



**Pioneer Sail Holdings Pty Ltd  
(and its subsidiaries)**  
Joint Modern Slavery Statement

Reporting Period: 1 Jul 2020 – 30 Jun 2021



**alinta**energy



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# Executive Summary

This Statement is made pursuant to the *Modern Slavery Act 2018 (Cth)* (the Act). It sets out the actions taken to identify, assess and address the risks of modern slavery in our business, operations and supply chains, explains our plans for continued improvement in this area and ensures compliance with the requirements of the Act.

## Reporting entities

This document is a Joint Modern Slavery Statement (the Statement) pursuant to section 14 of the Act for the following mandatory reporting entities:

- Pioneer Sail Holdings Pty Ltd - ABN 45 617 844 569 (Pioneer Sail Holdings or PSH)
- Pioneer Sail Australia Pty Ltd – ABN 91 617 846 385 (Pioneer Sail Australia or PSA)
- Alinta Energy Pty Ltd - ABN 64 614 975 629 (Alinta Energy)
- Latrobe Valley Power (Holdings) Pty Ltd – ABN 57 621 363 102 (Latrobe Valley Power or LVP)

The above are collectively referred to as the Reporting Entities. References to “our” or “we” throughout refer to the Reporting Entities collectively. As the Reporting Entities each have their own Boards, processes and policies, and differ in the types of activities performed, there may be instances where specific differentiation between the Reporting Entities is required in this Statement. Where specific differentiation is required, reference is made to the particular reporting entity (or its supply chains and operations) by name.

## Reporting Period

This Statement contains information on our approach to addressing modern slavery risks during the period 1 July 2020 to 30 June 2021 (the Reporting Period, the FY21 Reporting Period or the current Reporting Period).

References to the FY20 Reporting Period and FY20 Statement are in relation to 1 July 2019 to 30 June 2020 period.

Going forward, our reporting will change from a financial year basis to a calendar year basis. References to the CY22 Reporting Period or CY22 Statement are in relation to the 18-month period 1 July 2021 to 21 December 2022.

## Scope

This Statement describes the efforts and measures taken by the Reporting Entities in relation to our operations. These reflect improvements and advances we have made since the introduction of the Act and since issuing our first Statement in 2020. It also outlines our plans for continuous improvement across future reporting periods. Our efforts are informed by evidence-based modern slavery risk identification and remediation.

For the avoidance of doubt, references to Alinta Energy in this Statement extend to the operations of the Glenbrook power station in New Zealand (which is owned and operated by Alinta Energy), the Connect Develop business (which is owned by Alinta Energy) and the Yandin Wind Farm (which is managed by Alinta Energy).

The Pinjarra power station is owned by Alinta Energy but embedded in the facilities of Alcoa of Australia (Alcoa) (an unrelated third party). Both Alinta Energy and Alcoa engage and pay suppliers in relation to the operations of this power station. For the avoidance of doubt, the risk assessment processes described in this Statement relate to those suppliers and spend amounts which have been paid directly by Alinta Energy. Spend amounts which have been paid directly by Alcoa are made in accordance with Alcoa’s own policies and procedures<sup>1</sup>.

## Highlights of our approach to modern slavery during the Reporting Period

The key activities performed during the Reporting Period can be summarised as follows:

- LVP updated its Employee Information Manual to address modern slavery
- LVP implemented a Supplier Code of Conduct
- LVP implemented a supplier self-assessment questionnaire and supplier risk assessment process
- Alinta Energy automated its supplier self-assessment questionnaire into the supplier onboarding process
- The Reporting Entities increased modern slavery training provided to employees
- Alinta Energy and LVP implemented a Measuring Effectiveness Framework
- Reporting Entities deepened consultation with joint venture partners in the development of the Statement.

## Format of the Statement

To assist readers, the format of this Statement follows the requirements of the Act.

Annexure 1 on page 26 of this Statement further maps the sections of the Statement against the requirements of the Act.

To discuss the content of this Statement, please use the contact details on page 25 of this Statement.

<sup>1</sup> Alcoa prepares its own modern slavery statement, which includes links to Alcoa’s Human Rights Policy, Code of Conduct, Supplier Standards and Integrity Line (for reporting ethical and human rights violations).

# Structure, operations and supply chains

## Pioneer Sail Holdings and Pioneer Sail Australia

### Structure:

PSH is the Australian holding company of PSA, Alinta Energy, LVP and Renewable Energy Investment Fund Pty Ltd (REIF, which is not itself a 'reporting entity' as defined in the Act). The image below shows the corporate structure and the relationship of the Reporting Entities.



Each of the Reporting Entities is an Australian incorporated, private company with registered offices in Sydney, Australia. Alinta Energy, LVP, PSA and PSH are separate legal entities and have separate boards. Alinta Energy and LVP boards are each chaired by independent non-executive directors. Matters relating to modern slavery will be reported to the boards of each of the Reporting Entities.

During the Reporting Period, PSH had 98 subsidiaries. For further information regarding the PSH group corporate structure, please see the financial statements of PSH, as filed with ASIC.

### Operations:

PSH invests in Alinta Energy, LVP and REIF, through PSA. As Alinta Energy performs management activities for REIF, we have included an explanation of REIF's structure, business and operations on page 8 of this Statement.

Since neither PSH nor PSA have any employees, this Statement does not contain specific references to PSH's and PSA's initiatives in relation to modern slavery. From a practical perspective, Alinta Energy performs activities necessary for the operations of PSH and PSA, and references to the initiatives of Alinta Energy should be taken as indirectly extending to PSH and PSA.

For an explanation of the structure, operations and supply chain of Alinta Energy and LVP, please see pages 4-7 and page 9 respectively. Alinta Energy and LVP have employment arrangements in place to support each of their respective activities.

### Supply chain:

Please see the comments on the following pages under the corresponding "Supply chain" heading for each of Alinta Energy, REIF and LVP.

# Alinta Energy

## Structure

Alinta Energy is an Australian incorporated, private company with a registered office in Sydney, Australia. During the Reporting Period, Alinta Energy had 71 subsidiaries, four unit trusts and two joint ventures. All of Alinta Energy's subsidiaries' activities relate to the energy industry.

## Operations

Alinta Energy has been supplying energy in Australia for over 20 years and we now have over 1.07 million customers. We supply retail electricity and gas and have electricity generation, storage and transmission facilities across Australia and a power station in New Zealand. As at 30 June 2021, we employed 871 people.

Our corporate headquarters are located in Sydney while our largest office is in Melbourne. We also have offices in Perth (where our company first began operating more than 20 years ago) and Adelaide.

Our small office in Brisbane (which was the location of our Connect Develop business) closed shortly after the end of the year. Our Connect Develop business now operates from the office of one of our strategic business partners in Queensland (CS Energy).

## Values



**Safety**



**People Matter**



**Customer Focus**



**One Alinta**



**Commercial Leadership**



**Respect & Integrity**

## What we do & where we operate

Alinta Energy generates and supplies power across mainland Australia. Our main activities are:

- **Generation**  
We own, operate, develop, and invest in energy generation facilities, including power stations, wind farms and solar farms.
- **Storage**  
We own and operate energy storage facilities such as batteries.
- **Transmission and distribution**  
We own transmission and distribution networks such as electricity transmission lines and gas pipelines.
- **Energy supply**  
We provide electricity and gas to customers including households, small businesses, commercial and industrial organisations.

Alinta Energy generates and/or retails electricity in New South Wales, Victoria, Queensland, South Australia, the resource rich Pilbara region of Western Australia and Western Australia's South West Interconnected System (SWIS, including Perth). We operate in all major mainland Australian wholesale electricity markets and own electricity transmission lines in the Pilbara region of Western Australia. We also own and operate an electricity generation facility embedded in the NZ Steel facility in Glenbrook, on the North Island of New Zealand. We also retail gas in New South Wales, Victoria, Queensland, South Australia and Western Australia and own (or have an equity share in) gas transmission pipelines in Queensland and Western Australia.

In addition, Alinta Energy is a participant in three joint ventures:

- We perform management activities in relation to the Yandin Wind Farm which is a joint investment venture between RATCH-Australia Corporation Pty Ltd (RATCH-Australia<sup>2</sup>, an unrelated third party) and PSA (through the investment by REIF). This is discussed further on page 8.
- We have a 50/50 joint venture with CS Energy Ltd (CS Energy)<sup>3</sup>; a Queensland Government-owned energy company that generates and sells electricity in the National Electricity Market. The joint venture is for the supply of electricity to customers in the Energex Distribution Area in South East Queensland. Under the agreement, CS Energy generates and supplies wholesale electricity, and Alinta Energy manages the retail business.
- We have an 11.8% ownership interest in the Goldfields Gas Transmission Pipeline joint venture, with the remaining ownership interest held by APA Group<sup>4</sup> (through its wholly owned subsidiaries Southern Cross Pipelines Australia Pty Ltd and Southern Cross Pipelines (NPL) Australia Pty Limited). The Goldfields Gas Transmission Pipeline is a 1,378km transmission pipeline that extends from Yarraloola, in the Pilbara region of Western Australia, to Kalgoorlie, in the Goldfields-Esperance region. This joint venture provides us with gas transportation rights on the pipeline along with a share in the third-party revenues related to other Shippers using the pipeline. Operation and maintenance costs and capital costs are shared with APA Group proportionate to the ownership interest in the joint venture. All procurement activities in relation to the joint venture are undertaken by the APA Group under their procurement policies and processes.

### Supply chain

Alinta Energy's procurement activities involve nearly 4,000 suppliers. Of these tier 1 suppliers, more than 99% are located in Australia. Key inputs into the supply chain include:

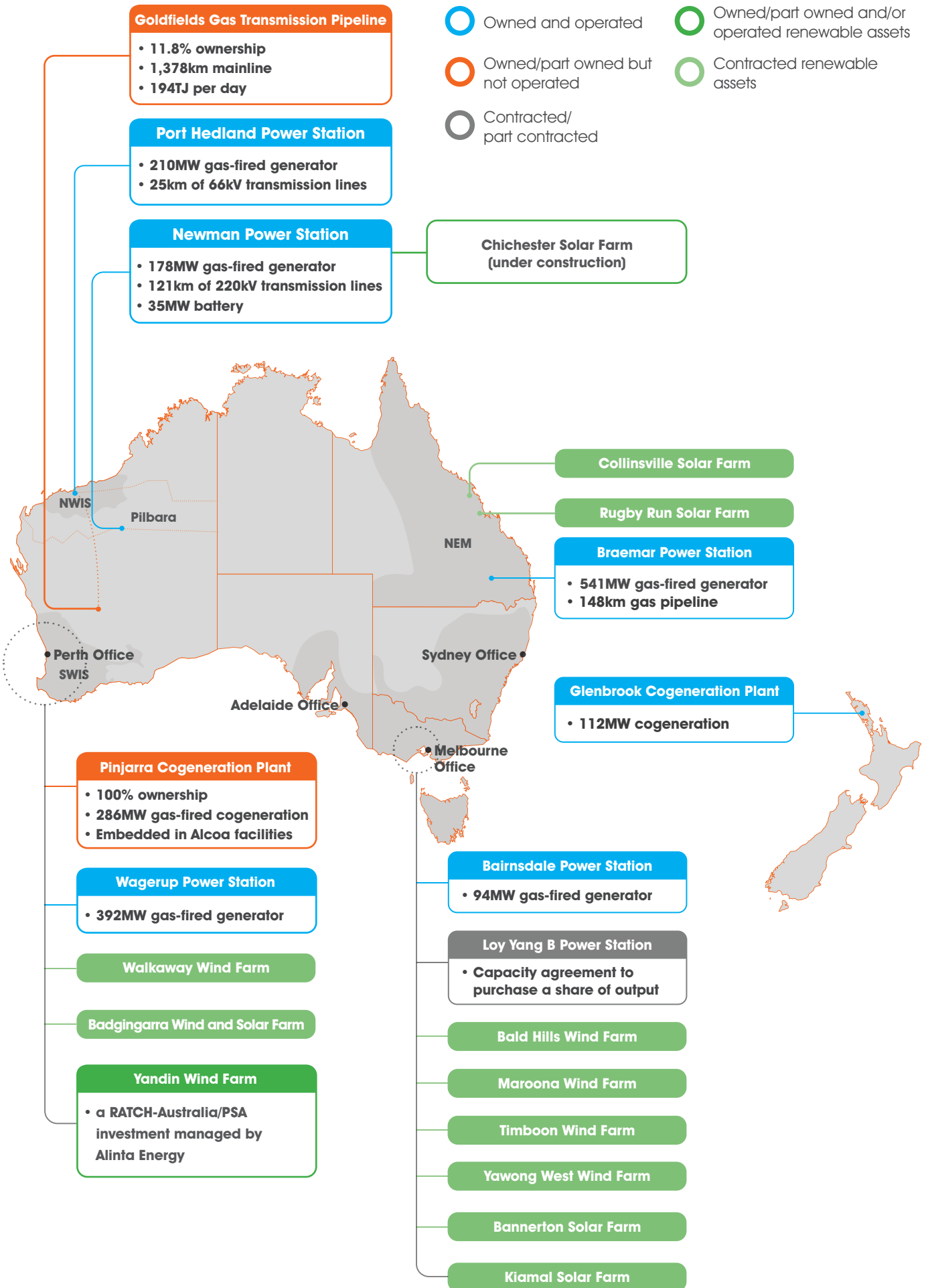
- Gas and electricity purchases;
- Gas and electricity transport;
- Financial services;
- Professional services;
- Maintenance, repairs and overhauls;
- Construction services;
- Sales and marketing services;
- Information technology services and hardware; and
- Facilities services.

<sup>2</sup> RATCH-Australia also prepares its own modern slavery statement.

<sup>3</sup> CS Energy also prepares its own modern slavery statement.

<sup>4</sup> APA Group also prepares its own modern slavery statement.

# Our operating assets, assets under construction and offices





## Owned or operated renewable generation

### Western Australia

#### Chichester solar farm

Under construction

#### Yandin Wind Farm

A RATCH-Australia/PSA investment managed by Alinta Energy. Alinta Energy also contracts for the output of the wind farm.

## Owned power stations

### Western Australia

#### Newman power station and battery storage

- Employees: 19
- Registered capacity: 178MW
- Fuel type: Gas/distillate
- Load profile: Intermediate
- FY21 availability: 95.1%
- Other: 35MW battery storage facility

#### Port Hedland power station

- Employees: 10
- Registered capacity: 210MW
- Fuel type: Gas/distillate
- Load profile: Intermediate
- FY21 availability: 91.9%

#### Wagerup power station

- Employees: 6
- Registered capacity: 392MW
- Fuel type: Gas/diesel
- Load profile: Peaker
- FY21 availability: 88.9%

#### Pinjarra cogeneration plant

- Registered capacity: 286MW
- Fuel type: Gas
- Load profile: Base
- FY21 availability: 89.9%
- No Alinta Energy employees, operated by Alcoa

### Queensland

#### Braemar power station

- Employees: 7
- Registered capacity: 541MW
- Fuel type: Gas
- Load profile: Intermediate peaking
- FY21 availability: 77.1%

### Victoria

#### Bairnsdale power station

- Employees: 4
- Capacity: 94MW
- Fuel type: Gas
- Load profile: Peaker
- FY21 availability: 97.5%

### New Zealand

#### Glenbrook cogeneration plant

- Employees: 28
- Capacity: 112MW cogeneration
- Fuel type: Surplus gas from NZ Steel and waste heat
- Load profile: Base
- FY21 availability: 89.5%
- Integrated into NZ Steel (BlueScope Steel) facility under long-term power purchase agreement

## Transmission infrastructure

### Western Australia

#### Chichester solar farm transmission line

- 61km (220kV) transmission line linking the Roy Hill Mine substation and the Cloudbreak Mine to the Chichester solar farm

#### Newman to Roy Hill electricity transmission line

- 121km (220kV) transmission line from Newman Power Station to the Roy Hill Mine including substations, a distribution system and 6MW of on-site diesel generation

#### Goldfields Gas transmission pipeline

- 11.8% investment in 1,378km long pipeline

#### Port Hedland transmission line

- Three transmission lines totalling 25km (66kV) connecting the Port Hedland site to the Boodarie power station, Horizon Power's Wedgefield substation and Horizon Power's Murdock Drive substation

### Queensland

#### Braemar gas pipeline

- 148km pipeline supplying the Braemar power station and transporting gas to the Roma to Brisbane pipeline

## Offices

### Sydney

- Employees: 154
- Corporate headquarters and base for Alinta Energy's executive leadership team, national wholesale trading team and many supporting commercial functions

### Perth

- Employees: 230
- Location of Alinta Energy's west coast retail energy business and one of two in-house customer service centres

### Melbourne

- Employees: 253
- Base for our east coast customer operations

### Morwell customer experience hub

- Employees: 122
- Location of our new east coast customer call centre in regional Victoria

### Adelaide

- Employees: 37
- Location of many of our IT support services

### Brisbane

- Base for our Connect Develop business
- The Connect Develop business does not have any direct employees of Alinta Energy

## Contracted renewable generation

### Western Australia

#### Walkaway wind farm

#### Badgingarra wind and solar farm

### Victoria

#### Bald Hills wind farm

#### Maroona wind farm

#### Timboon wind farm

#### Yawong West wind farm

#### Bannerton solar farm

#### Kiamal solar farm

### Queensland

#### Collinsville solar farm

#### Rugby Run solar farm

## Other contracted generation

### Victoria

#### Loy Yang B power station

- Capacity agreement to purchase a share of the output from the Loy Yang B coal-fired power station

## Load profiles – what they mean

### Base

These facilities generate a reliable ongoing power supply by operating continuously.

### Intermediate

Flexible power generation that bridges the gap between base load and peak supplies.

### Peaker

Quick to start, these facilities can ramp up operations, providing additional power to meet higher demand.

# Renewable Energy Investment Fund

## Structure

REIF holds a 30% minority, non-controlling ownership interest in Yandin Wind Farm which is a joint investment venture between RATCH-Australia<sup>5</sup> (an unrelated third party) and PSA (through the investment by REIF). In preparing this Statement, PSA has considered its non-controlling investment in Yandin Wind Farm and Alinta Energy has considered its managerial role in Yandin Wind Farm as part of its operations. We note that the approach to reporting in this Statement may be subject to change in future reporting periods, having regard to the nature of operations at the wind farm, or due to a change in the operating model or ownership of Yandin Wind Farm.

## Operations

Yandin Wind Farm is located near the town of Dandaragan, around 175km north of Perth, Western Australia. Comprising 51 turbines each with a capacity of 4.2MW, the project cost approximately \$400 million and has been developed with valuable input from the local community and local landowners. The wind farm is connected to Western Power's 330 Kv electricity network via a new 10km transmission line and terminal station that has been built, owned and operated by Western Power.

Yandin Wind Farm operates as a stand-alone business, with Alinta Energy responsible for the management of the wind farm. Alinta Energy's management role includes acting as manager of construction and operations, engaging necessary suppliers, as well as providing certain corporate services to Yandin Wind Farm.

## Supply chain

During the majority of Reporting Period, Yandin Wind Farm has been under construction, where its operations were largely limited to activities connected with the construction occurring in Western Australia. The wind farm became operational in May 2021.

Yandin Wind Farm's supply chain includes both domestic and international suppliers. Key pieces of equipment and expertise are manufactured and sourced from Asia and Europe. However, a significant amount of labour is performed locally, on site in Dandaragan, Western Australia.

Because of the management role performed, procurement activities related to Yandin Wind Farm were processed through Alinta Energy's procurement systems, applying policies and procedures which are aligned to those of Alinta Energy. While this Statement does not directly cover non-controlled joint ventures, because of the management role performed by Alinta Energy, the spend amounts associated with Yandin Wind Farm were indirectly included in risk identification and due diligence activities undertaken by Alinta Energy as described below on pages 11-12 of this Statement.

Further information on Yandin Wind Farm is available here:

- [www.yandinwindfarm.com.au](http://www.yandinwindfarm.com.au)
- [www.alintaenergy.com.au/vic/about-alinta-energy/sustainability/yandin-wind-farm](http://www.alintaenergy.com.au/vic/about-alinta-energy/sustainability/yandin-wind-farm)

<sup>5</sup> RATCH-Australia also prepares its own modern slavery statement.



# Latrobe Valley Power

## Structure

LVP is an Australian incorporated, private company with a registered office in Sydney, Australia. During the Reporting Period, LVP had 18 subsidiaries and one internal joint venture between subsidiaries. All of LVPs subsidiaries' activities relate to the energy industry.

## Operations

LVP owns and operates the Loy Yang B Power Station.

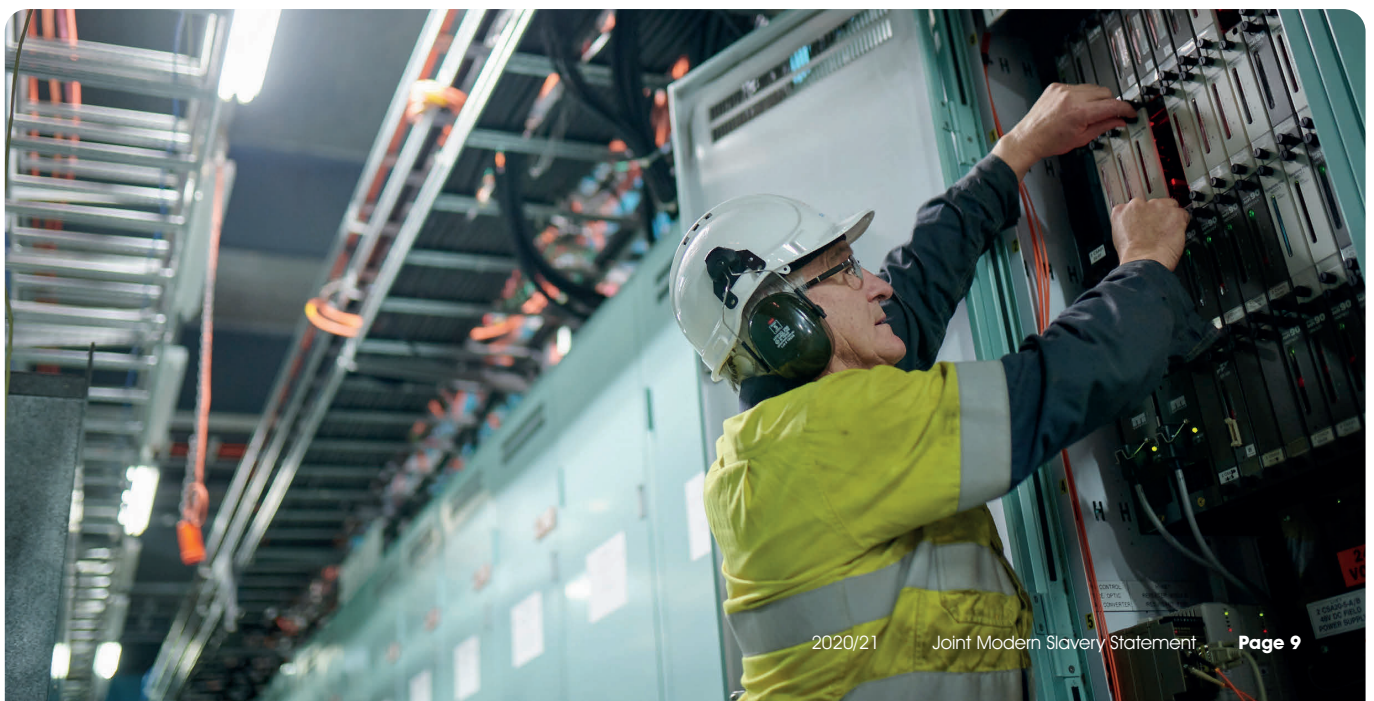
Loy Yang B Power Station is a brown coal-fired power station in Victoria's Latrobe Valley, approximately 160km east of Melbourne. It consists of two electricity-generating units, which together provide up to 1,200MW of baseload power and supply approximately 20% of Victoria's energy needs. Loy Yang B has operated since 1993 and continues to be one of the lowest cost and most reliable generators in the National Electricity Market. Loy Yang B procures coal from a neighbouring coal mine under a long-term agreement.

LVP has a capacity agreement with Alinta Energy, supplying it with a share of the power station's output. Loy Yang B Power Station operates under local management, including a local procurement team responsible for its supply chain.

## Supply chain

LVP conducts most of its procurement activities through one subsidiary company, LYB Operations & Maintenance Pty Ltd. LVP has an international supply chain however uses best endeavors to procure goods and services from within Australia and particularly from the local community in the Latrobe Valley, Victoria. Key inputs into the supply chain include the purchases of:

- Coal used at our Loy Yang B Power Station; and
- Goods and services related to the operation and maintenance of the Loy Yang B Power Station.



# Risk of modern slavery practices

There were no instances of actual or suspected modern slavery practices in our supply chains that were identified by, or reported to, the Reporting Entities during the Reporting Period.

During the Reporting Period, Alinta Energy conducted a deep dive with a specific customer in relation to the risk of modern slavery being used in the supply chain of one of our solar farms. This was not in response to a specific incident, event, or allegation during the Reporting Period. Rather, it was in response to increasing global awareness and reports claiming potential modern slavery risk in the production of solar panels. Through investigations and discussions with various suppliers in the supply chain, we were not able to confirm the existence of modern slavery practices. However, we acknowledge the heightened risk in this industry which is discussed further on page 11.

Based on the risk identification activities explained in this Statement, the Reporting Entities' modern slavery risk assessment involved the mapping of the supply chain to identify where there is a higher risk of modern slavery practices associated with specific:

- Regions;
- Industries;
- Tiers of suppliers; and
- Individual suppliers.

This information is used to prioritise further due diligence and frame our risk assessment approach. For example, we used this information to select suppliers in the medium to high-risk categories, across a range of industries, with whom direct engagement is carried out. For details of our approach to direct engagement, refer to page 17.

Alinta Energy and LVP each have their own procurement processes and policies, and differ in the types of activities performed. As a result, the entities have different risk profiles which have been described separately on pages 11-12 and 13-14 respectively.

No information obtained or produced in this process confirms the actual existence or non-existence of slavery in the Reporting Entities' supply chains or operations. Analysis was undertaken at the industry and country level. It does not account for inherent and expected variances at the entity, region or product level. For this reason, the identities of individual suppliers that have been assessed as high to medium-risk have not been disclosed in this Statement. A more detailed description of the steps involved in our modern slavery risk assessment can be found in Annexure 2 on pages 27-28.



# Alinta Energy

## Changes to supplier risk profiles

During the Reporting Period, the Yandin Wind Farm (joint investment venture between RATCH-Australia and PSA, managed by Alinta Energy) became operational. This took place at the end of the Reporting Period, in May 2021, and is therefore not considered to have a significant impact on the risk profile of Alinta Energy.

Alinta Energy did not have any other material change in operating activities or in its supply chain since the FY20 Reporting Period and therefore we consider that there has not been a material change to the risk of modern slavery in our supply chain.

We did however expand the range of suppliers over which risk mapping activities were performed to include our Connect Develop business, our Glenbrook operations in New Zealand and our corporate credit cards. This year we have also included non-addressable spend data (such as network payments and settlement amounts) in our supply chain mapping.

## Specific industry and activity risks

Alinta Energy recognises the specific risk of modern slavery practices related to the polysilicon used in the production of solar panels.

Alinta Energy is committed to doing business fairly and ethically, and the commitments we have made (including in relation to training, changes to our tender processes and industry collaboration), are all aimed at reducing our modern slavery risk profile. The way that we deliver on these commitments will give consideration to specific industry risks which we identify, including those in relation to solar panels.

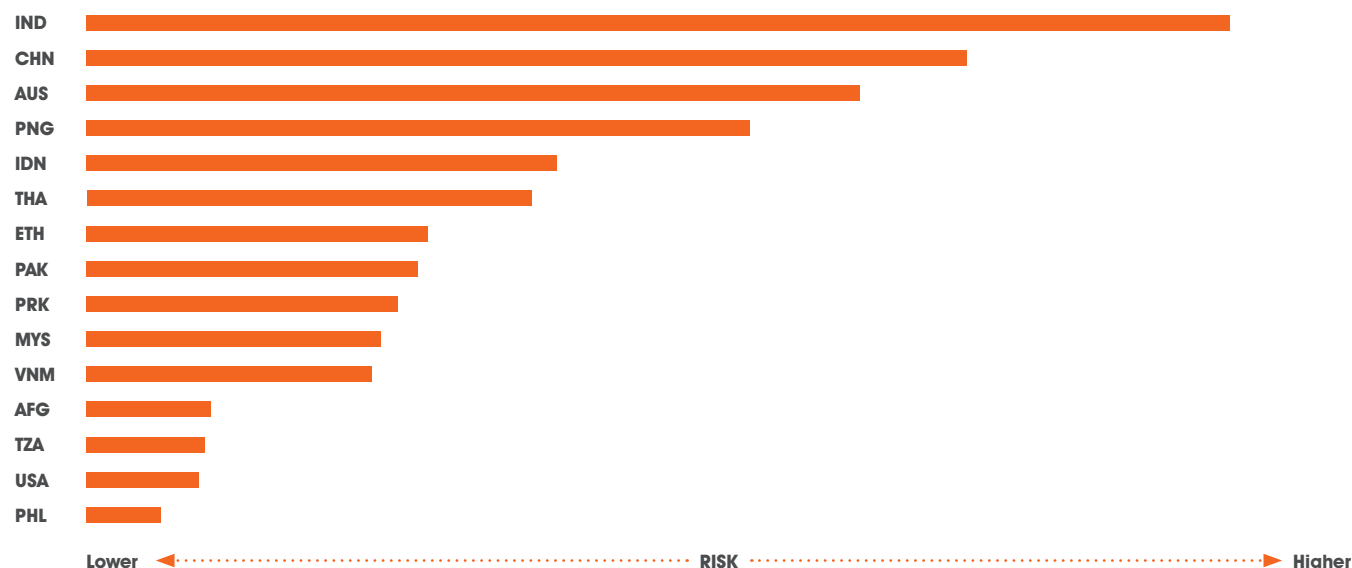
Alinta Energy's business activities include the construction of solar farms and the contracting of electricity generation from solar farms through power purchase agreements (PPAs). During the Reporting Period, Alinta Energy did not enter into any such projects or PPAs, however we understand the risk of modern slavery embedded in such existing projects. At the time of entering contracts for existing construction projects and PPAs (before the Act came into force on 1 January 2019), the understanding, assessment and vetting of such risks was not common practice. The changes embedded via the Act and through industry practice in this area will be far more focused on identifying and managing this risk in future.

As part of our direct engagement and due diligence activities, we are engaging with the engineering, procurement and construction (EPC) contractor on one of our solar farms. Through this engagement, we will better understand whether the polysilicon used in the solar panels in our project are at risk of modern slavery practices and the mechanisms by which we could reduce such risks in similar future projects. The complexity of the embedded risk has meant that our due diligence activities are ongoing at the time of writing this Statement.

Refer to page 17 for further details of due diligence and direct engagement activities conducted.

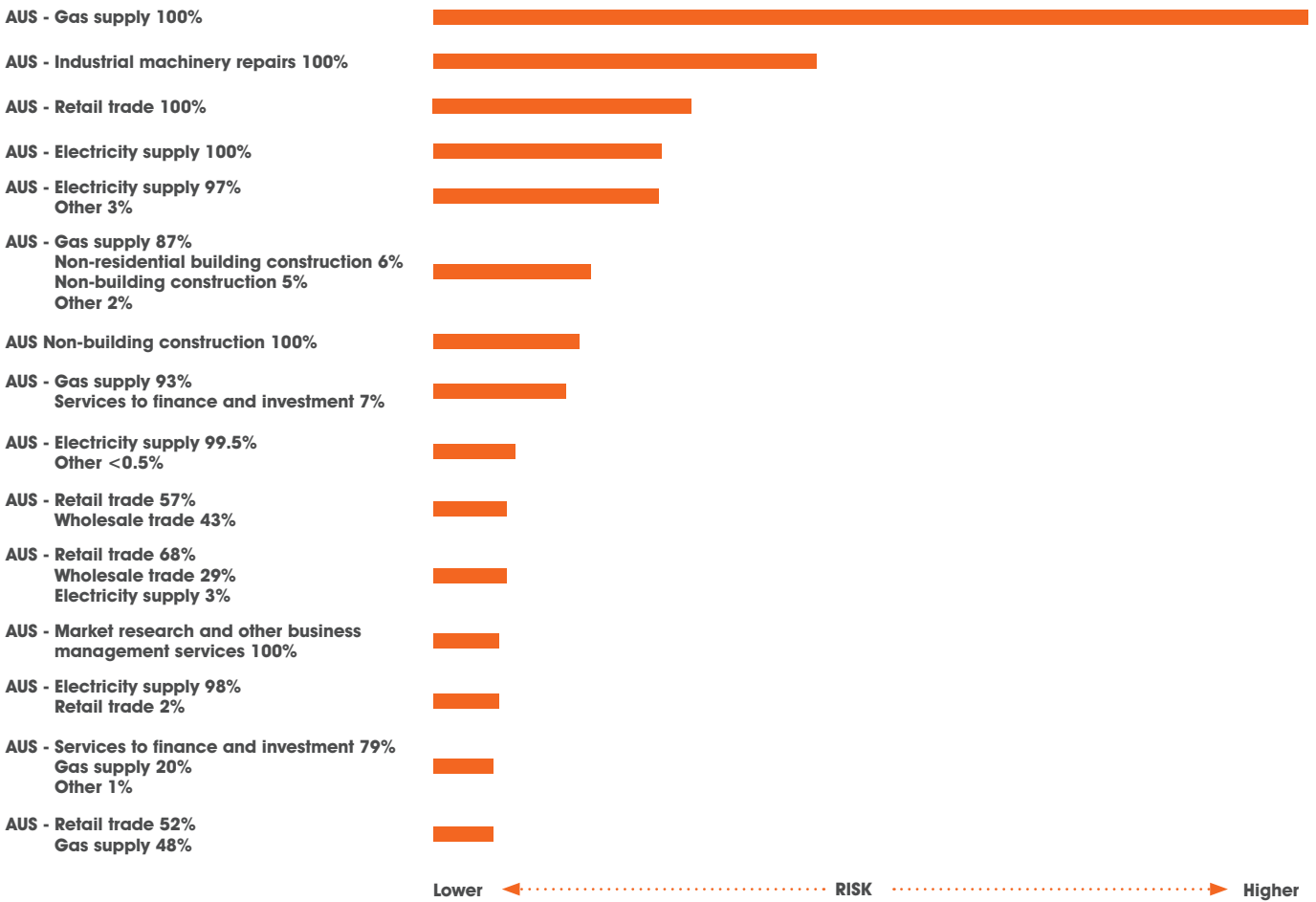
## Risks by region

The top 15 medium to high-risk regions are shown in the image below in order of the risk of the modern slavery risk which has been assessed down to tier 10 suppliers.



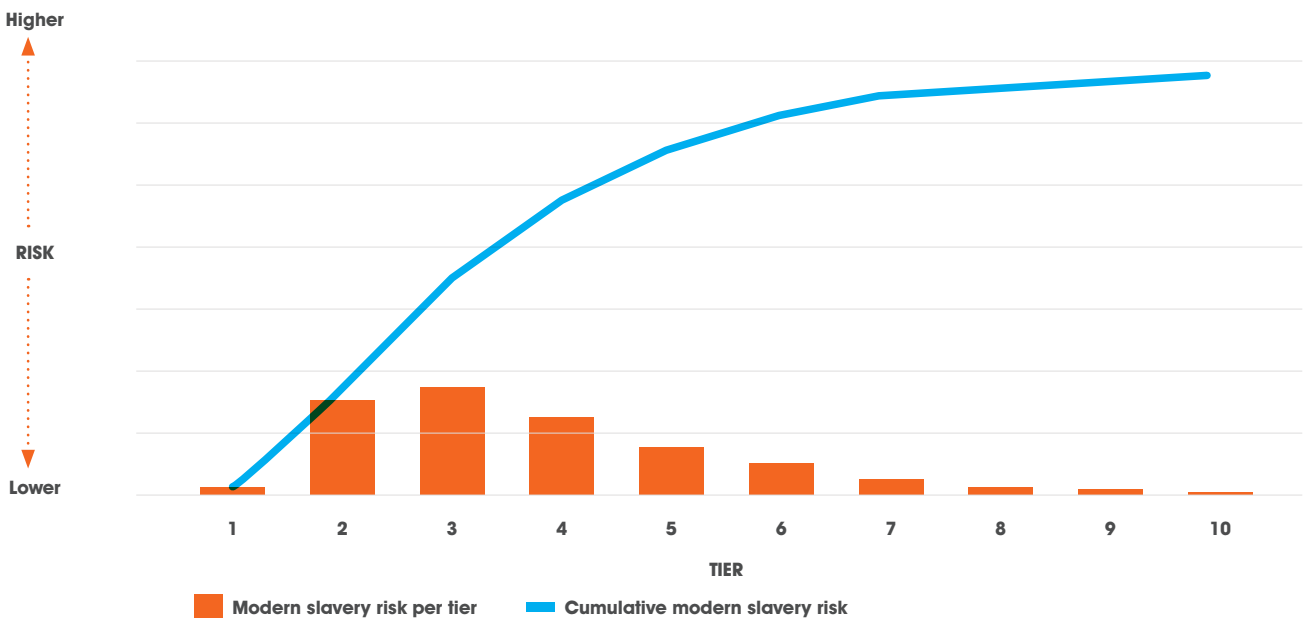
### Risks by industry

The top 15 medium to high-risk industries are shown in the image below in order of the risk of the modern slavery risk which has been assessed down to tier 10 suppliers.



### Risks by tier

The below image shows the relative modern slavery risk in each tier of our supply chain which has been assessed down to tier 10 suppliers. Our highest risk is in the third tier and our supplier audit and direct engagement activities aim to better understand these risks which are deep in our supply chain. During the current Reporting Period, one of the key risks that Alinta Energy sought to understand was the specific risks associated with solar panels (as described above). Refer to Annexure 2 on pages 27-28 for more details around our how these activities were conducted.



# Latrobe Valley Power

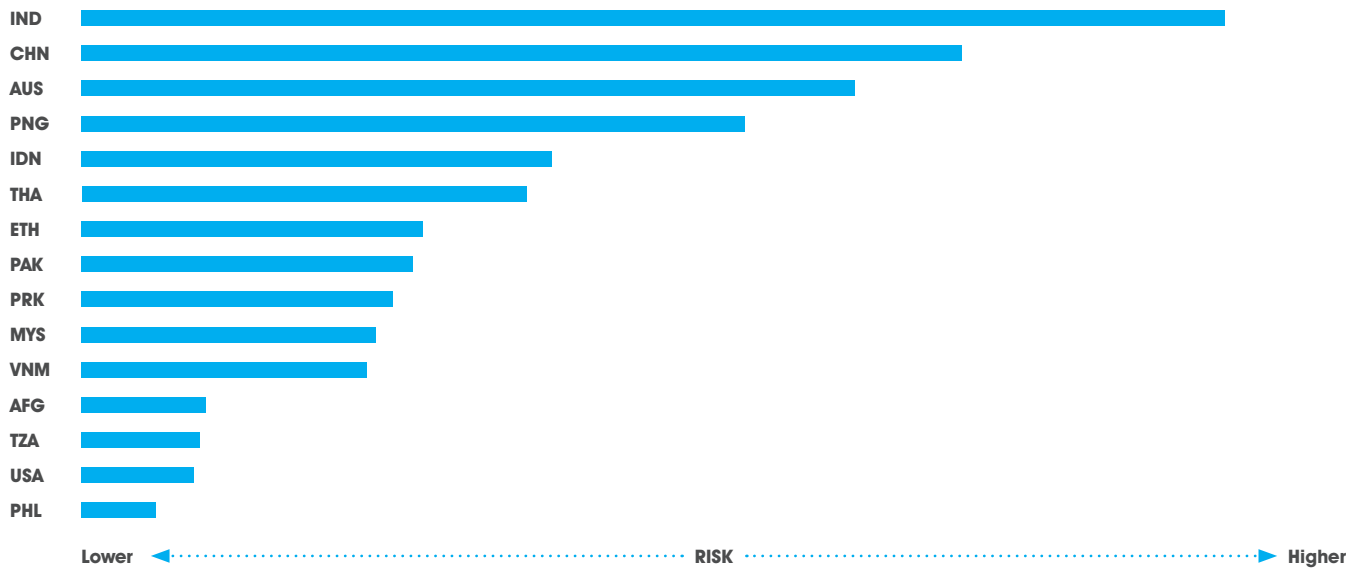
## Changes to supplier risk profiles

During the Reporting Period, LVP completed a major upgrade of the Unit 1 turbine and generator, having performed the same work to upgrade Unit 2 in 2019. Together, these two upgrades were the biggest project in our history, with the Unit 1 upgrade marking the completion of the \$170 million project. This project saw a significant increase in spending with certain types of suppliers compared to the FY20 Reporting Period, and therefore a temporary shift in our risk profile.

A significant majority of the almost \$90 million cost of the Unit 1 upgrade was spent on local labour and materials (approximately \$70 million), with the remainder going to specialist equipment and labour.

## Risks by region

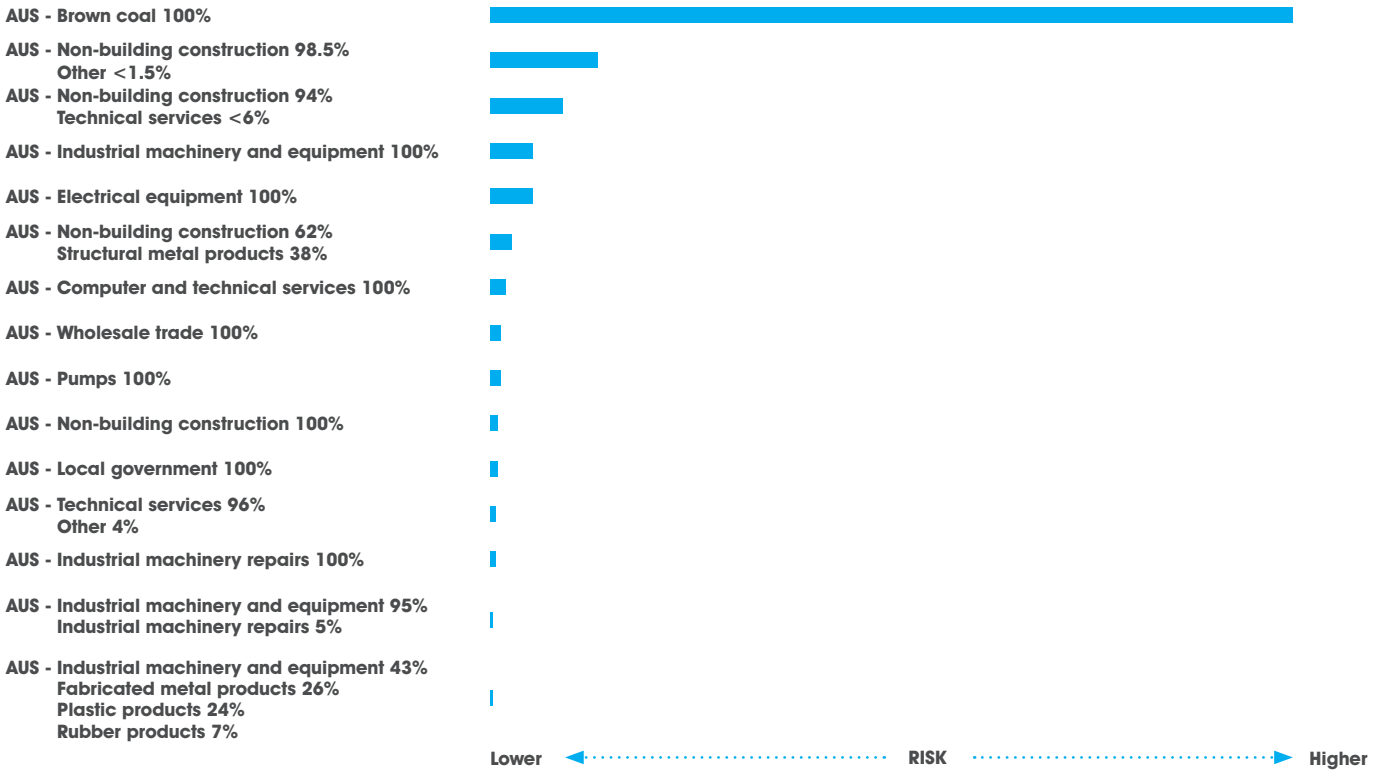
The top 15 medium to high-risk regions are shown in the image below in order of the risk of the modern slavery risk which has been assessed down to tier 10 suppliers.



### Risks by industry

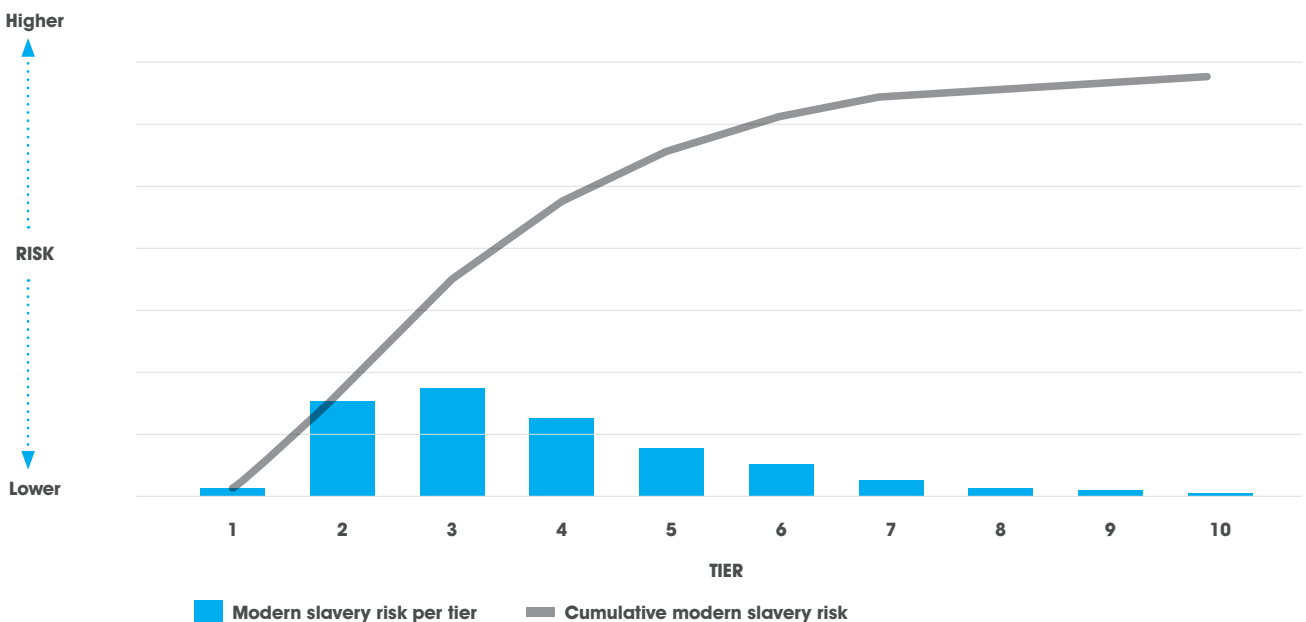
The top 15 medium to high-risk industries are shown in the image below in order of the risk of the modern slavery risk which has been assessed down to tier 10 suppliers.

The highest risk industries shown relate to purchases of coal for the operation of our power station and for the labour hire that was used to supplement the maintenance work required on site for day-to-day operations and during the Unit 1 upgrade (as noted above) at the Loy Yang B power station including mechanical, electrical and scaffolding works. While our supply chain mapping showed that the risk of the theoretical slaves was high in relation to these activities, we engaged predominantly local labour, and source our coal from the AGL-owned<sup>6</sup> and operated Loy Yang Mine located adjacent to Loy Yang B. This has supported the local community and mitigated the risks of modern slavery in tier 1 of the supply chain



### Risks by tier

The below image shows the relative modern slavery risk in each tier of our supply chain which has been assessed down to tier 10 suppliers. Our highest risk is in the third tier, and our supplier audit and direct engagement activities aim to better understand these risks which are deep in our supply chain. Refer to Annexure 2 on pages 27-28 for more details around our how these activities were conducted.



<sup>6</sup> AGL also prepares its own modern slavery statement under the AGL Energy Group of Companies.



# Assessing and addressing risk

The Reporting Entities oppose modern slavery in all its forms including slavery, servitude, child labour, forced labour, human trafficking, debt bondage, slavery like practices, forced marriage and deceptive recruiting for labour or services. We expect that the employees, contractors and suppliers within our supply chain do the same.

We have taken a pragmatic approach to operationalising key aspects of our approach to addressing modern slavery. Our objective is to develop lasting, sustainable processes that ensure there is genuine engagement with the risks of modern slavery, and practical tools and resources available to our business to address the issue. We set out below the key steps we have taken to address modern slavery risk during the Reporting Period, including steps for continuous improvement.

## Governance

### Compliance

The Reporting Entities have systems and controls in place to support and monitor our compliance with all laws and regulations that apply, including the Act. They have separate Audit & Risk Committees that assist the Boards by monitoring, tracking progress, and providing advice in relation to the various compliance activities occurring.

During the Reporting Period, the responsibility for modern slavery compliance moved from the Alinta Energy Group Procurement Manager to the Alinta Energy Sustainability Manager. This included the responsibility for drafting of the Statement for the Reporting Entities. The day-to-day responsibilities for modern slavery compliance at LVP remains the responsibility of the LVP Procurement Manager.

### Working Group

The Reporting Entities have established a Modern Slavery Working Group ("Working Group"). During the Reporting Period, this Working Group met every three weeks and was chaired by Alinta Energy's Procurement and Governance Advisor, the Group Procurement Manager or the Sustainability Manager. The seven members form a cross-practice group, bringing expertise from our procurement, merchant energy operations, people and culture, safety, sustainability, legal and governance teams. The Working Group includes representatives of Alinta Energy and LVP. These Reporting Entities collaborate closely with regard to modern slavery activities, including frequent phone calls, emails and out of session meetings between Alinta Energy's procurement advisors and LVP's procurement advisors. This level of consultation ensures, wherever possible, a consistent approach is applied to modern slavery risk identification and mitigation practices, taking account of differences in the business of each entity.

### Whistleblower reporting hotline

Our people are encouraged to immediately report illegal or inappropriate acts to their manager, a member of the Executive Management Team or to our independent whistleblower reporting hotlines. This may include reports of actual or suspected incidents of modern slavery as well as other acts of dishonesty or unethical behaviour.

The Reporting Entities' whistleblower reporting hotlines are available to employees, contractors and suppliers to raise modern slavery concerns.

Alinta Energy's and LVP's suppliers can find details of the hotline in their respective Supplier Code of Conduct, which are publicly available here:

- <https://www.alintaenergy.com.au/vic/help-and-support/terms-and-conditions>
- <https://www.loyyangb.com.au>

The hotlines are operated independently by Deloitte and include the ability to report misconduct directly to Deloitte by email, online or by post.

No modern slavery grievances have been reported to our hotlines to date. Should a grievance arise, the process for investigation and resolution of such grievances is summarised in the Governance section of this Statement.

The Reporting Entities will measure the effectiveness of the whistleblower reporting hotline through our measuring effectiveness framework and will assess its use on an annual basis. The objective being, to enhance our actions and responses as we work towards positive change for individuals affected by modern slavery. More details on our measuring effectiveness framework can be found in the Continuous Improvement section of this Statement.

### Code of Conduct and Employee Information Manual

During the FY20 Reporting Period, Alinta Energy updated its Employee Code of Conduct to specifically address modern slavery. The Code of Conduct states that Alinta Energy opposes modern slavery in all its forms, sets out Alinta Energy’s expectations regarding the detection and elimination of modern slavery, our commitments to ethical behaviour at all levels of business and provides a framework for Alinta Energy’s workforce to behave ethically at work and beyond.

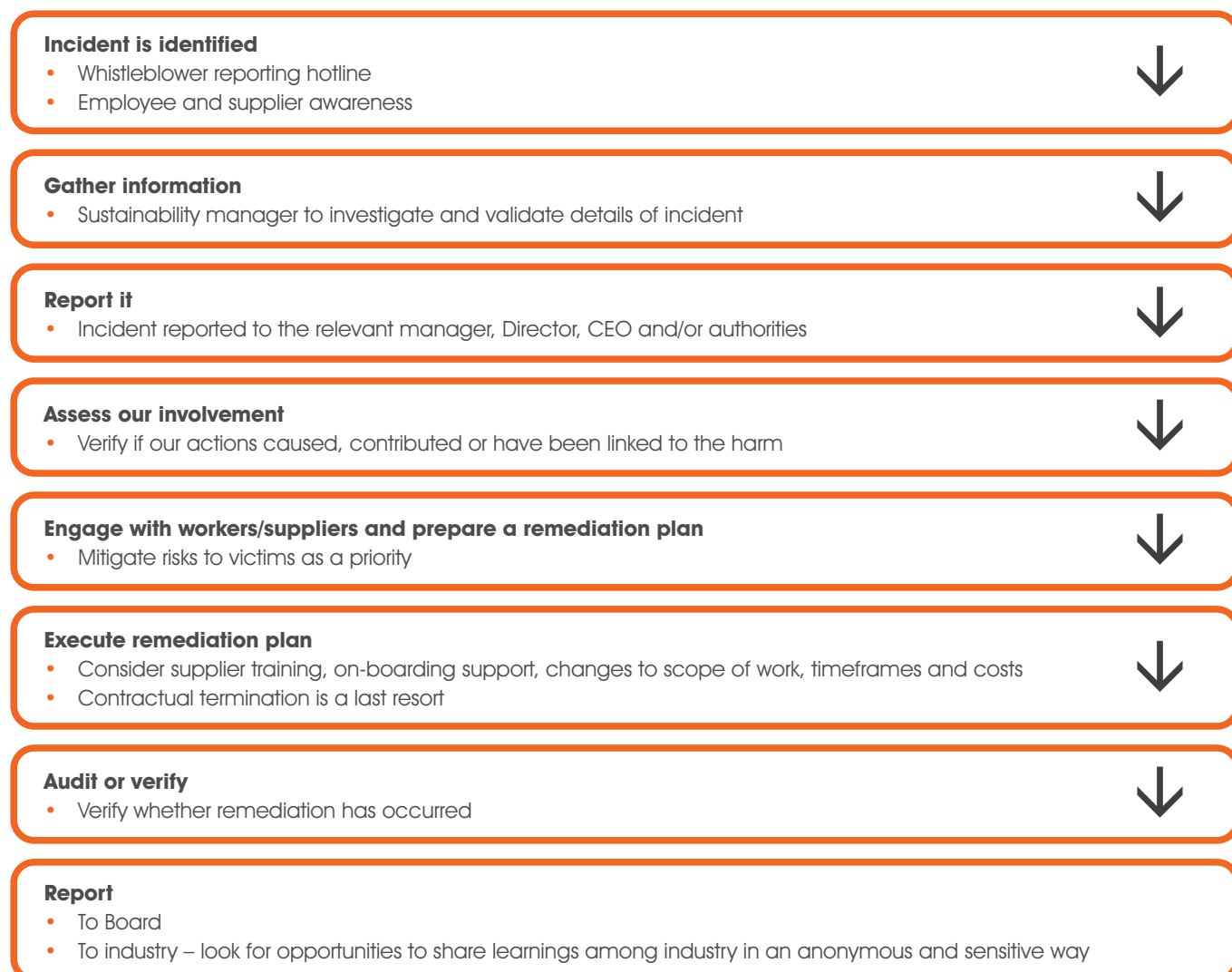
It is available to all employees on the intranet and sets the standard of what is expected at Alinta Energy. All Alinta Energy employees are required to complete online training on the Code of Conduct every two years, including a competency test to check they understand their obligations. New employees are required to complete this training within six weeks of joining Alinta Energy, as part of our induction process.

During the current Reporting Period, LVP updated its Employee Information Manual to expressly address the expectations and standards regarding modern slavery. The Employee Information Manual states that LVP opposes modern slavery in all its forms and instructs employees to always keep modern slavery risks in mind when engaging with suppliers and to act on any suspicions of modern slavery.

This manual is available to all employees in the LVP document management system and employees are advised when there are any updates. New employees are introduced to the Manual through the standard induction process.

### Applying our modern slavery governance framework

The Reporting Entities have not received any reports of incidents of modern slavery in our business or operations during the Reporting Period. Should an incident arise, the process followed to remediate and mitigate is depicted below:



# Engaging and communicating with suppliers

## Increasing due diligence and direct engagement

Our objective is to develop lasting, sustainable processes that ensure there is genuine engagement with the risks of modern slavery and practical tools and resources available to our business to address the issue.

Our direct engagement activities with suppliers have been limited by COVID-19, as resources are directed towards mitigating and responding to the impacts of the pandemic. Specifically, operating in a heavily regulated industry, and being the provider of an essential service has created additional pressures and expectations on the Reporting Entities to ensure we continue to meet compliance requirements. In future reporting periods, we intend to further increase our due diligence activities and direct engagement with suppliers.

The Reporting Entities are currently building a repository of responses and feedback to supplier self-assessment questionnaires (discussed below) which will be used to further refine and improve our supplier due diligence process and improve the quality of engagements.

Our current due diligence and direct engagement activities are based on supply chain mapping performed at the end of the Reporting Period, with the results of our supply chain mapping used to prioritise and select suppliers in the medium to high-risk categories, with whom direct engagement is carried out.

The supplier desktop audits, as discussed in Annexure 2 on pages 27-28, involve a deep dive into the broader supply chain of our suppliers. To the extent that the information is practically obtainable, this includes:

- Analysis of suppliers within the supply chain, across multiple tiers;
- Review of the inputs into the supply chain, across multiple tiers;
- Understanding of specific risks in the supply chain, across multiple tiers; and
- Reviewing details of any actual or suspected use of modern slavery practices in the supply chain, across multiple tiers.

The information obtained in these desktop audits is further used to guide direct engagement activities.

In response to the specific risk that was identified as relating to solar panels (discussed on page 11), the direct engagement activities with one of our relevant suppliers involved asking a range of questions, including:

- The specific due diligence measures the supplier is taking in relation to supply chains involving solar panels or related component parts, and specific due diligence measures that were undertaken relating to the project that the supplier was engaged for;
- Whether the supplier has any known linkages (direct or indirect) with certain named companies that are involved in the solar supply chains and that have been specifically designated by various government and public interest group bodies as posing an unacceptably high risk in relation to alleged forced labour practices;
- The extent of the suppliers visibility over their supply chain, the extent of any assessments of modern slavery risk beyond tier one; and other specific matters designed to assist our assessment of the level of visibility that the supplier has into its polysilicon product supply chains, including at the early stages of raw material (quartz) extraction and the manufacture of photovoltaic cells; and
- How the suppliers' due diligence measures and supply chain visibility compare to competitors in the industry.

## Supplier Code of Conduct

During the FY20 Reporting Period, Alinta Energy launched a Supplier Code of Conduct. This sets out our expectations of suppliers to address modern slavery in all its forms and provides a grievance mechanism should suppliers seek to raise modern slavery grievances. It is publicly available here: <https://www.alintaenergy.com.au/vic/help-and-support/terms-and-conditions>. Alinta Energy's Supplier Code of Conduct was endorsed by our Executive Director of Corporate Services and sits under the Procurement Policy. The Procurement Manager and Sustainability Manager are responsible for implementation and review of this document.

During the current Reporting Period, LVP implemented a Supplier Code of Conduct. This sets out the expectations of our suppliers to address modern slavery risks and provides a grievance mechanism should suppliers seek to raise modern slavery grievances. The Supplier Code of Conduct sits under the Purchasing Policy and is available at: <https://www.loyyangb.com.au>

### **Supplier self-assessment questionnaires**

During the FY21 Reporting Period, Alinta Energy automated its supplier self-assessment questionnaire within the onboarding process. We are currently building a repository of responses and feedback to supplier self-assessment questionnaires which will be used to further refine and improve our supplier due diligence process and improve the quality of engagements. While the questionnaire was automated during supplier onboarding, Alinta Energy recognises that there is a further opportunity to engage with suppliers even earlier during the tender process and to develop a framework for assessing the risk of the supplier or contract based on their responses.

During the current Reporting Period, LVP implemented a supplier self-assessment questionnaire which includes a set of questions to assist us in assessing any modern slavery risks. For every tender, new supplier (or a reactivation of an old supplier) or new contract, a questionnaire must be completed by any supplier who has not already completed a one. A risk assessment is then completed based on the responses prior to the approval of the supplier or contract.

### **Updates to template contracts**

During the FY20 Reporting Period, Alinta Energy and LYB updated their standard template contracts to expressly refer to modern slavery risks and provide remediation, audit and termination options. For illustrative purposes, the standard clauses of Alinta Energy and LVP are included in Annexure 3 on page 29-30.

In future reporting periods, the Reporting Entities will monitor the responses and feedback from suppliers to these clauses and consider using remediation action plans, audit and termination rights if necessary. The Reporting Entities also intend to include the modern slavery clause in a wider ambit of contracts, to ensure that it is uniformly and appropriately used in procurement activities that take place across the business.

## **Education and knowledge sharing**

### **Education, training and awareness**

The Reporting Entities acknowledge that increasing employee awareness about the prevalence and nature of modern slavery risks within its supply chains and operations is important both for risk reduction and remediation. We are working to help our people develop skills and experience to understand, identify and mitigate modern slavery risks.

During the FY20 Reporting Period, Alinta Energy and LVP delivered specialised training, prepared in consultation with an external consultant, to personnel responsible for procurement functions. Various employees also attended modern slavery training sessions provided by external consultants and industry bodies.

During the current Reporting Period, the Executive Leadership Team of Alinta Energy and LVP attended a training session delivered by Fair Supply. Alinta Energy's Group Procurement Manager also held a number of training sessions to increase general awareness of Modern Slavery matters across Alinta Energy's employees. During the CY22 Reporting period, this training will be appropriately adapted and further rolled out to LVP employees and Alinta Energy's call centre employees. The training materials will also be made available to all employees, business-wide, during the CY22 Reporting Period, utilising our online learning management system.

### **Industry consultation**

During the Reporting Period, Fair Supply was engaged to assist in collaboration with industry and subject matter experts by providing industry benchmarking reports. By comparing our approach to utility sector peers, these reports assist the Reporting Entities to remain informed of cutting-edge methodologies and tools that become available to enhance the effectiveness of our modern slavery response in this swiftly evolving field. Our direct engagement in industry networks has been limited by COVID-19, as resources are directed towards mitigating and responding to the impacts of the pandemic. In future reporting periods, the Reporting Entities will continue consultation with industry and subject matter experts to:

- Increase our involvement and contribution to industry consultation efforts;
- Remain informed of cutting-edge modern slavery risk assessment and remediation tools available;
- Compare our approach to our energy and utility sector peers; and
- Further identify industry networks operating in the eastern states of Australia.

# Assessing our effectiveness

## Our approach to continuous improvement

We review our modern slavery compliance activities and follow a continuous improvement approach to increase the breadth and depth of modern slavery compliance activities over time through:

- Updating, adding to and reviewing information presented in our annual Modern Slavery Statement;
- Continuing the operation of the Modern Slavery Working Group to guide the business in determining which modern slavery compliance activities are to be prioritised, based on the cross-practice area expertise and business knowledge of members of the Working Group;
- Carrying out gap analysis against Australian regulator guidance materials, global modern slavery guidance materials and utility sector peers reporting standards;
- Implementing a Measuring Effectiveness Framework;
- Seeking feedback from stakeholders; and
- Reviewing progress against our commitments.

## Measuring effectiveness framework

The Reporting Entities will assess whether our approach is identifying potential and actual risks of modern slavery in our operations and supply chains and, if so, how effectively those risks have been and are being mitigated.

During the Reporting Period, Alinta Energy and LVP developed and implemented a Measuring Effectiveness Framework. The framework is specifically designed to assess the effectiveness of our approach to addressing risks of modern slavery. During the CY22 Reporting Period, we will use the results of the assessment to identify and prioritise continuous improvement activities.

## Progress against commitments

Our FY20 Statement included a number of commitments in relation future activities or improvements to our internal processes. The Working Group monitors the progress against these commitments which are listed below together with progress made against each one.

### Commitments successfully completed during the Reporting Period

Commitment	Progress
<b>Assessing and addressing risk – Governance</b>	
LVP to update its existing Employee Information Manual to expressly address the expectations and standards regarding modern slavery during the FY21 Reporting Period.	This commitment was successfully completed during the Reporting Period. LVP will continue to periodically review the manual and update it as needed.
<b>Assessing and addressing risk – Engaging and communicating with suppliers</b>	
LVP to implement a Supplier Code of Conduct, which includes details about how to use the whistleblower reporting hotline during the FY21 Reporting Period.	This commitment was successfully completed during the Reporting Period. LVP will continue to apply the code in future reporting periods and update it as needed.
LVP to include a supplier self-assessment questionnaire in its supplier on-boarding practices and invitation to tender documents in future reporting periods.	This commitment was successfully completed during the Reporting Period. In addition to developing a questionnaire, LVP also performs a risk assessment based on the responded prior to approval of the supplier or contract. LVP will continue to apply the questionnaire in future reporting periods and update it as needed.

Commitment	Progress
<b>Assessing and addressing risk – Engaging and communicating with suppliers</b>	
Alinta Energy to automate its supplier self-assessment questionnaire within the on-boarding process in future reporting periods to ensure consistent and comprehensive modern slavery due diligence is performed prior to engaging suppliers.	This commitment was successfully completed during the Reporting Period. While the questionnaire was automated during supplier onboarding, Alinta Energy recognises that there is a further opportunity to engage with suppliers even earlier during the tender process and to develop a framework for assessing the risk of the supplier or contract based on their responses. This has been called out as a new commitment on page 21.
<b>Assessing our effectiveness – Measuring effectiveness framework</b>	
Alinta Energy and LVP to develop and implement a Measuring Effectiveness Framework in future reporting periods that is specifically designed to assess the effectiveness of our approach to addressing risks of modern slavery.	This commitment was successfully completed during the Reporting Period. We have used the results of the framework to identify areas of focus for the CY22 Reporting Period which are called out on page 21. Alinta Energy and LVP will continue to apply the framework in future reporting periods and update it as needed.
<b>Consultation – Joint venture consultation</b>	
Reporting Entities to deepen consultation efforts with external joint venture partners in future reporting periods.	This commitment was successfully completed in relation to the Reporting Period. Alinta Energy and LVP will continue to consult with joint venture partners in future reporting periods and refine this process as needed.

### Commitments successfully completed during the Reporting Period

Commitment	Progress
<b>Assessing and addressing risk – Governance</b>	
In future reporting periods, the Reporting Entities to work with the provider of our whistleblower reporting hotline to consider ways to optimise the hotline, ensure it is fit for purpose, simple to use and that grievances are dealt with in accordance with best practice.	Opportunities to optimise the whistleblower reporting hotline will become apparent as and when the Reporting Entities have Modern Slavery concerns raised via this channel. Until then, if best practice improvements opportunities are identified through industry consultation and networks, we will explore these opportunities.
<b>Assessing and addressing risk – Engaging and communicating with suppliers</b>	
In relation to modern slavery clauses in their contracts, in future reporting periods, the Reporting Entities to: <ul style="list-style-type: none"> <li>• Monitor the responses and feedback from suppliers to these clauses and consider using remediation action plans, audit and termination rights if necessary; and</li> <li>• Include the modern slavery clause in a wider ambit of contracts, to ensure that it is uniformly and appropriately used in procurement activities that take place across the business.</li> </ul>	Through discussions with the legal and procurement teams, the Reporting Entities are monitoring the responses and feedback from suppliers to these clauses and will continue to progress activities in relation to this commitment in future reporting periods. During the Reporting Period, the Reporting Entities commenced discussions with their legal teams to better understand the suite of templates that require updating. The outcome of these discussions will be used to prioritise the templates related to higher risk activities.
In future reporting periods the Reporting Entities to increase the number of suppliers with whom we carry out due diligence and direct engagement activities.	Our direct engagement activities with suppliers and industry consultation efforts have been limited by COVID-19, as resources are directed towards mitigating the impact of the pandemic. The Reporting Entities are currently building a repository of responses and feedback to supplier self-assessment questionnaires which will be used to further refine and improve our supplier due diligence process and improve the quality of engagements.

Commitment	Progress
<b>Assessing and addressing risk – Education and knowledge sharing</b>	
<p>In future reporting periods, Alinta Energy and LVP to increase the number of employees who receive Modern Slavery training. This will be done by delivering a Modern Slavery Fundamentals training session that will be available to all employees’ business wide, utilising our online learning management system to record and track completion rates.</p>	<p>During the Reporting Period, a number of Modern Slavery training sessions were held. The Executive Leadership Team of Alinta Energy and LVP attended a training session delivered by Fair Supply. Alinta Energy’s Group Procurement Manager also held a number of training session to increase general awareness of Modern Slavery matters across Alinta Energy’s employees. This training will be appropriately adapted and further rolled out LVP employees and Alinta Energy’s call center employees.</p>
<p>In future reporting periods, the Reporting Entities to continue consultation with industry and subject matter experts to:</p> <ul style="list-style-type: none"> <li>• Increase our involvement and contribution to industry consultation efforts;</li> <li>• Remain informed of good practice modern slavery risk assessment and remediation tools available;</li> <li>• Compare our approach to our energy and utility sector peers; and</li> <li>• Further identify industry networks operating in the eastern states of Australia.</li> </ul>	<p>During the Reporting Period, the Reporting Entities have engaged Fair Supply to assist in collaboration with industry and subject matter experts by providing industry benchmarking reports. These reports will assist the Reporting Entities to remain informed of cutting-edge modern slavery risk assessment remediation tools available to enhance effectiveness in this swiftly evolving field to compare our approach to utility sector peers.</p>

### New commitments

Commitment
<p><b>Assessing and addressing risk – Engaging and communicating with suppliers</b></p> <p>In future reporting periods, Alinta Energy intends to implement supplier self-assessment questionnaires during the supplier or contract tender process and implement a process to assess the risk of suppliers or contracts based on their responses.</p>

## Future areas of focus

The commitments listed above are summarised at a high level for the purpose of the Statement. The Reporting Entities have identified key initiatives and activities that are relevant to the successful delivery of our commitments. We will continue to review and report against key initiatives in each of our future Statements.

While we will continue activities in relation to all our commitments, based on the results of our Measuring Effectiveness Framework, the following will be prioritised during the CY22 Reporting Period.

### Alinta Energy

- Developing future training plans and materials, including who will receive training on modern slavery;
- Assessing modern slavery risks before entering into contracts with suppliers;
- Developing modern slavery compliance criteria to be included in tender processes.

### LVP

- Developing and providing training on policies and standards related to modern slavery risks to relevant personnel;
- Engaging relevant stakeholders by actively participating in one or more multi-stakeholder or industry initiatives focused on eradicating modern slavery.

# Consultation

## Internal consultation

### Day-to-day consultation

Alinta Energy and LVP consult and collaborate with each other on an on-going basis. This occurs both during Working Group meetings and in regular out of session calls and meetings held between representatives of the sustainability and procurement teams at each of these Reporting Entities.

### Statement review and approval

This Statement has gone through multiple levels of review and feedback including (but not limited to):

- Members of the Working Group;
- Members of the legal team;
- Members of the procurement team;
- Employees responsible for managing supplier relationships which are considered to be at higher risk of modern slavery;
- Senior leaders;
- Fair Supply; and
- The Board of Directors of PSH, PSA, Alinta Energy and LVP.

## Joint venture consultation

RATCH-Australia and PSA (through the investment by REIF) have engaged in a joint venture related to Yandin Wind Farm, with REIF holding a minority, non-controlling ownership interest in, and Alinta Energy having management responsibility for, the wind farm. For the purposes of reporting under the Act, a process of consultation between the Reporting Entities and relevant personnel of the joint investment venture participants was undertaken.

CS Energy and Alinta Energy have engaged in a joint venture for the supply of electricity to customers in the Energex Distribution Area in South East Queensland. Alinta Energy has engaged with CS Energy to confirm that the description of the joint venture included in this Statement is accurate.

APA Group and Alinta Energy are in a joint venture related to the Goldfields Gas Transmission Pipeline. The description of the joint venture included in this Statement was written in consultation with Alinta Energy's joint venture representative.

While not specifically related to a joint venture, a process of consultation was also undertaken between the Reporting Entities and Alcoa to confirm that the description of the relationship included in this Statement is accurate. The Pinjarra power station is owned by Alinta Energy, but is embedded in the facilities of, and operated by, Alcoa.

## Expert consultation

As noted throughout this Statement in relation to several specific initiatives, Fair Supply, an external consultancy with subject matter expertise, has been engaged to advise and assist us in relation to aspects of our modern slavery response, including risk identification and due diligence activities.



# Considering the impact of a global pandemic

The COVID-19 pandemic has led to economy-wide supply chain disruptions, and increased risk of supply agreements not being delivered within agreed timeframes. This may force our counterparties into a situation where they need to quickly find alternative suppliers and sub-contractors. We acknowledge that these circumstances may increase the risk of modern slavery practices entering our own supply chains as options are limited and vetting processes are put under pressure.

Our legal team are involved in assessing notices of COVID-related force majeure events received from various counterparties to assist our business to understand any rights to extensions of time or other contractual rights arising from the pandemic. At Alinta Energy, the decentralised nature of our procurement processes means that the management of supplier relationships (and therefore of these competing pressures) is largely the responsibility of contract managers.

Through our continued roll out of training and ongoing updates to relevant materials, an explanation of these risks will be included in training packs to ensure our legal team, contract managers and our procurement teams understand the modern slavery considerations when dealing with suppliers through high-pressure times such as those observed during COVID-19.

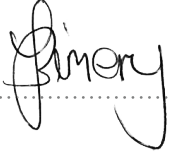
As the pandemic follows its course, we expect our supply chain to continue to accommodate the evolving environment of restrictions and economic impact across the different industries and regions where we operate. We believe changes will occur naturally as a response to meet the current and post-pandemic demands for goods and services. Despite the challenges imposed by COVID-19, our Working Group has continued to meet throughout the year and meet its obligations effectively. We have been able to proceed with operationalising key aspects of our modern slavery approach that rely on internal expertise despite the impact of COVID-19. However, our engagement activities with suppliers and industry consultation efforts have been limited by COVID-19, as resources are directed towards mitigating the impact of the pandemic. In future reporting periods, we intend to increase our due diligence activities, direct engagement with suppliers and industry consultation activities.



# Board sign-off

## **Pioneer Sail Holdings Pty Ltd – ABN 45 617 844 569**

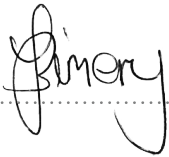
Insofar as this Statement relates to Pioneer Sail Holdings Pty Ltd and its subsidiaries, the Board (as principal governing body) approves the Statement.



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## **Pioneer Sail Australia Pty Ltd – ABN 91 617 846 385**

Insofar as this Statement relates to Pioneer Sail Australia Pty Ltd and its subsidiaries, the Board (as principal governing body) approves the Statement.



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## **Alinta Energy Pty Ltd – ABN 64 614 975 629**


Insofar as this Statement relates to Alinta Energy Pty Ltd and its subsidiaries, the Board (as principal governing body) approves the Statement.



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## **Latrobe Valley Power (Holdings) Pty Ltd – ABN 57 621 363 102**

Insofar as this Statement relates to Latrobe Valley Power (Holdings) Pty Ltd and its subsidiaries, the Board (as principal governing body) approves the Statement.



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# Statement feedback

We welcome feedback and suggestions regarding our Modern Slavery Statement, which can be submitted via the following contact details:

## Sustainability Manager

Alinta Energy  
Level 13, Grosvenor Place, 225 George Street  
Sydney NSW 2000  
Email: [sustainability@alintaenergy.com.au](mailto:sustainability@alintaenergy.com.au)

## Glossary

<b>Act</b>	<i>Modern Slavery Act 2018 (Cth)</i>
<b>Alcoa</b>	Alcoa of Australia Ltd
<b>CS Energy</b>	CS Energy Ltd
<b>EPC</b>	Engineering, procurement and construction
<b>ERP</b>	Enterprise resource planning
<b>Fair Supply</b>	<a href="http://fairsupply.com.au">fairsupply.com.au</a> Pty Limited ACN: 630 354 371
<b>LVP</b>	Latrobe Valley Power Pty (Holdings) Limited
<b>NEM</b>	National Energy Market
<b>NWIS</b>	North West Interconnected System
<b>PPA</b>	Power purchase agreement
<b>PSA</b>	Pioneer Sail Australia Pty Ltd
<b>PSH</b>	Pioneer Sail Holdings Pty Ltd
<b>RATCH-Australia</b>	RATCH-Australia Corporation Pty Ltd
<b>REIF</b>	Renewable Energy Investment Fund Pty Ltd
<b>SWIS</b>	South West Interconnected System



# Annexure 1

## Requirements of the Act

Requirement of the Act	Statement Reference
Filing of a Joint Modern Slavery Statement (Act, s 14)	Executive Summary, page 2
Details of the reporting entity (Act, s16(1)(a))	Executive Summary, page 2
Describe each reporting entity's structure, operations and supply chains (Act, s16(1)(b))	Structure, operations and supply chains, pages 3-9
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns and controls (Act, s16(1)(c))	Risk of modern slavery practices, pages 10-14
Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes (Act, s16(1)(d))	Assessing and addressing risks, pages 15-18
Describe how the reporting entity assesses the effectiveness of these actions (Act, s16(1)(e))	Assessing our effectiveness, pages 19-21
Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement) (Act, s14(2)(c), s16(1)(f))	Consultation, page 22
Any other information that the reporting entity, or the entity giving the statement, considers relevant: COVID-19 impact (Act, s16(1)(g))	Considering the impact of a global pandemic, page 23
Approval by principal governing body and signature of a responsible member (Act, s14(2)(d)(i), s16(2)(b))	Board sign-off, page 24

# Annexure 2

## Risk identification and due diligence methodology

The approach to risk identification has matured since the FY20 Reporting Period to include a wider data as set out below. The approach to risk identification and due diligence is subject to change in future reporting periods as the Reporting Entities look to further widen the spend data set used for risk identification processes and to embed due diligence activities within everyday business practices, carry out due diligence on an on-going basis over the course of a reporting period, and utilise improved technology and tools that may be developed in the evolving supply chain due diligence field.

To carry out supply chain mapping, risk identification and due diligence activities the Reporting Entities applied the following methodology. We note that some of these activities may have occurred after the end of the Reporting Period but are still included here as they relate to the Reporting Period.

### Obtaining spend data for supply chain mapping

To carry out supply chain mapping and risk identification, the Reporting Entities applied the following methodology:

1. Spend data was obtained from the Reporting Entities' enterprise resource planning (ERP) systems.
2. This year we expanded the source data for Alinta Energy, and included spend data associated with our Connect Develop business, our Glenbrook operations in New Zealand and our corporate credit cards in our supply chain mapping. While last year's spend data only included addressable spend, this year we have also included non-addressable spend data (such as network payments and settlement amounts) in our supply chain mapping. For Alinta Energy, spend data covered 31 subsidiaries, nearly 4,000 suppliers and was for the period from 1 March 2020 to 30 April 2021 (the AE Spend Period) period.
3. For LVP, credit card spend data could not be extracted in a format suitable for analysis and is therefore not captured in our supply chain mapping. While last year's data only included operational spend data, this year we have also included non-operational spend data. For LVP, spend data related to the operational subsidiary of LVP for contracting and procurement purposes, Loy Yang B Operations & Maintenance Pty Ltd, covered over 500 suppliers and was for the period 1 March 2020 to 28 Feb 2021 period (the LVP Spend Period).
4. As the tax expenditures do not represent the procurement of goods and services with associated supply chains, these have been excluded from the overall analysis.
5. Spend by any subsidiary of the Reporting Entities that was not processed through the ERP systems or purchased through Alinta Energy corporate credit cards was considered out of scope. Suppliers with whom there may be spend that falls into this category are typically government bodies, regulators, recipients of compensation or settlement amounts, recipients of payments where an error caused the payment system to fail, or partners to historic or joint venture arrangements described elsewhere in this Statement.
6. The Reporting Entities' respective Spend Periods were used to ensure that sufficient time was provided to external consultants to perform supply chain mapping and risk identification activities during the Reporting Period. Given the nature of the Reporting Entities business, operations and supply chains did not materially change between the end of the Spend Period and the end of the Reporting Period, this data set is considered representative of the addressable spend data for the Reporting Period.

## Supply chain mapping and risk identification

7. We engaged Fair Supply to perform mapping of our supply chains and operations. The supply chain mapping and risk identification activities carried out in relation to each in-scope, first-tier supplier of the Reporting Entities involves:
  - Inputting the spend data throughout global markets into proprietary technology, to trace the economic inputs required to produce products and services down to tier 10 suppliers ("supply chain mapping").
  - Drawing raw trade data from 190 countries, and in relation to 15,909 industry sectors, from the following sources: the United Nations' (UN) System of National Accounts; UN COMTRADE databases; Eurostat databases; the Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and Numerous National Agencies including the Australian Bureau of Statistics;
  - Linking the supply chain mapping and raw trade data in a Global Multi-Regional Input-Output (MRIO) table;
  - Examining the MRIO table against the following international standards: the UN Guiding Principles for Business and Human Rights; the Global Slavery Index; International Labour Organisation (ILO) Global Estimates of Modern Slavery; and the United States' Reports on International Child Labour and Forced Labour;
  - Applying a proprietary algorithm to synthesise publicly available risk data against the MRIO table to create a modern slavery risk profile for the top 500 suppliers to the Reporting Entities.

The information obtained in this process was for purposes of risk identification under section 16(1)(c) of the Act. No information obtained or produced in this process confirms the actual existence or non-existence of slavery in the Reporting Entities supply chains or operations. Analysis was undertaken at the industry and country level. It does not account for inherent and expected variances at the entity, region or product level.

## Supplier selection and risk prioritisation

8. The Reporting Entities reviewed results of the supply chain mapping and prioritised due diligence with suppliers that were identified as having a higher risk of modern slavery in their supply chain, based on the ability to engage suppliers and influence, control or mitigate identified risks. Certain suppliers were identified and subject to due diligence activities described below. In future reporting periods, the Reporting Entities intend to increase the number of suppliers subject to due diligence.

## Due diligence: Desktop audit and supplier self-assessment questionnaire

9. The first step in due diligence, carried out by our external consultants Fair Supply in consultation with the Reporting Entities, included a desktop audit that involves a comprehensive review of publicly available information in relation to each supplier and analysis of the factors that led to the subject industry group to be classified with a particular risk rating are applicable.

Fair Supply develop and apply a list of eight key indicators that it considers represent an appropriate methodology balanced against considerations of pragmatism, but it is, of course, not infallible. It is also not a scientific formula. There are potential 'blind spots'. For example, the apparent lack of (publicly available) internal policy frameworks relating to modern slavery, education and awareness activity, and/or third-party risk assessment for Australian company suppliers that are reviewed under the desktop audit may just be indicative of the fact that corporate awareness surrounding modern slavery is still in its relative infancy, rather than concealing the existence of an actual 'high risk' supply chain and operations.

10. The second step in due diligence, carried out by our external consultants Fair Supply in consultation with key internal team members, is a supplier self-assessment questionnaire. This process of engagement and further due diligence with selected suppliers assists us in further understanding whether that supplier is:
  - Actively addressing modern slavery risks in their operations and supply chains;
  - Deploying appropriate management systems and processes to detect, assess and remediate modern slavery risks; and
  - Materially different, in terms of its unique indicators of modern slavery, compared to the risk profiles that exist at a more macro, industry category level.<sup>7</sup>

Responses to the supplier self-assessment questionnaire are combined with the results of the desktop supplier audit to determine, based on available information the overall modern slavery risk profile of the individual supplier. These results inform our future strategy for ongoing supplier engagement, including the targeted development of potential future supplier audits and other approaches for obtaining better supply chain visibility in areas of concern.

The general nature of industry and activity risks in relation to the Reporting Entities is described on the 'Risk of modern slavery practices' section of this Statement. Detailed findings of our due diligence have not been included in this Statement to ensure that commercial confidence is preserved, and to maximise the likelihood of meaningful and candid participation by suppliers in future modern slavery risk assessment and mitigation activities.

<sup>7</sup> Individual supplier indicators that are assessed include freedom of association, discrimination, health and safety procedures, freedom of movement, living conditions and the existence of grievance mechanisms.

# Annexure 3

## Modern slavery standard contract clauses

### Alinta Energy standard clause

#### Modern Slavery

- a) The Supplier represents and warrants that:
  - i) neither it nor any of its Personnel or Related Bodies Corporate, subcontractors or agents have been convicted of or been the subject of any enforcement proceedings by a governmental or regulatory body relating to a modern slavery or human trafficking offence;
  - ii) it has carried out reasonable due diligence to identify and assess modern slavery risks in its supply chains and operations;
  - iii) it has taken, and is taking, reasonable steps to address and mitigate modern slavery risks in its supply chains and operations;
  - iv) it will notify the Company as soon as reasonably practicable of any instances of modern slavery reported to them;
  - v) it has read and agrees to comply with the Company's Supplier Code of Conduct and will provide evidence to the satisfaction of the Company which validates the Supplier's compliance with this clause.
- b) If requested, the Supplier will permit the Company or its nominated representative/s to undertake verification activities to validate the Supplier's compliance with this clause, including access to the Supplier's premises and records as required.
- c) In the event that the Supplier does not remedy, or provide an acceptable plan to remedy, any identified instances of modern slavery within the time frame specified by the Company, the Company reserves the right to terminate this Agreement in accordance with the relevant clauses of this Agreement.
- d) The Supplier must ensure that each subcontract it enters into includes a clause similar in effect to this clause.

### LVP standard clause

#### Ethics, Environmental and Social Responsibility

- a) The Supplier acknowledges that the Purchaser is committed to providing Australian industry with full, fair and reasonable opportunities to perform work. The Supplier must use best endeavours to:
  - i) comply with any of the Purchaser's requirements regarding indigenous engagement or employment, if requested by the Purchaser from time to time; and
  - ii) use Australian subcontractors, manufacturers, parts or content in the performance of its obligations.
- b) The Supplier represents and warrants to the Purchaser that:
  - i) for a period of six years immediately preceding the date of this Agreement it has complied with the Business Ethics Laws; and
  - ii) it will comply with the Business Ethics Laws during the Term.
- c) In this clause, the Business Ethics Laws are the Laws applicable to the Supplier in relation to the following:
  - i) fundamental human rights and in particular the prohibition of: (A) using child labour and any form of forced or compulsory labour; and (B) organising or supporting any form of discrimination amongst its employees or towards its suppliers and subcontractors;
  - ii) slavery related offences;
  - iii) embargos, drugs and weapons trafficking, terrorism;
  - iv) trade, import and export licenses and customs;
  - v) occupational health and safety;
  - vi) labour, immigration and prohibition of illegal work;
  - vii) environment protection;
  - viii) financial criminal offences, in particular corruption, fraud, theft, misuse of corporate funds, counterfeiting, forgery and the use of forgeries; and
  - ix) anti-money laundering; and
  - x) regulation of competition.

- d) The Supplier must:
  - i) ensure that its employees, suppliers and subcontractors comply with this clause in connection with the Works;
  - ii) ensure that its employees, suppliers and subcontractors carry out reasonable due diligence to assess compliance with this clause; and
  - iii) immediately notify the Purchaser in writing of any and all violations of this clause, providing full details of each such violation.
- e) If the Purchaser believes (acting reasonably) that any requirement of this clause may have been breached, the Purchaser may require the Supplier to provide evidence that it has complied with and is currently in compliance with the requirements of this clause. If the Purchaser makes such a request for evidence of compliance, the Supplier must provide the Purchaser with reasonable evidence of such compliance. If, following the provision of such information by the Supplier, the Purchaser remains of the belief that a requirement of this clause may have been breached, the Supplier must provide all reasonable assistance to facilitate the undertaking of any audit by an independent auditor appointed by the Purchaser to verify compliance with this clause.
- f) Without limiting any other rights of the Purchaser under this Agreement, the Purchaser is entitled, in its absolute discretion, to terminate or suspend this Agreement in accordance with the relevant clauses of this Agreement if the Supplier is in breach of this clause.





# Report feedback

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