeenvironment.com/us/tag/australia*
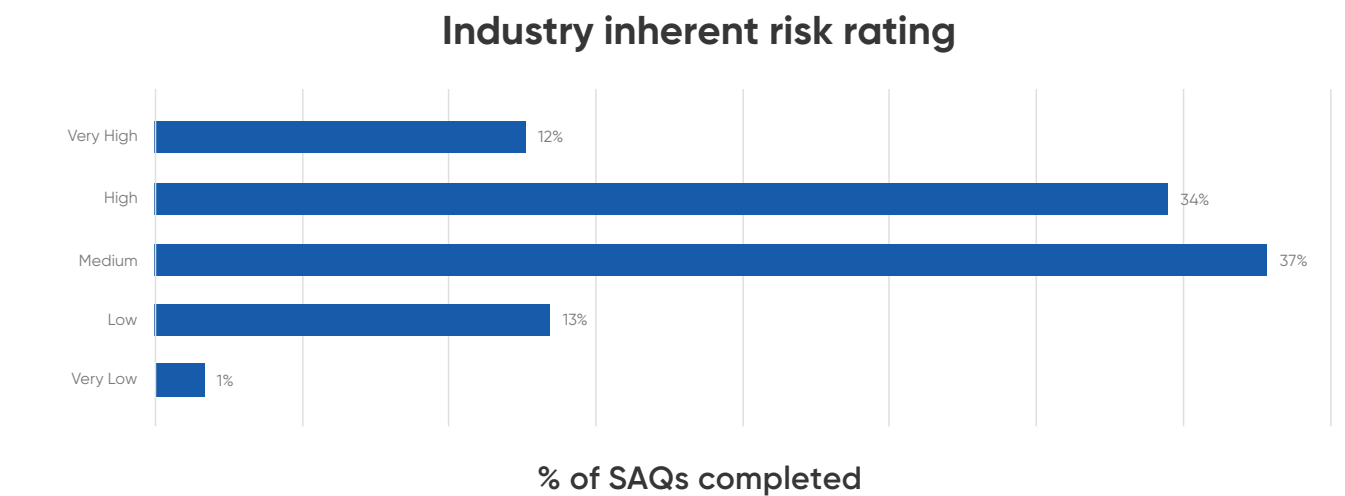
The **135** suppliers reviewed report alignment to **77** different industries, with the most frequently reported listed above. Of note, each supplier can report multiple industry alignments within the SAQ response. Analysis of the completed SAQ has provided greater visibility of supplier risk, which will inform the program's next steps in relation to individual supplier assessments and the wider AusNet modern slavery compliance program.

Summary of inherent risk ratings by country and industry for all suppliers within the CY2024 SAQ program

▼ **Figure 4** | Inherent supplier country risk[8] for all suppliers included within the CY2024 SAQ program

Country inherent risk rating

Risk Rating (y-axis): Very High 2, High 0, Medium 3, Low 2, Very Low 123

Number of suppliers (x-axis): 0 to 140
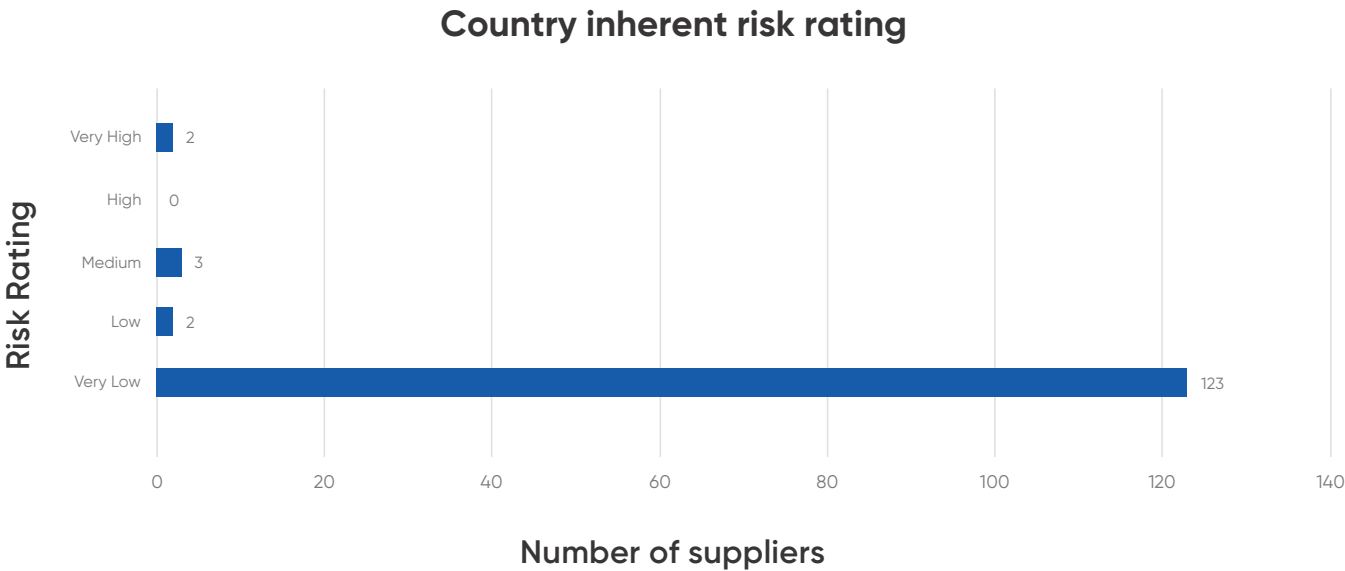
▼ **Figure 5** | Inherent supplier industry risk[9] for all suppliers included within the CY2024 SAQ program

Industry inherent risk rating

Risk Rating (y-axis): Very High 12%, High 34%, Medium 37%, Low 13%, Very Low 1%

% of SAQs completed

Note: Inherent risk rating in Figure 4 is an average industry risk per supplier, given an individual supplier may indicate multiple industries in their submitted SAQ.

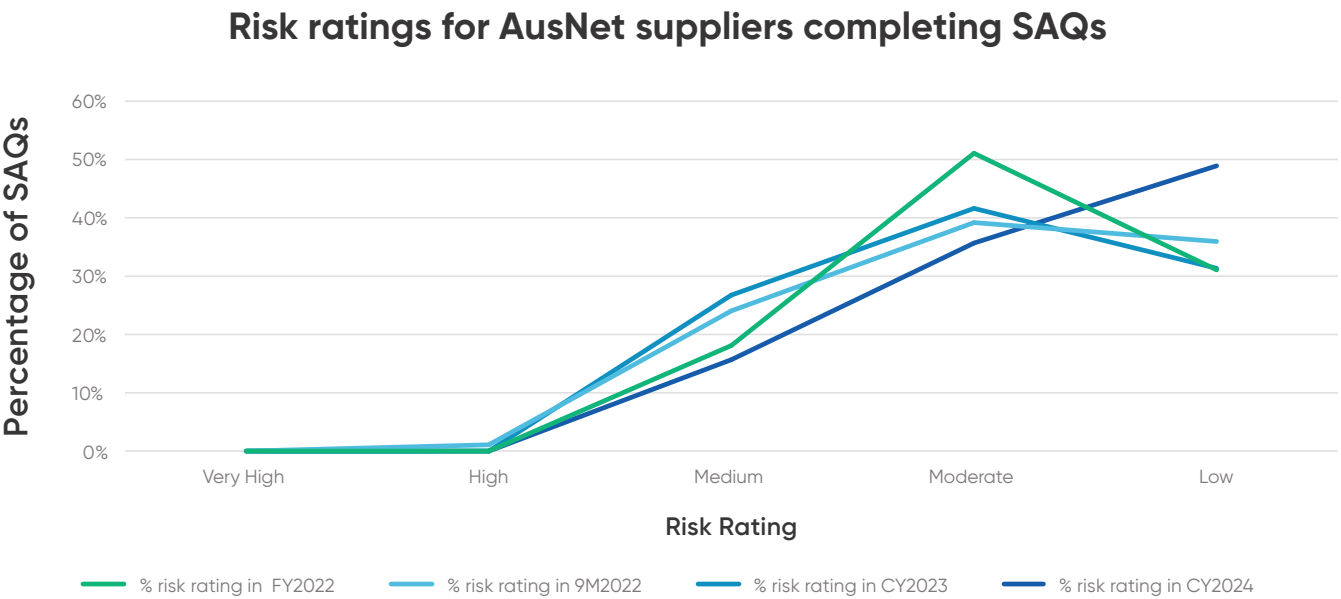*Source: Supplier response to SAQ issued through Informed 365 digital tool on behalf of AusNet.*

Analysis of the completed supplier SAQs gives us greater visibility to our supplier modern slavery risk. This will inform the program's next steps in relation to extended individual supplier assessments, and our wider modern slavery compliance program.

Program One CY2024: Overview of SAQ risk assessment results

After completion of this year's SAQ assessments, the overall risk of modern slavery was assessed to be low to medium for the 135 in-scope suppliers, with zero high or very high ratings.

Expanded supplier assessment through the SAQ program has revealed annual supplier risk ratings consistently within the low to medium range over the last four years, despite any higher inherent risks identified on pages 33. Figure 6 shows the assessed supplier modern slavery risk rating trend over the last four reporting periods.

▼ **Figure 6** | Assessed supplier modern slavery risk ratings over the four reporting periods

Risk ratings for AusNet suppliers completing SAQs

Percentage of SAQs (y-axis): 0% to 60%

Risk Rating (x-axis): Very High, High, Medium, Moderate, Low

Legend: — % risk rating in FY2022 — % risk rating in 9M2022 — % risk rating in CY2023 — % risk rating in CY2024

Source: CY2024 supplier responses to SAQs issued through Informed 365 digital tool on behalf of AusNet.

[8] 'The Global Slavery Index 2023': Global-Slavery-Index-2023.pdf (walkfree.org).
[9] GICS taxonomy for Modern Slavery Risk commissioned by Informed 365 from Edge, edgeenvironment.com/us/tag/australia.

Engaging more closely with selected members of our supply chain is a key element of our modern slavery compliance program

Program One CY2024: Learnings from the SAQ risk assessment process

Assessment of supplier SAQ and subsequent engagement with our suppliers provides many insights that inform our understanding of the potential modern slavery risk in the supply chain. The 135 SAQs assessed (new or re-issued) highlight the categories, industries and countries of origin with greatest risk, in addition to more specific risk identified through individual questions in the SAQ. Tier one assessments also provide visibility to the scale of tier two engagement by our suppliers, adding to the overall scale of supply chain visibility.

Material risk – confirmed incidents of modern slavery in the supply chain

This year, no new incidents of modern slavery were confirmed through our SAQ assessment program. A number of suppliers who completed the SAQ re-issuance again confirmed historical modern slavery incidents previously reported in our Modern Slavery Statements.

As with previous years' programs, there were many learnings derived from the CY2024 SAQ assessment, each of which will help us identify areas of risk for future focus when engaging with our suppliers. A selection of these learnings are outlined below.

▼ **Table 7** | Sample of learnings from the SAQ program

Comparison of SAQ outputs from a sample of the CY2022 and CY2024 program question set					
SAQ question	Preferred answer	CY2022 response (%)	CY2023 response (%)	CY2024 response (%)	Change in response 23/24 (%)
Does your organisation understand the basic facts around the issue of "modern slavery", with a general awareness of where modern slavery may exist in their Australian and/or international supply chains?	YES	94	96	98	+2
Does your organisation have in place any policies or statements that cover the topics of human rights and modern slavery?policies or statements that cover the topics of human rights and modern slavery?	YES	62	61	67	+6
Does your organisation conduct due diligence for modern slavery risks throughout their supply chain?	YES	48	50	58	+8
Does your organisation provide education and/or awareness training on modern slavery?	YES, IN DEVELOPMENT	28 1	28 18	36 18	+8 =
Does your organisation undertake modern slavery risk assessment on your own organisation and supply chain?	YES	25	26	65	+39
Does your organisation have a whistleblower and reporting policy and/or process.	YES	50	53	52	−1

Summary

Overall responses received to many of the focus SAQ questions are consistent across suppliers completing their SAQ in CY2024, compared to CY2023. Of note, is the 39 per cent increase in suppliers undergoing modern slavery risk assessments in their own organisation and supply chains, which is a positive increase in action being undertaken by our suppliers to assess our lower tier suppliers for modern slavery risk and incidents.

No instances of modern slavery (other than historical accounts already addressed) were identified this year in our supply chain via the SAQ process. While additional action was not required by us, we will continue to engage with each supplier to monitor future compliance performance.

Case Study 2 – Our engagement with the Red Cross

Our relationship with Informed 365 has led to the formation of cross industry linkages with organisations outside our own, specifically those that share the intent to continuously improve approaches to, and compliance with, the Act.

The Red Cross also utilises the Informed 365 platform and as valued users were invited to a "Now, Next and Later" forum chaired by the tool provider. The aim of this forum was to obtain feedback from tool users in relation to improvement opportunities.

Sharing a common goal – to align with the Act and improve capabilities year on-year – both parties later met to share perspectives and lessons learned. Discussion included raising awareness of worker/victim/survivor impact and perspective of modern slavery, which is not as visible in the corporate environment.

To expand the reach of these learnings and uplift knowledge across the energy industry, a Red Cross representative presented to the wider EPSA@I365 consortium.

The Red Cross's extensive modern slavery resources are available on its website.

Case Study 3 – EPSA (Energy Procurement Supply Association) Consortium SAQ questionnaire update

A working group was formed by a subset of EPSA member organisations utilising the Informed 365 platform to review the Supplier Assessment Questionnaire (SAQ).

The aim of the working group was to enhance the ability to identify modern slavery risks and streamline the process for our suppliers to complete the SAQ.

The revised SAQ incorporates a more targeted approach to identifying potential modern slavery issues across the supply chain, by focusing on key risk areas, reducing redundant questions and ensuring clarity and actionable insights for both suppliers and assessors.

Key identified SAQ questionnaire improvements:

1. **Enhanced risk focus:** The new SAQ places a stronger emphasis on high-risk areas, such as forced labour, child labour, human trafficking and abusive working conditions. The updated questions are designed to help identify areas that may be more vulnerable to modern slavery.

2. **Streamlined questioning:** To reduce the administrative burden on suppliers, the number of questions has been optimised for relevance and clarity. Redundant questions have been eliminated and repetitive themes are now consolidated for a more focused and efficient process.

3. **Standard risk scoring update:** An updated risk scoring system has been developed.

4. **Customisable risk scoring:** A new risk scoring system will be integrated to allow EPSA members to adjust the risk ratings of individual questions. This customisable risk rating will allow EPSA members to focus on questions aligning with individual company needs and values.

The identified improvements will be incorporated into the SAQ in early 2025.

Conclusion:

By redeveloping the Supplier Assessment Questionnaire, the ability to identify and assess modern slavery risks within the supply chain is greatly improved. The enhanced focus on high-risk areas, streamlined questioning, and integration of a customisable risk scoring system makes the process more efficient, targeted and effective. This not only reduces the administrative burden but also increases the likelihood that modern slavery risks are identified early, enabling proactive measures to address and mitigate these issues. The result is a more robust, data-driven approach to modern slavery compliance that drives positive change throughout the supply chain.

Program Two CY2024: Supplier Extended Due Diligence (EDD) reviews

As we aim to increase the level of understanding and accountability for modern slavery compliance, we further expanded our team responsible for leading our supplier EDD reviews.

Six new suppliers were selected to participate in the CY2024 program.

Categories of spend with the selected suppliers include, but are not limited to:

- battery equipment supply, installation and maintenance
- facilities maintenance
- technology services.

Acting on our learnings from previous years, the scope of questioning within the CY2024 program was expanded to include questions related to suppliers' purchase of solar panels or batteries in their supply chain. This was included due to published high modern slavery risk within this category of spend (Walk Free Global Slavery Index 2023, page 155).[10]

At the conclusion of each review, feedback from the participating suppliers was consistently positive. There is acknowledgement of our collective obligations as members of the same supply chain to continue to improve our Modern Slavery compliance program. The EDD reviews also support our suppliers by providing feedback and improvement opportunities more broadly, while enhancing understanding of modern slavery risk across our industry.

By the end of the year, we had gained insights to evaluate whether these suppliers were adequately identifying, assessing and addressing modern slavery risks in their operations and supply chain. This deeper understanding enhances our ability to manage potential risks via our tier one suppliers, as well as providing a forum for valuable discussion on the potential for modern slavery within our shared deeper supply chains.

This year, we have also identified challenges with the legislation, due to unwillingness of suppliers to disclose details of the lower tier suppliers involved in incidents. Case Study 4 (page 40) explores this review finding in greater detail.

Program Two CY2024: Scale of supplier Extended Due Diligence (EDD) reviews

With six supplier EDD reviews completed this year, the cumulative number of suppliers engaging with us through the program increased from **22** by the end of CY2023 to **28** by the end of CY2024, and it was an integral part of our modern slavery compliance program.

▼ **Table 8** | Coverage of supplier EDD reviews (to 31 December 2024)

Number of supplier reviews	Coverage based on CY2024 spend
28	65% (equal to 65% in CY2023)

% of total spend aligned to EDD suppliers
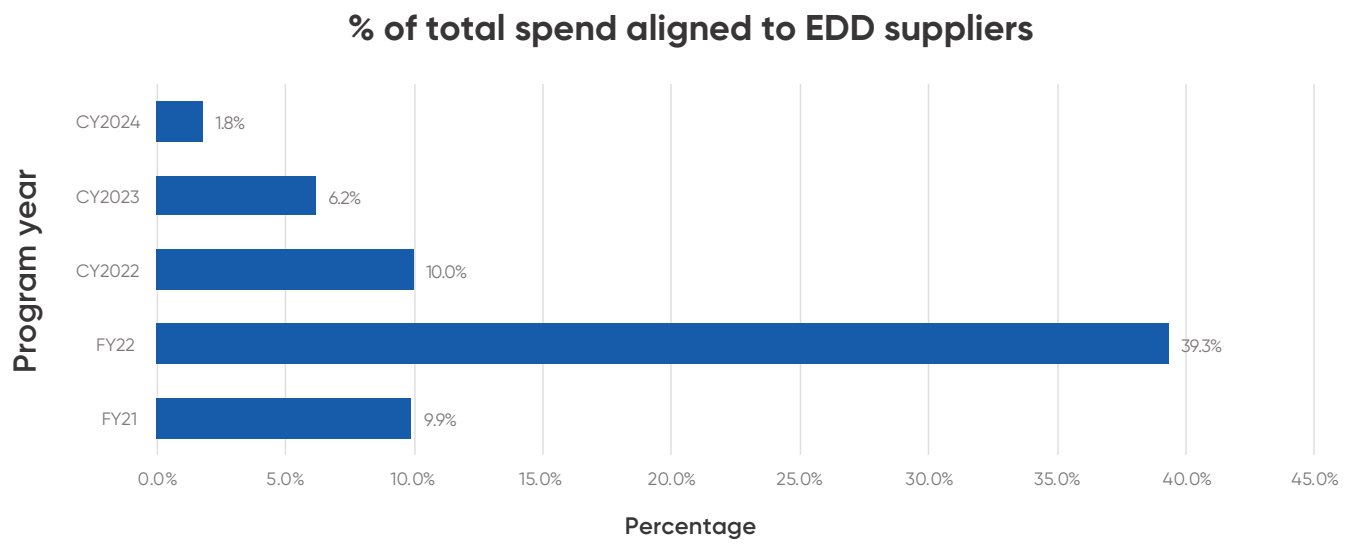
In the early years of the EDD program, a number of our strategic suppliers were assessed, aiming to provide insight into their alignment with the Modern Slavery Act 2018 (Cth). Priority suppliers for EDD assessment are generally aligned to higher risk categories of spend, with reduced emphasis on the spend.

[10] 'The Global Slavery Index 2023', page 155: Global-Slavery-Index-2023.pdf (walkfree.org).

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Program Two CY2024: Learnings from the supplier Extended Due Diligence (EDD) reviews

Program Two was a deep dive into the approach of suppliers to modern slavery risk. At the core of the Modern Slavery Act 2018 (Cth) is a desire to reduce harm to people, over and above a compliance activity. Through the CY2024 EDD program, it was shown that our suppliers had a similar approach by educating and addressing their supply chain instances of modern slavery, rather than ceasing work.

Material risk

- in CY2023, we outlined three modern slavery incidents within our supply chain that were identified through the SAQ process. All three of these suppliers were included in the EDD program in CY2024, providing us with greater clarity of the steps taken by each supplier to mitigate future modern slavery risk.

- our suppliers identified cases of modern slavery reported by their tier two and below suppliers, which was reported in the deeper supplier's modern slavery statements. These cases were all historical by the time they were confirmed by us and had been assessed within the tier 1 supplier's due diligence and remediation programs.

- our suppliers provided an overview of the policies and processes they had subsequently actioned. The main comparison drawn between the three suppliers is that an education and remediation effort was undertaken that did not result in the cessation of work or termination of contracts.

- while other suppliers did not report known incidents of modern slavery, they often acknowledged the likelihood of indirect modern slavery risks.

Engagement with industry peers

- two out of six suppliers demonstrated active collaboration with industry peers or external reporting bodies, while the remaining suppliers were not observed to be frequently engaging with industry peers. We highlighted this as an opportunity for these remaining suppliers.

Known global modern slavery incidents

- five of the six reviewed suppliers stated they were aware of Uyghur labour activities in Chinese provinces, with four advising they undertook annual audits and reviews of suppliers to make sure no supply was provided by this region. Three of the four suppliers provided details on how they were targeting this risk in their supply chain.

- one supplier did not view the risk as relevant to their organisation. We subsequently advised them of the potential risk of exposure in their deeper supply chains.

- four of the six suppliers had undertaken actions towards screening for conflict minerals in relation to media, direct discussion with tier 1 suppliers and/or sanction policies. Overall, increased understanding and awareness was recommended for all six suppliers.

Tier two reviews

- one of the six suppliers stated they plan to map their supply chain in the next 12 months. One supplier had fully mapped their supply chain. Three of the six had mapped their tier 1 suppliers and one had mapped their tier 1 & 2 supply chain.

Contract terms related to modern slavery audits

- four of the six suppliers advised they had undertaken audits of their supply chains and key suppliers. Of the other two suppliers, one conducts tier 1 supplier visits while the other noted this as a potential enhancement opportunity. All six suppliers had noted some form of contact or engagement with their supply chain.

Case Study 4 – Validation of modern slavery incidents

Since commencement of the Act, we have taken steps to identify, assess, address and remediate modern slavery risk.

In CY2023, a number of modern slavery incidents were reported by our suppliers through the SAQ process, part of our assessment phase in the program.

In response, each of these suppliers were included in the CY2024 EDD program, aiming to explore more deeply the incidents raised, action taken by our direct suppliers and the current status of the incident.

Lessons learnt from the reviews are included in the section "Learnings from the supplier Extended Due Diligence (EDD) reviews" on page 39.

At the end of the review program, a consistent trend was identified, namely that none of the reviewed suppliers were prepared to disclose the name of the lower tier suppliers.

As an organisation, we will, therefore, table the following agenda items at the CY2025 Steering Committee:

1. What is our appetite to pursue disclosure of supplier details when our direct supplier initially refuses to provide this information?

2. What levers are we prepared to utilise to obtain this information?

With limitations to the information provided, we face challenges in identifying the source of incidents and, therefore, challenges in validating the remediation of any identified incidents.

We will develop an internal approach to this challenge within the legislation and reporting obligations.

Improving processes to identify modern slavery risk

- through the EDD reviews, four in six suppliers were taking reasonable steps to identify modern slavery risks in their supply chain, while the other two identified opportunities to improve their modern slavery risk identification processes.

KPIs

- two suppliers had modern slavery KPIs related to external audits and education. Two of the six didn't have KPIs, but did have measurement frameworks in place. The other two were either considering future implementation to provide clear goals, or we recommended they introduce KPIs as an opportunity.

Supplier audits

- existence of supplier audits is variable across organisations. External supplier audits were evidenced by a number of the suppliers; others stated that supplier audits were conducted by Requests for Information (RFI), while the remaining suppliers were developing, or envisage developing, their own supplier audit program.

Whistleblower processes

- whistleblower/speak-up capabilities were observed in five out of the six suppliers, while we recommended this as an opportunity to the remaining supplier.

Human rights vs modern slavery vs existing policies

- all suppliers included wider human rights concerns within their Modern Slavery compliance programs, developing stand-alone or embedded human rights policies, some of which include reference to modern slavery policy and modern slavery statements, clearly outlining the expectations of their own employees and suppliers.

Known modern slavery incidents disclosure

- three of the six suppliers included in the EDD process reported instances of modern slavery within their lower-tier supply chains. During the review process, these suppliers provided detail in relation to the categories of spend and actions taken to investigate/mitigate/remediate the incidents but declined to provide further information regarding the specific details of their suppliers. See Case Study 4 above.

Improvement opportunities

An important insight from each year's modern slavery compliance program is identifying opportunities to improve in future reporting periods.

Opportunities actioned in CY2024

After the CY2023 review processes, identified improvement opportunities were actioned to increase the effectiveness of our modern slavery compliance program, including identifying where the risk of harm to people may be in our operations and supply chains. Highlights include the following:

▼ **Table 9** | CY2024 Opportunities actioned

Opportunity	Opportunity actioned	When was the opportunity identified
#1	Enhancement to the CY2024 extended due diligence question set to include questions specifically related to the purchase of solar panels and batteries in their supply chains. (see Case Study 3 on page 36).	CY2024
#2	More focused approach towards EDD suppliers, targeting high-risk material groups and modern slavery findings within our supply chains.	CY2023
#3	Continued the "re-issued" SAQ program to monitor supplier improvement and analysis of trends within our supply chains.	CY2023
#4	Enhanced Informed 365 tool functionality to show trends in response data over time, in real time for tool users.	CY2023
#5	Enhanced CY2023 EDD question set to include questions specifically related to incident of modern slavery, and consideration of impact to workers/potential victims.	CY2023
#6	Restructure of the extended deep dive template to encourage standardised response from suppliers, to minimise back-end administration.	CY2023

Opportunities identified in CY2024 or prior reporting periods

Each year we compile learnings in relation to the Act and its reporting requirements, which we will assess to determine suitability for our modern slavery compliance program. These opportunities may be suitable for immediate action or placed on hold for future reporting periods. A summary of identified opportunities is provided in the following table.

▼ **Table 10** | Future modern slavery compliance program opportunities for consideration

Opportunity	Opportunity identified	"New", "on hold" or "in progress" in CY2024 opportunity
#1	Expansion of the question set for both Program One (SAQ) and Program Two (EDD), in alignment with future legislative updates stemming from the 2022 "Statutory review of the Modern Slavery Act 2018 (Cth)" by the Australian Government.	On hold
#2	Overall redesign of the modern slavery SAQ to streamline and increase uptake and decrease supplier completion time: • creation of a second SAQ template for smaller suppliers to help increase visibility of modern slavery compliance via a less time-consuming process • review and potential update to the scoring matrix utilised within the Informed 365 tool.	In progress
#3	Creation of a cross-industry forum to facilitate discussion regarding opportunities for enhancement of Informed 365 tool.	In progress
#4	Enhancements to be made to due diligence question set to include questions specifically related to the following: • has the supplier made any updates to their policies since completing our SAQ? • if so, please indicate if your organisation incorporates modern slavery within any of the following: – Modern Slavery Policy – Human Rights Policy – other policy (please name).	On hold
#5	Further exploration of expanded human rights and modern slavery considerations within our policies and processes and/or consider developing a stand-alone Human Rights Policy or Modern Slavery Policy.	In progress – CY2025
#6	Direct/on-site audit of suppliers, their facilities and their lower-tier supply chain to gain specific insight into modern slavery risk and compliance.	On hold
#7	Add questions to the supplier EDD program, seeking response on topics related to elements outlined in the "Learnings" sections.	Annual
#8	Provide suppliers undertaking an EDD with clearly outlined feedback categorised into observations and opportunities.	Annual
#9	Update the modern slavery self-assessment questionnaire to improve clarity for suppliers and better target risk areas within our industry. (see Case Study 3 on page 36).	In progress

Risk mitigation and remediation

This year, we uplifted our internal Code of Conduct, aligned education and our grievance mechanism, all of which enhance our internal risk mitigation strategies. We also continued increasing engagement with our suppliers to build a greater understanding of the risks of modern slavery and related legislative requirements by members of our supply chain.

Operations

Within the organisation, our continued efforts focused on taking our employees on the journey of better understanding and mitigating modern slavery risks, outlining the steps we are taking to address risks and explaining the role our employees play.

In CY2023, a new "Ethical Conduct" online education module was issued to all employees via our HR system "Success Factors". The content of this education was based on the principles within our Code of Conduct. The module included reference to our policies and expectations in relation to modern slavery. This education was issued to all our full-time employees and is to be completed both upon commencement of employment and then annually, as requested by the Risk and Assurance team. The compulsory quiz section at the end of the module now includes modern slavery content and a pass rate of 80 per cent is required.

One hundred per cent of our employees completed the module in CY2024.

Our established modern slavery compliance program was also delivered to three internal audiences:

(1) Procurement team – all new starters

(2) Procurement team – existing team members

(3) specific lines of business

All our recruitment decisions are informed by our values and policies, including our Diversity and Inclusion Policy.

Case Study 5 – Uplift to our Third-Party Risk Management (TPRM) toolkit

In July 2024, we went live with a new supplier risk tool, Moody's Compliance Catalyst. The tool provides us with access to a risk database inclusive of adverse media, sanctions, watchlists and a variety of publicly available datasets.

The tool provides a comprehensive view of our direct supplier's risk profile, which incorporates assessment on a range of risk domains to derive an overall supplier risk score.

One of the datasets within the tool is the Global Slavery index[11] score, providing an overview of modern slavery risk aligned to our direct supplier and associated entities.

Coupled with the supplier risk assessment data obtained through Informed 365 and our EDD program, the Moody's data further expands our supplier risk assessment toolkit. In addition, it provides an external validation of the risk data already available.

Supply chain

To further build our understanding of our higher risk and strategic supply chains, and to help our suppliers uplift their capabilities and programs in identifying, addressing and remediating modern slavery risk, we continued to focus on supplier engagement and education in our CY2024 modern slavery compliance program.

We developed and delivered two "Sharing our experiences" information sessions, aimed at assisting suppliers with implementing modern slavery compliance programs within their own organisations. This included new and existing suppliers whose SAQs were assessed as medium, high or very high-risk after their SAQ submission.

In cases where potential risk is identified after an initial review of a completed SAQ, we engage directly with the supplier. The majority of potential risks have related to gaps in policies, immature processes, or lack of employee and deeper supply chain training, in addition to suppliers with lower numbers of employees.

Since we began reporting, greater numbers of suppliers have identified potential modern slavery within their supply chains. In reviews conducted in the reporting period, potential risks or clarifications have been addressed and/or follow-up processes implemented.

Four suppliers reported finding incidents of modern slavery within their supply chains in 2023. Three of these suppliers were included in the EDD program. These reviews provided great insight towards our modern slavery compliance programs, as well as assisting our suppliers in their own programs. See page 39 "Learnings from the supplier extended due diligence reviews (EDD)".

The CY2024 EDD process highlighted a major challenge we and other organisations face in with the Modern Slavery Act, namely the unwillingness of our direct suppliers to provide us with full visibility to the lower tier supply chain members reporting the modern slavery-related incidents. See Case Study 4 (page 40) for further details.

In the event that satisfactory resolution cannot be achieved via informal or formal means, alternative measures will be considered and implemented. This may result in ending the supplier's relationship with us.

Contractual terms to address modern slavery risk

We have a suite of standard modern slavery-focused contractual terms (Modern Slavery Terms) that are designed to drive transparency and commitment from our suppliers to identify, assess and address modern slavery risks in their operations and supply chains. Baseline Modern Slavery Terms are incorporated in our standard procurement terms. In material, or significantly negotiated purchases or other transactions, we aim to incorporate Modern Slavery Terms that are commensurate with the modern slavery risks associated with the purchase or transaction.

Our Modern Slavery Terms include obligations to:

1. commit to respecting internationally recognised human rights, treating workers and candidates with respect and dignity, and to not:

   a. apply any form of threat, coercion, violence (including corporal punishment) or deception to any worker or candidate; or

   b. discriminate against any worker or candidate on the basis of any attribute protected by any anti-discrimination law, and take steps to guarantee all entities in their supply chains do the same.

2. take steps to minimise adverse human rights outcomes caused by their activities, seek to prevent or mitigate adverse human rights impacts directly, or indirectly, connected with their operations or supply chains, and address any such impacts if they occur

3. not engage in modern slavery and have appropriate training programs and policies in place to identify and address modern slavery risks in their operations and supply chains

4. provide us appropriate information about operations, supply chains, written support programs, policies and any training or due diligence outcomes

5. allow potential victims of modern slavery to have grievances fairly heard and addressed and, if applicable, remediated

6. allow us to audit their training, compliance and risk programs regarding the risk of modern slavery in their operations or supply chains

7. notify us of any risks or instances of modern slavery and to take reasonable and appropriate documented steps to mitigate or remediate the risk or instance.

In the event of a breach by a supplier, we have a range of mechanisms in place to work with the supplier to remediate. Remediation activities may include dispute resolution, suspension and, if necessary, termination.

Monitoring and evaluating performance

Throughout each year, our Modern Slavery Steering Committee assesses the effectiveness of our framework and programs, drawing on internal performance evaluation measures, as well as engagement with external bodies and stakeholders.

Internal evaluation

A key measure of the effectiveness of the Modern Slavery Program during the year was the progress made in increasing the number of suppliers assessed. This equated to over 94 per cent of operational spend[12] suppliers being assessed by 31 December 2024 (equal to 94 per cent at the conclusion of the CY2023 period).

Key Performance Indicators CY2024

KPIs were again incorporated into the annual goals for a number of key resources in CY2024. Targets varied depending on the individual resource and their role. As an indication, the summarised KPIs in Table 11 were established for relevant resources.

▼ **Table 11** | CY2024 KPI performance

Summarised KPI performance CY2024			
KPI	**Target (%)**	**Result (%)**	**Number of suppliers**
SAQ re-issuance	100	95	40/42
Proactive program, including:			
• top 200 spend suppliers ^	100	89	16/18
• suppliers with medium, high to very high-risk categories (that have not yet completed an SAQ)	100	89	24/27
• new suppliers missed in CY2023 due to projection spend data (that have not yet completed an SAQ)	100	100	5/5
New supplier program:			
• new suppliers	100	97	34/35
• new suppliers based overseas	100	83	15/18
Additional clarification for higher risk suppliers	100	100	22/22
Extended due diligence reviews completed	100	100	6/6

^ *Suppliers in the top 150 operational spend list without a completed and reviewed SAQ, as of 1 April 2023.*

Other internal evaluations

Our Modern Slavery Steering Committee oversees the development, implementation and effectiveness of the Modern Slavery Program. It is supported by stakeholders in the Procurement, Governance (including the Legal, Risk and Compliance), Strategy, People, and Sustainability teams.

The Steering Committee is accountable for identifying areas of improvement in the Modern Slavery Program, ensuring action and completion of the identified improvement, and tracking of closure of the item, in a central database.

The quality of information suppliers provide us has further improved throughout this year. Reporting capabilities have been enhanced and the SAQ question set has been reviewed and will be updated for the 2025 SAQ program. We have been instrumental in leading the process to make sure these improvements are identified, agreed with the wider EPSA group and actioned by the owner of the digital tool.

External engagement

Energy Procurement Supply Association

We are a member of the Energy Procurement Supply Association (EPSA), which is an Asia-Pacific not-for-profit association composed of energy industry procurement and supply professionals. Commencing in FY2020, we have been a leading force in developing and improving a joint digital solution to facilitate each organisation's individual modern slavery compliance program.

Meeting twice monthly throughout most of CY2024, 14 organisations utilised the common digital tool (Informed 365), seeking to continuously improve our capabilities to identify, assess, address and mitigate any modern slavery within our supply chains. Engagements with Informed 365 are broken into specific focus areas:

• monthly 'all-hands' discussion, including presentation by Robin Mellon (CEO Better Sydney and modern slavery subject matter expert) on EPSA-specific issues and wider industry/Act compliance topics

• monthly calls in relation to continuous improvement and development of the digital tool

• monthly calls are also scheduled with members of EPSA only, to discuss the strategic direction of our joint approach to modern slavery compliance and wider sustainability/supplier risk opportunities.

The annual review of the joint program was conducted in late 2024, with all organisations asked to submit responses to questions in relation to the business-as-usual tool, and process, reporting and engagement between the EPSA members, including:

• what is working well

• what needs improvement

• suggestions for enhancement/modification/removal

• consideration of tool scope expansion to other legislative requirements

• preferred frequency of engagement

• other considerations/comments.

Positive outcomes and suggestions for improvement from the review were collated. Some of the reported positive outcomes were:

• collaboration and information sessions with Robin Mellon from Better Sydney and Informed 365 team

• real-time supplier upload and data visualisation

• immediate display of supplier locations, risk and data trends over time.

Some of the suggestions for improvement were:

• more regular updates around dashboard and program updates

• end of year reporting to allow for easier extraction and visualisation of data from suppliers

• tier two and below supplier visibility and potential supply chain mapping.

External evaluation

With a wider lens, the performance of our Modern Slavery Program is monitored against industry practice and feedback, and aimed at continuous improvement, including:

• feedback from suppliers

• engagement with investors and representative groups

• learning from, and engaging with, peers

• building capability, including attending external industry forums

• researching local and international practices.

While improvements in the quality of our Statements over time is acknowledged, we will continue to seek external evaluation and opportunities for improvement in future reporting periods.

[12] 'Operational' spend excludes spend not processed via a purchase order. Main categories include tax, network charges, rent, government levies, insurance and internal labour costs.

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Consultation, engagement and approval

Engaging with parties external to our organisation enhances our modern slavery compliance program, informing the delivered actions that are reflected in this Statement and endorsed by our Board.

Industry collaboration

Our progress in CY2024 has been supported by our continued involvement with EPSA, providing regular opportunities to share insights with other energy industry procurement and supply professionals.

The shared digital tool from Informed 365 is a valuable output from this ongoing collaboration. In addition, learnings from the shared insights of the other EPSA member organisations continues to drive the continuous improvement of our own modern slavery compliance program.

Functionality updates of the Informed 365 tool is undertaken annually. This year, a subset of tool users were invited to participate in the "Now, Next and Later" forum, providing valuable inputs that will shape the future direction of the tool. We represented the energy industry, so our lessons learnt were considered in future tool releases.

Ongoing networks have been formed with suppliers through our extended due diligence process, uncovering those who share our commitment to compliance with the Act and the eradication of modern slavery in our common supply chains.

External engagement

Beyond our own industry, engagement with other organisations was actively sought, as well as forums where our engagement was requested. This broader engagement also enables insights into the groups or individuals that may be impacted by modern slavery, as well as investors.

Consultation and approval

The development of this Statement, and the steps outlined, involved engagement and feedback from a broad cross-section of our staff, management, executives and governing bodies.

The development of the Modern Slavery Program has been primarily led by our central procurement function (Procurement) and overseen by the Modern Slavery Steering Committee.

The Steering Committee includes general and senior managers from Procurement and the central Sustainability, Legal, People, Compliance and Risk functions.

Procurement and the Steering Committee have engaged and been supported by subject matter experts and other relevant staff from our central Strategy and Governance business units, as well as other staff more likely to be exposed to risks of modern slavery practices.

Our CFO is updated throughout the year, as required, on progress with our established KPIs, in addition to challenges with supplier participation in the program, and any known cases of modern slavery in our supply chain identified throughout our assessment processes.

A number of our central executive leadership team have also been engaged in the development of this Statement.

This Statement has been approved by the Board of Directors of each of our Reporting Entities and is signed by our Chief Executive Officer.

Our engagement with wider industry and community

Cross industry collaboration: energy and water

Within both the energy and water industry, a subset of organisations utilise Informed 365 as the tool for managing supplier modern slavery assessments.

Discussions commenced this year regarding opportunities for standardising the SAQ question-set, including between utilities. Any expansion to the usage by organisations of a single SAQ will provide efficiencies for the suppliers completing it.

We are scheduled to speak with the water industry cohort in 2025, to share the energy industry joint industry approach to modern slavery supplier assessments and the SAQ content.

Our speaking engagements:

PASA Premier Confex – "Progressing ESG into the Strategic Procurement Mainstream" and

PASA "Sustainable Procurement and ESG Today"

We delivered sessions at both of these events, outlining our approach to the embedding of all ESG elements, including the Modern Slavery Act 2018 (Cth) compliance, into BAU frameworks.

University Anti-Slavery Program for Australian Universities Procurement Network (AUPN)

We were invited as a guest speaker to one of AUPN's monthly update sessions, presenting an overview of the topic "Addressing suppliers via a sector collaboration approach", sharing both ours and the wider energy industry's experience with the higher education sector.

Looking ahead

We will continue to develop and refine our activities to mitigate the risks of modern slavery within our operations and supply chain. With a focus on minimising harm to people, supported by a robust policy, process and training framework, we identified our key areas of focus.

▼ **Table 12** | Objectives for CY2025

Area of focus	Objective for CY2025
Suppliers with known incidents of modern slavery	Develop our position and process for managing suppliers with known but closed incidents of modern slavery within their supply chain.
Supplier assessments (SAQ)	Utilise our framework to further expand assessment and re-assessment of our supply base.
Extended supplier due diligence	Conduct next phase of supplier due diligence deep dives, assessing our suppliers' risk of modern slavery and compliance with the Act.
Tier two (and beyond) assessment	Explore additional opportunities to investigate modern slavery within our deeper supply chains.
Employee education	Review and uplift internal education programs, considering integration of wider ESG and human rights topics.
Supplier audits and monitoring	Investigate the potential of external audits to monitor compliance with modern slavery policies.
Supplier remediation and capacity building	Collaborate with suppliers to address gaps in compliance and build their capacity to prevent modern slavery.
Industry engagement	Continue to work with peers from energy and other industries, seeking opportunities to decrease the likelihood of modern slavery within our operations and supply chain.

Whistleblower hotline

1800 960 816 (toll-free number, 24 hours a day, 7 days a week)
ausnet.whispli.com (24-hour web service)

List of tables and figures

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Figures

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