



Modern Slavery Statement

2020 – 2021

This statement outlines the steps taken by Western Power to mitigate the risk of modern slavery and human rights breaches in our business and supply chain in accordance with the *Modern Slavery Act 2018 (Cth)*, for the financial year ending 30 June 2021.

Electricity Networks Corporation trading as Western Power (Western Power) is a Western Australian statutory corporation formed pursuant to the *Electricity Corporations Act 2005 (WA)*. Western Power has a Board comprising predominately

independent directors and is accountable to the Western Australian Minister for Energy. Western Power does not own or control any other entities.

This Statement was approved by Western Power's Board on 5 October 2021.



A message from our CEO



People are the core of our business. That means we have an obligation to protect the human rights of those people: the people who are our team members, the community, our suppliers and the workers in our supply chain. It's a responsibility we take seriously.

Our Modern Slavery Statement is just one part of our ongoing commitment to work with suppliers who act ethically, inclusively and sustainably. Building on the foundation we established in our first Statement we've continued to advance our commitment to identify and

address modern slavery risks within our operations and supply chain. I'm pleased with the progress we've made and acknowledge that we still have work to do.

This second Statement details the risks we continue to face, our key achievements over the past year and steps we will take in the future to overcome challenges and to ensure the highest integrity in relation to human rights. Our values: safety first, customer focus, be bold and teamwork, are the firm basis from which we can meet these obligations.

Ed Kalajzic, CEO Western Power

About Western Power

We build, maintain and operate the electricity network in the South West corner of Western Australia. The Western Power network forms part of the South West Interconnected System (SWIS), one of the world's largest standalone grids. It spans from Kalbarri in the north to Albany on the south coast and east to Kalgoorlie.

We're strongly focused on adapting our business to meet the changing energy needs of Western Australians to ensure we continue to supply safe, reliable and efficient energy. We're planning the grid of the future that's leading the way to a cleaner, brighter and more resilient energy supply for the next generation.

What we do supports the economic stability of WA and is backed by robust regulatory reform.



2,700+ strong workforce



1GW+ rooftop solar (~30% homes)



~793 battery systems approved



2+ million people connected



271,000 streetlights



13 community power banks



Modern slavery risks facing Western Power

Since our first Statement we haven't been made aware of any actual or suspected human rights breaches, through our whistleblowing processes, our interactions with high-risk suppliers nor through any other means. We understand that we still face risks.

Identifying risks

We expanded the risk-mapping exercise undertaken with the Energy Procurement Supply Association (EPSA) in year one to move beyond industry-specific risks to identify individual supplier risk. This included a review of suppliers in our supply chain operating in jurisdictions identified as high risk by the [Global Slavery Index](#).

Sector & Industry – As identified by the EPSA whitepaper and through further research undertaken over the past 12 months the categories of our highest risk industries include:

- cleaning services
- safety equipment & workwear
- labour hire
- security services
- logistics
- IT managed services
- traffic management
- meters, parts supply
- line hardware
- cables
- switchgear
- batteries
- stand-alone power systems

Type of workforce – We've identified that there may be an operational risk with the workforce we engage via labour hire services agreements. Due to the lack of direct employment contracts between Western Power and the worker, we typically have less visibility and control over the conditions under which labour hire personnel are recruited and the terms of their employment.

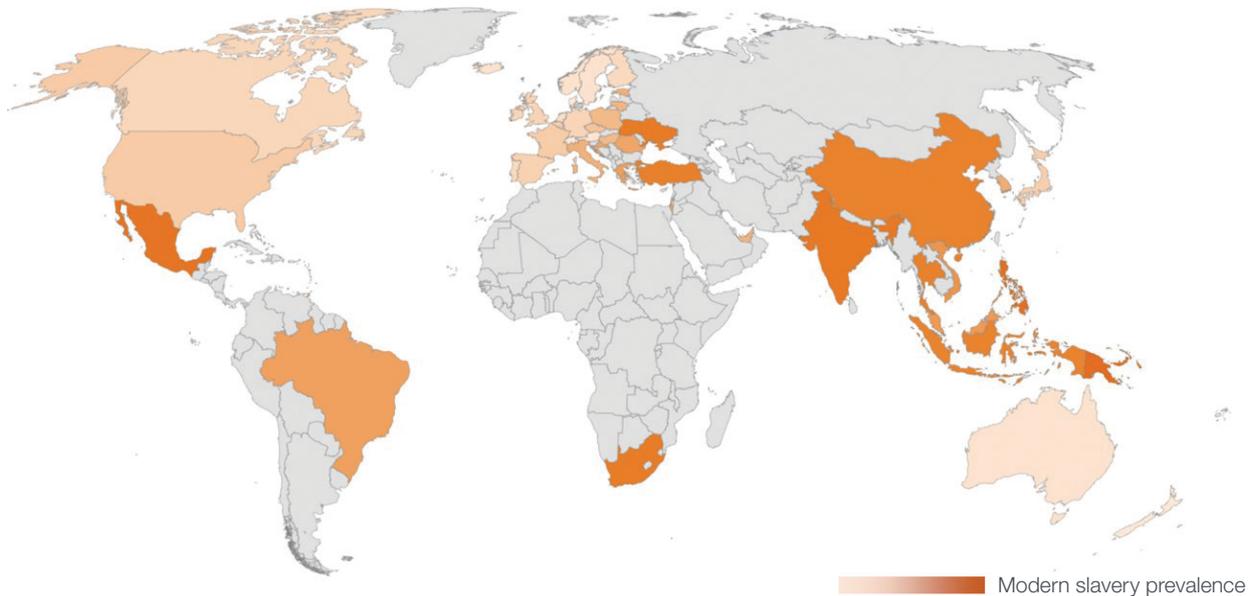
Geography – Where Australian suppliers are not available, we occasionally procure goods and services from countries which have a higher modern slavery risk. This expanded risk analysis formed the basis for our supplier categorisation and informed our decision making for the second round of supplier due diligence through the supplier Self-Assessment Questionnaire (SAQ) process.



Our suppliers

We have a strong focus on sourcing locally, with more than 99 per cent of our goods, services and materials procured from Australian businesses and of those, 65 per cent are organisations registered and operating in Western Australia.

To supplement this, we source goods and services from overseas where required to support us in maintaining and operating our network. We recognise many of our local suppliers have supply chains that procure goods and services throughout the world. Through our global supply chain, we procure network infrastructure construction services, property and fleet services, primary plant and materials as well as the enterprise support services that support us to build, maintain and operate our network. By engaging with our suppliers over the past 12 months we've been able to expand our awareness of our supply chain, identifying 35 additional tier 2 countries which our suppliers source from, building on the 19 outlined in our first statement. This information helps us work more closely with our suppliers identifying and responding to the shared risks we face.



Western Power's supply chain encompasses companies that are located in and who source goods and services from the orange highlighted countries in the map above. Data on modern slavery prevalence is taken from [Walk Free's Global Slavery Index](#). The goods and services Western Power sources from the countries with the highest modern slavery prevalence are:

- China – electrical components and cables
- India – electrical components
- Indonesia – switchgear
- Mexico – apparel and lighting
- Philippines – outsourced IT
- Papua New Guinea – audit services
- South Africa – apparel and safety equipment
- Turkey – electrical components
- Thailand – insulators
- Ukraine – electrical components



1,700 active suppliers



350 active contracts



across 55 countries

Our strategy to face modern slavery

In year two, we've continued the strategy outlined in our first Statement while looking for opportunities for improvement.

Setting expectations of suppliers

We've updated the minimum expectations of our suppliers in our Supplier Code of Conduct and have made it a requirement for our suppliers to confirm compliance each year. Our supplier-facing website has been updated to call out modern slavery as a key focus, increasing awareness and providing more information on how our suppliers can tackle modern slavery. We have also worked closely with our labour hire providers to ensure they are aware of their obligations. Random checks on our labour hire companies ensure that the people we engage with through third-party services have suitable working rights and have been treated appropriately.

Improved information gathering

Working collaboratively with EPSA we've improved our SAQ using what we learnt from supplier responses from the first 12 months to ensure we're getting the data we need to inform ourselves of our suppliers' efforts to meet their responsibilities. With these EPSA members we've partnered with Informed 365 and created a third consortium of similar organisations on their platform to improve how we approach suppliers who are completing our SAQ. Informed 365 provides an online application that improves the visibility and transparency of our suppliers' data and allows responses to be shared, cutting down the number of individual requests suppliers receive from EPSA members. This has greatly increased the response rate from suppliers.

Working with others

We are pleased to have the opportunity to be a part of the Human Rights Resource and Energy Collaborative initiative, a group of resource and energy companies who've come together to share knowledge and learnings which are common across our industries.

A key initiative over the past 12 months, in conjunction with [Walk Free](#), is the development of a Remedy Action Plan that will play a significant part in the next stage of our commitments. The plan guides responses and facilitates remedies to instances of modern slavery and other forms of related exploitation.



Developing our modern slavery framework

We developed a framework in line with the United Nations guiding principles to assess and address the risks of modern slavery. The framework sets out:

- our position on human rights and the strategy to uphold the highest levels of integrity;
- the processes to conduct risk assessments for individual suppliers and procurement events and the proactive evaluation of modern slavery in our upfront sourcing events;
- how to raise concerns about modern slavery through our internal and external third-party whistleblower processes;
- how to respond to suppliers who've been identified through their SAQ response as having an unacceptable level of risk; and
- Western Power's expectations for our suppliers in operating in an ethical and transparent manner which have been set out in our [Ethical Supply Chain guide](#).

Including terms and conditions in contracts

We've developed contractual terms and conditions to be included in all relevant contracts including our labour hire agreements. These terms and conditions were drafted based on, and are in line with, the advice provided by the Australian Border Force.

Educating our employees and suppliers

In addition to the Ethical Supply Chain guide that we provide to suppliers, we've continued ongoing training of internal team members. This has included company-wide awareness training aligned with the United Nations' day for the abolishment of slavery and targeted training using the Australian Border Force's training module.

Case Study: Managing risks in the supply of stand-alone power systems

Stand-alone power systems (SPS) are an innovative approach to energy supply using renewable energy that can operate independently of the electricity grid. SPS is relatively new and is connected to high-risk areas through the manufacturing processes of batteries and solar panels, two key components of a SPS unit. It is well known that the manufacture of these components may take place in areas of high risk for modern slavery practices such as forced and child labour.

After identifying this risk, we have conducted due diligence reviews of key suppliers and identified areas of improvement. The information gathered through our SAQ and discussions with suppliers has guided our approach to establishing the Ethical Supply Chain guide. Over the coming year we will be taking on board suppliers' feedback for further improvements and seeking new ways to improve our shared supply chains.

Effectiveness

We know that we must keep developing our approach to mitigate the risks of modern slavery. To help us make informed decisions on where we must improve, we've committed to recording and reporting on several key metrics to assess the effectiveness of the measures put in place. In the last 12 months:

311

suppliers have been directly engaged with (based on our updated risk approach) to upskill them to assess and address modern slavery risks. These suppliers represent more than 80 per cent of our annual expenditure

164

suppliers have completed the SAQ

18

suppliers have responded to both year 1 and year 2 SAQs; all have been reviewed for year-on-year improvement

3

training sessions undertaken for employees to increase awareness of modern slavery

Next Steps

During the 2021-22 financial year we'll continue to refine our approach by:

- increasing the completion rate of our SAQ by highlighting its importance to suppliers who have not yet engaged with us. The information we gather is a key part of focusing our resources on improving our supply chain;
- refreshing our sustainable procurement standard to promote our efforts against modern slavery through the wider procurement processes and procedures, and aligning with our company wide focus on sustainability;
- implementing the drafted modern slavery clauses in all applicable contract templates;
- training the Category and Contract Managers on how to provide support to our suppliers identified through the SAQ as presenting an unacceptable level of risk. These team members are best placed to influence suppliers and improve their skills to assess and address modern slavery risks and provide remediation; and
- investigating the best methods to continue our supply chain mapping to reach lower tier indirect suppliers within our supply chain. Our partnership with Informed 365 presents a unique opportunity to reach deeper into our supply chain

Western Power is committed to continue to engage, assess and collaborate with stakeholders within the business and with external suppliers to provide transparent disclosure of their activities, and the potential modern slavery risks associated with them.

For additional information or questions please
lodge your query via our website
my.westernpower.com.au/contact-us/

If you'd like to let us know about suspected
wrongdoing, please contact Western Power
directly on either
13 10 87 (General) or 1300 304 550 (STOPline).



363 Wellington Street Perth WA 6000
GPO Box L921 Perth WA 6842
westernpower.com.au

This information is available in
alternative formats if requested

