

Modern Slavery Statement 2021



Our company reports include:

- Annual Report
- Corporate Governance Statement

All reports are available on our website:



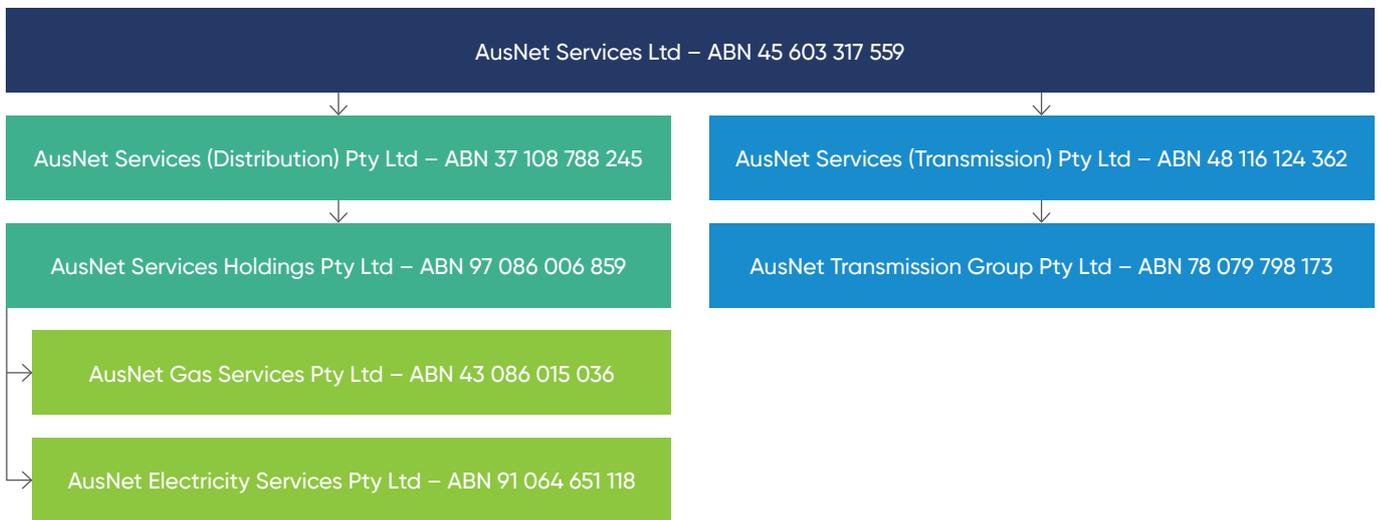
[ausnetservices.com.au/
company-reports](https://ausnetservices.com.au/company-reports)

Contents

Important information	1
Message from Chair and Managing Director	2
About us	3
FY2021 Modern Slavery Program highlights	7
Governance framework	8
Our approach	9
Risk identification	11
Assessing and addressing Modern Slavery risk	12
Risk mitigation and remediation	15
Monitoring and evaluating performance	17
Consultation, engagement and approval	18
Looking ahead	19

Important information

AusNet Services Group – Reporting Entities Diagram



The AusNet Group, which comprises AusNet Services Ltd and each of the entities it owns or controls, is a diversified Australian energy infrastructure business with over \$11 billion of electricity and gas network and connection assets.

This is a joint statement that covers the members of the AusNet Group depicted in the diagram above (AusNet Reporting Entities). No other member of the AusNet Group meets the reporting entity criteria under the *Modern Slavery Act 2018* (Cth) (Act).

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

This Modern Slavery Statement (Statement) outlines the actions taken by the AusNet Reporting Entities (AusNet, we, us, our or our Company) to assess and address the modern slavery risk in our operations and supply chains within the period 1 April 2020 to 31 March 2021.

The Statement has been prepared as at 31 March 2021, in relation to the mandatory criteria reporting requirements of the Act.

The mandatory criteria in provisions:

- 16 (1)(a) & (b) of the Act are addressed in ‘Important Information,’ ‘About us;’
- 16 (1)(c) & (d) of the Act are addressed in ‘FY2021 highlights,’ ‘Our approach;’
- 16 (1) (e) of the Act is addressed in ‘Monitoring and evaluating performance;’
- 16 (1)(f) & (2)(b) of the Act are addressed in ‘Consultation, engagement and approval;’ and
- 16 (1)(g) of the Act is addressed in ‘Looking ahead;’,

sections of this Statement.

This report contains forward-looking statements, including statements of current intention, statements of opinion, or predictions or expectations as to

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

Please refer to AusNet’s Annual Report FY21 and Corporate Governance Statement for more details, including a full list of the entities owned or controlled by the AusNet Reporting Entities.

 [ausnetservices.com.au/
company-reports](https://ausnetservices.com.au/company-reports)

Message from Chair and Managing Director

We are pleased to share AusNet's FY2021 Modern Slavery Statement



Peter Mason AM, Chair



Tony Narvaez, Managing Director

This Statement outlines our progress in establishing and using a risk management framework, and our steps to combat the risks of modern slavery in our operations and supply chains.

Our refreshed company purpose is to “connect communities with energy and accelerate a sustainable future,” underpinned by our values and strategy. Our purpose guides our work to further develop and embed assessment of key environmental, social and governance (ESG) risks into our strategic planning processes. This includes our efforts to address the risks of modern slavery in line with our ambition of making a positive impact in the communities in which we operate, and conducting business ethically and transparently.

In this second year of reporting, we have extended and deepened supplier engagement and assessment, further

integrated how we mitigate the risks of modern slavery into our business processes and continued to work with industry peers on joint initiatives.

Looking ahead, we will focus on continuous improvement in mitigating the risks of modern slavery across our operations and supply chain, as we deliver on our company purpose.

Peter Mason AM
Chair

Tony Narvaez
Managing Director

About us

Our purpose

Connect communities with energy and accelerate a sustainable future

By connecting new, decentralised energy sources and empowering customer choice, we can bring renewable energy to communities through partnerships and new technology. By maintaining and adapting existing networks, we can also improve the energy network to enable flexible grids for transmission and storage.

We will deliver on our purpose by operating a diversified Australian energy infrastructure business. We currently own over \$11 billion of electricity and gas network and connection assets. These assets deliver energy to more than 1.5 million customers across Victoria. In addition to our role in Victoria, our electricity transmission network plays a pivotal role in the National Electricity Market (NEM), connecting into New South Wales, South Australia and Tasmania. Our position in the energy supply chain, and our role within Victoria, guide how we define our customers. They are the end-users of our networks and services. Our network and connection assets are operated by more than 1,500 employees across regulated networks and Growth & Future Networks (G&FN) business (including Mondo).

Our values

Our values guide the actions of all our people every day

They capture our focus on safety, how we work with our customers and communities, and how we treat each other.

We work safely

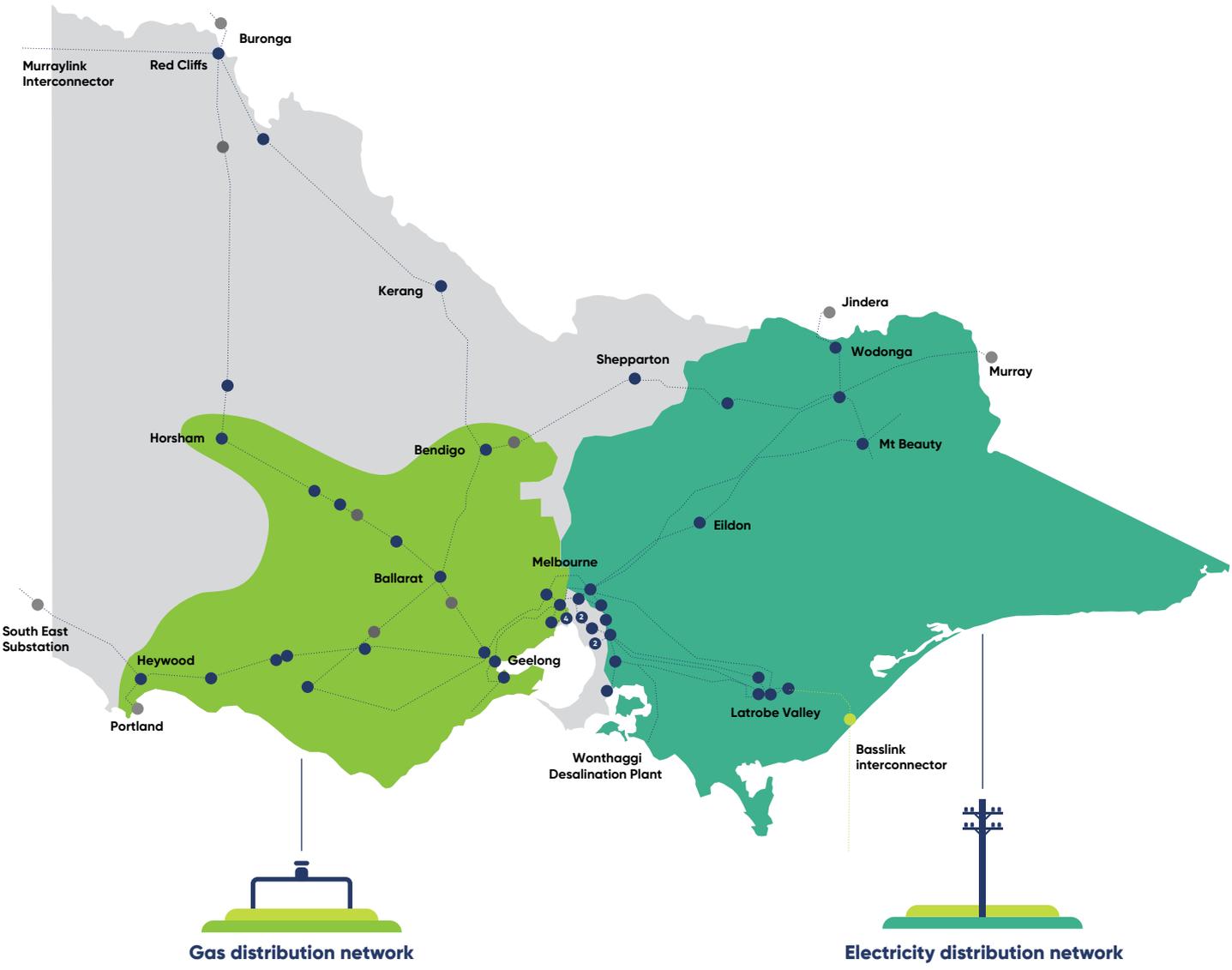
We're one team

We do what's right

We deliver

About us continued

Our electricity and gas networks



- Transmission lines
- Terminal/switching station
- Gas distribution network
- Electricity distribution network
- Basslink converter station
- Non-AusNet Services terminal/switching station
- Non-AusNet Services transmission lines

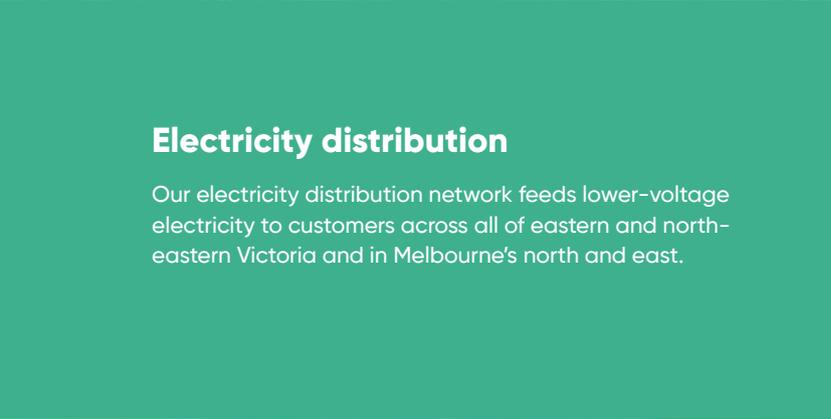
This map shows a stylised, high-level snapshot of our networks. For more detail and information on our networks, scan this QR code, or visit: ausnetservices.com.au/en/About/Who-we-are#map





Electricity transmission

Our transmission network transports electricity from where it is generated, through terminal stations and high-voltage powerlines across the state, to Victoria's five lower-voltage distribution networks.



Electricity distribution

Our electricity distribution network feeds lower-voltage electricity to customers across all of eastern and north-eastern Victoria and in Melbourne's north and east.



Gas distribution

Our gas distribution network supplies natural gas to residential and business customers in western Melbourne, central and western Victoria, through our network of underground gas pipelines.



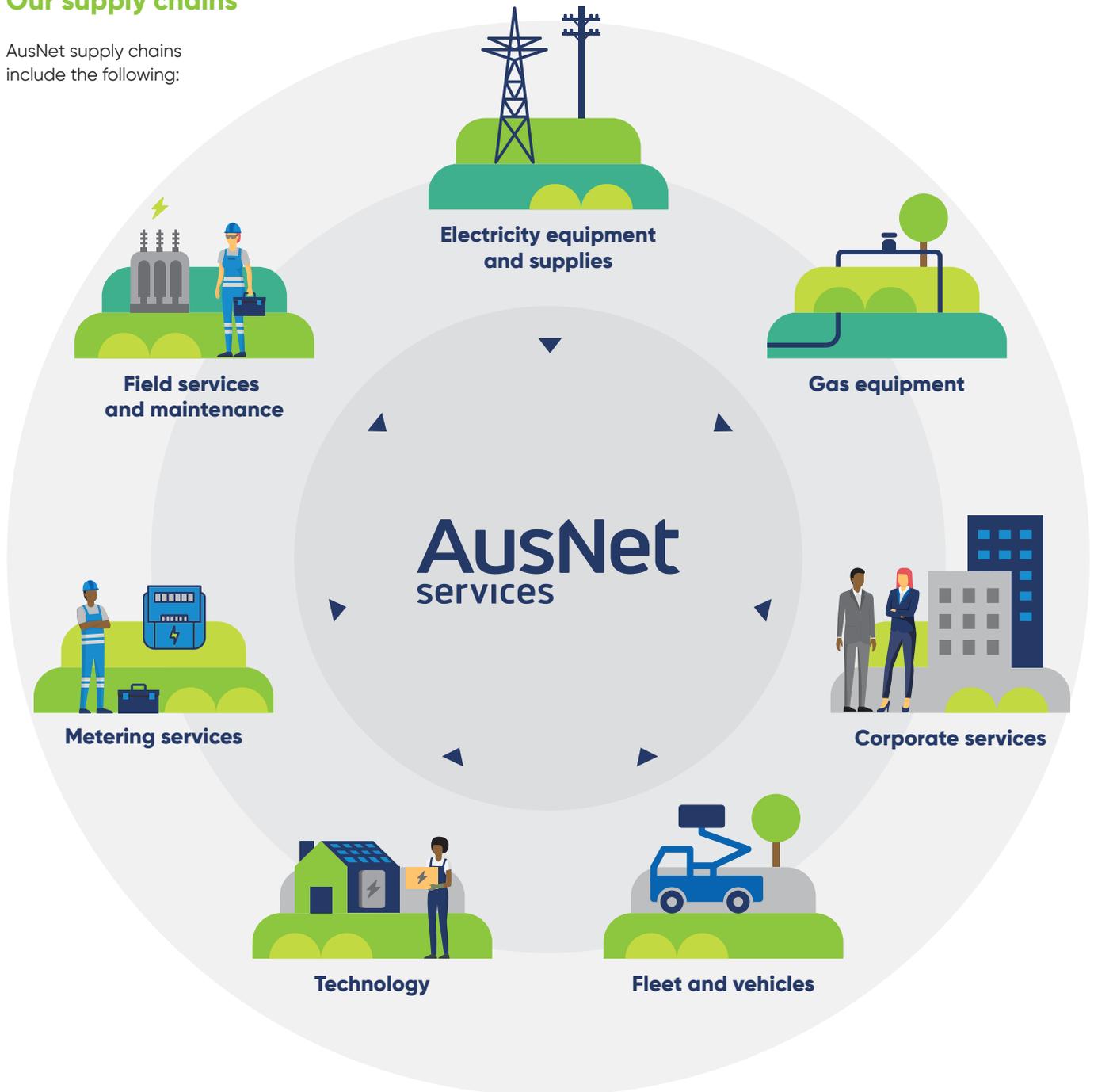
Growth & Future Networks (including Mondo)

Growth & Future Networks provides contracted infrastructure asset and energy services, as well as a range of asset and utility services, to support the management of electricity, gas and water networks. The contracted infrastructure business builds, owns and operates a portfolio of assets that fall outside the regulated asset base.

About us continued

Our supply chains

AusNet supply chains include the following:



FY2021 Modern Slavery Program highlights



Supplier Self-Assessment Questionnaires (SAQs) issued and completed



Supplier deep dive due diligence program commenced



Supplier and employee information sessions delivered



Energy Procurement Supply Association (EPSA) industry pilot program completed and program rollout commenced

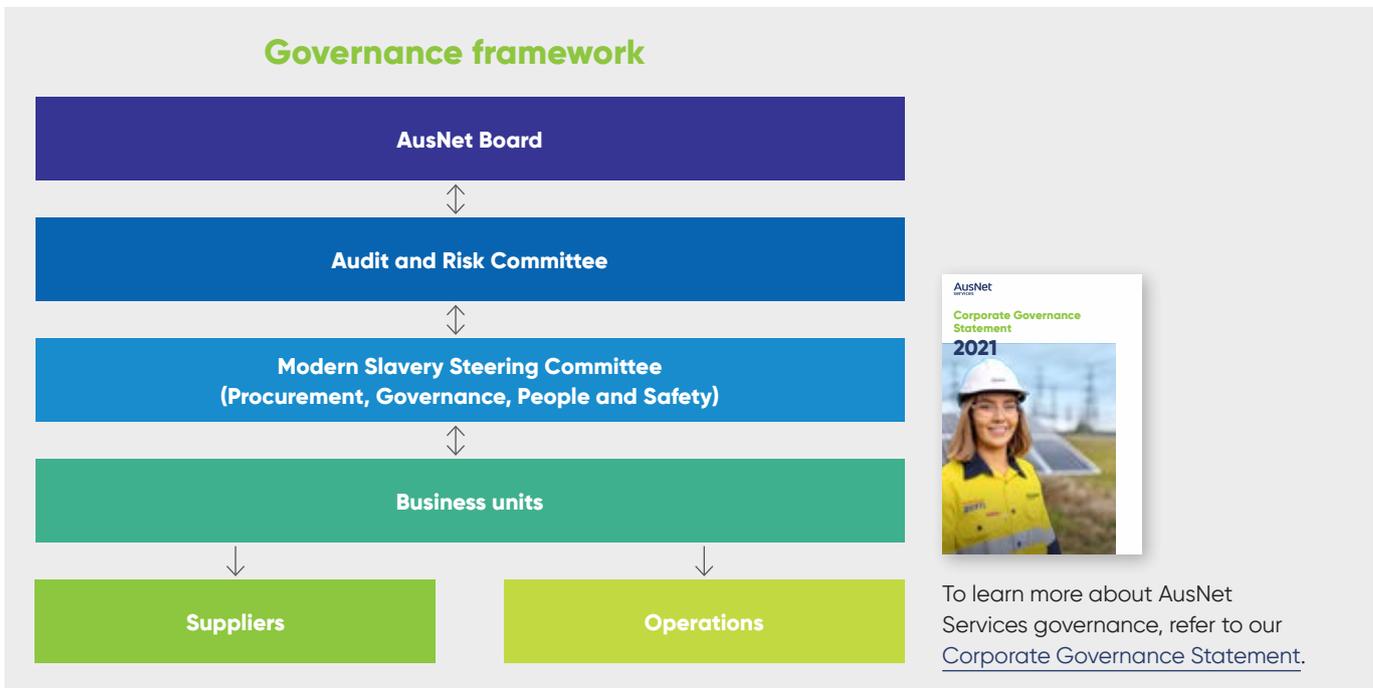


Digital tool implemented to enhance risk assessment process



'Highly Commended' in World Commerce and Contracting Innovation and Excellence awards for joint industry program

Governance framework



Our governance framework enables us to set and monitor performance against our business objectives, articulate our risk appetite and mitigate our risks, including those relating to modern slavery. This year, we have enhanced our capacity to manage risks of modern slavery across our operations and supply chain by including our controls within the organisation-wide risk and compliance tools and processes. This improves the visibility and importance of mitigating modern slavery risks across our organisation.

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

Our policies

Operations

- [Code of Conduct](#)
- [Whistleblower Policy](#)
- [Diversity and Inclusion](#)
- [Bribery, Fraud and Corruption Policy](#)
- Recruitment and Selection
- Training and Compliance
- Equal Treatment
- Discipline Policy

Supply chains

- [Supplier Code of Conduct](#)
- [Sustainable Procurement Policy](#)
- Enterprise Procurement Policy Manual
- Sourcing Procedure Manual
- Supplier Onboarding Processes

Operations

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

We mitigate the risk that our operations are 'directly linked' to modern slavery practices, through our approach to identifying, addressing and assessing risks within our supply chains. These are detailed in the 'Risk identification' and 'Assessing and addressing modern slavery risk' sections of this Statement.

This includes our approach to recruitment, contingent and fixed-term labour hire arrangements, as well as to some of the most labour intensive of the supply chains that we utilise.

Supply chains

In order to make informed purchasing decisions that are aligned to our values and help us to mitigate risk, we have developed and published a Supplier Code of Conduct, which outlines our requirements to suppliers. In addition, we've published a Sustainable Procurement Policy that guides our internal procurement decisions. Both documents are distributed to potential suppliers and are posted on our website to ensure supplier visibility of AusNet's values and supplier expectations. In addition, these documents are referenced in internal education processes and 'Sharing Our Experience' sessions with suppliers.

Our Sustainable Procurement Policy guides our procurement decisions, and defines the business requirements and accountabilities for the sustainable procurement of externally sourced goods and services. The policy aims to achieve positive environmental, social and economic impact over the entire life cycle, while simultaneously meeting legislative requirements. This policy mirrors the Supplier Code of Conduct's requirements in relation to labour practices and human rights practices. It also reflects the UN Global Compact Principles as they relate to Human Rights and Labour.

To assist with employee understanding of our policies in relation to modern slavery, we have the following manuals and processes to provide guidance on expectations and requirements:

- Enterprise Procurement Policy Manual
- Sourcing Procedure Manual
- Supplier Onboarding Processes

The UN Global Compact Principles on Human Rights and Labour*

Human Rights

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

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

Labour

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

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

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

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

* www.unglobalcompact.org/what-is-gc/mission/principles
UN Global Compact 'The Ten Principles of the UN Global Compact'

Our approach

In FY2020, our first reporting year, we focused on deepening our understanding of the risks of modern slavery and legislative requirements. We also focused on developing internal governance, formulating a methodology to assess our operational and supply chain risks, as well as starting to assess our operations and supply chains.

This year, we have built on those initiatives, further integrating how we mitigate modern slavery across our operations and supply chain, as well as extending our engagement and assessment activities with suppliers.

Operations

Most of our employees are employed directly on permanent contracts and

based in Australia. In addition, our recruitment and employment practices are managed by our experienced and qualified team of People and Safety professionals, with support from our procurement and governance functions, including legal, risk and compliance. We also have external support where appropriate.

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

As a result, the risk that our operations 'cause' instances of modern slavery is not significant, and we continue to focus on the risks that our operations may:

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



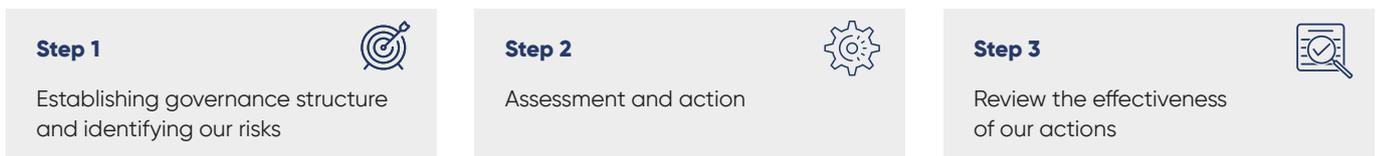
Pictured: AusNet Procurement team on a site visit.

Supply chain – implementation framework at a glance

Our focus areas and high-level activities this year are summarised in the implementation framework diagram. We have continued to use and refine the methodology we developed in FY2020.



Methodology developed in FY2020



Risk identification

In FY2020, a risk assessment of the first tier of our supply chain was conducted, using the criteria of category of spend and country of origin. This assessment identified high to very high-risk suppliers and a number of strategic and high-spend suppliers for further investigation.

Risk assessment of supplier country of origin was conducted using the Walk Free Foundation Global Slavery Index 2018,* which measures and ranks each country according to estimated prevalence of modern slavery. The index results of each of our identified countries was compared against the range of index results for the 20 highest ranked countries in the Asia-Pacific region.

Risk assessment of supplier category of spend was conducted utilising the 'Extract of EPSA Heap Map: Categories with high and significant human rights risks' located in the 'Respecting Human Rights in our Supply Chain' publication.**

This resulted in a preliminary list of 40 suppliers for further assessment in FY2021, including external third-party review.

See the 'Risk assessment and action' section for how these suppliers and additional suppliers were assessed.

Risk categories in the AusNet supply chain**

High to Very High Risk

-  Safety equipment and workwear
-  Cleaning services

Moderate Risk

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

Tier One: Supplier Operational Spend By Country[^]

Potentially high-risk country 



* www.globalslaveryindex.org/resources/downloads/

** epsaonline.net/media/uploads/white_papers/EPSA_Respecting_Human_Rights_in_our_Supply_Chain.pdf

[^] 'Operational' spend excludes spend not processed via a purchase order – main categories include tax, network charges, rent, government levies and insurance.

Our supply chain has strong **Australian-based networks**. We predominantly use Australian companies and international companies with an Australian presence and their affiliated international networks. Our supplier base is generally stable and based on **longer-term relationships**.



Assessing and addressing modern slavery risk

This year, we have progressed the work undertaken in FY2020 to develop our methodology. Using the methodology, we have made good progress in assessing our suppliers and increasing visibility of our supply chains.

Case study EPSA pilot program

The Energy Procurement Supply Association (EPSA) is an Asia-Pacific not-for-profit association composed of energy industry procurement and supply professionals. AusNet led the establishment of an EPSA-member pilot program, launched in January 2020, to develop the tools for a joint approach to modern slavery compliance. A supplier Self-Assessment Questionnaire (SAQ) is a central part of the toolkit.

On conclusion of the pilot program in September 2020, the findings were reviewed and shared with member organisations, including the recommendation for a joint digital tool to issue, store and report on supplier SAQ findings. AusNet was in the first group of organisations to issue supplier SAQs using the digital tool (Informed 365). Other member organisations subsequently adopted the digital tool.

The Informed 365 digital tool will act as a single repository of our modern slavery-related data, in addition to provision of supplier modern slavery risk-rating capabilities. The tool also provides support for the remediation and reporting needs of participating organisations.

There will be ongoing benefits for members and suppliers resulting from standardised industry SAQ requests, and work continues on developing the digital tool functionality.

Assessing our suppliers

Phase 1 – initial focus

This year, our initial focus was on the 40 suppliers identified in FY2020 for assessment based on being the highest risk of modern slavery, together with top strategic and spend suppliers. These suppliers completed the SAQs developed by EPSA and were assessed for risks by a specialist third-party provider. The SAQs and external assessments provided areas requiring further clarification, but no material issues or instances of modern slavery were found. All points identified were clarified to our satisfaction.

Phase 2 – integration

In FY2021, we commenced assessing our medium-risk suppliers, using the SAQ methodology. Management of modern slavery risk controls was also integrated into our business processes. This included integrating modern slavery risks into our risk compliance tools and processes that form part of our company risk framework.

Using this methodology, the suppliers we assessed for modern slavery risk accounted for 52 per cent of expenditure on goods and services for operations,* up until 31 March 2021.

We have also updated our Modern Slavery Program process to require mandatory completion of SAQs for all suppliers within high-risk spend categories. To gain a deeper understanding of our supply base, our supplier onboarding process now requires all new suppliers to complete an SAQ. In addition, all new purchases from existing suppliers with an expected spend of more than \$1 million will now be considered for inclusion in the SAQ review program.

Phase 3 – Extended due diligence program

During the year, we also piloted an extended assessment of two tier one supplier's operations and supply chains. By the end of the year, we had gained insights to evaluate if these suppliers were adequately identifying, assessing and addressing modern slavery risks in their operations and supply chain. This assisted us to deepen the knowledge of our supply chains and enhance our ability to manage potential risks via our tier one suppliers. These activities also support our suppliers, by providing feedback and improvement opportunities more broadly, while enhancing understanding of modern slavery risk across our industry.

* 'Operations' spend excludes spend not processed via a purchase order – main categories include tax, network charges, rent, government levies and insurance.

Assessing and addressing modern slavery risk continued



COVID-19 impacts

The COVID-19 pandemic continues to present major challenges for our communities, our people, our organisation and the broader economy. Ensuring the safety and wellbeing of our people and customers was a crucial focus during the year.

We are committed to working with our suppliers to manage any risks associated with the pandemic.

We have maintained regular feedback with our suppliers during the rollout of our modern slavery risk assessments. This includes increased online and digital capabilities to adapt to social distancing and other requirements.

To date, the pandemic has had minimal impact on our ability to implement our Modern Slavery Program.

Case study Extended Supplier Due Diligence Program

Cleaning services is one of the two high to very high-risk categories identified within the AusNet supply chain.* A tier-one supplier was approached and was pleased to take part in a due diligence review on the basis of the risk in their category of service provided to us.

In response to findings from an initial self-assessment (using the SAQ) and an external review, we conducted a deep dive review. The deep dive goal was to understand the supplier's modern slavery program and to highlight any potential areas for improvement or development.

The program included the following:

- 1) An Initial Request for Information (RFI), seeking confirmation of current policies, processes and training programs implemented throughout the supplier organisation and supply chains, with relevance to modern slavery.
- 2) A comprehensive review, followed by clarification of the artefacts provided by the supplier.
- 3) Observations from the review collated and presented to the supplier for two-way discussion.
- 4) Agreement to follow up actions and scheduling of future progress review.

Our external perspective and recommendations were valued by the supplier and will form the basis for continuous improvement of their own modern slavery program.

* EPSPA_Respecting_Human_Rights_in_our_Supply_Chain.pdf (epsaonline.net)

Risk mitigation and remediation

This year, we increased engagement with our suppliers and employees to build a greater understanding of the risks of modern slavery and related legislative requirements.

Operations

Within the organisation, our efforts have focused on taking our employees with us on the journey of better understanding and mitigating modern slavery risks. We endeavoured to raise the visibility of modern slavery program requirements, outlining the steps we are taking to address risks and explaining the role they play as employees.

During the year, all Procurement team members received dedicated modern slavery risk compliance training. For all employees, we held a number of brown bag sessions, with content to explain what modern slavery is and the actions AusNet takes to identify, assess and address modern slavery risks. In addition, employees were advised of steps they may take to assist with identification and escalation of any modern slavery risks from within the organisation and/or from suppliers.

In FY2021, the AusNet recruitment process was also updated through the establishment of a recruitment panel to assist with the recruitment of operational employees and short-term and contingent people requirements.

Modern slavery risk was a key pillar of the due diligence process, with each panel member:

- executing a contract with AusNet that includes clear and comprehensive modern slavery provisions; and
- completing the SAQ, providing visibility of their labour practices, and modern slavery programs.

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

Supply chain

For our suppliers, we developed “Sharing our experiences” information sessions, aimed at assisting them with the implementation of modern slavery programs within their own organisations. In addition to existing suppliers, new suppliers, whose SAQs were assessed as medium or high risk through on-boarding or tender processes, were also invited.

The sessions provided information to help suppliers understand modern slavery and measures that they may consider for implementation within their own operations and supply chains. The sessions during the year were well received, providing attending suppliers with a useful way to learn from both AusNet and industry participants.

This year, an emphasis of our Modern Slavery Program was on engagement with our suppliers. This was to build our understanding of our higher risk and strategic supply chains, and to help our suppliers uplift their capabilities and programs in respect of identifying, addressing and remediating modern slavery risk.

Selection of feedback from participating suppliers

“The examples in the presentation were helpful. Especially useful is what we can do in our own organisation.”

*“The **practical steps** of what we can actually do as suppliers was really helpful.”*

*“Gained more general knowledge around modern slavery and what it is all about. **Presentation was great.**”*

*“**Great amount of information provided** given the 45-minute time period.”*

*“Videos were **very informative.** Great slide deck and presentation.”*

*“**Excellent overview/content** a good place to start. I will find the links to resources helpful.”*

Risk mitigation and remediation continued

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

In reviews conducted in the reporting period, all potential risks or clarifications have been addressed and/or follow-up processes implemented. No instances of modern slavery have been identified.

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

Contractual terms to address modern slavery

We have a suite of modern slavery-focused contractual terms (Modern Slavery Terms) that are designed to drive transparency and commitment from our suppliers to identify, assess and address modern slavery risks in their operations and supply chains.

Baseline Modern Slavery Terms are incorporated in our standard procurement conditions. In material or significantly negotiated purchases we aim to incorporate associated Modern Slavery Terms commensurate with the modern slavery risks.

Our Modern Slavery Terms include obligations on suppliers to:

- 1) commit to respecting internationally recognised human rights and treating workers and candidates with respect and dignity;
- 2) take steps to minimise adverse human rights outcomes caused, contributed to, or directly linked to their operations or supply chains and appropriately address any impacts that may occur;
- 3) not engage in modern slavery and have appropriate training programs and policies in place to identify and address modern slavery risks;
- 4) provide information about operations, supply chains, written support programs, policies and any training or due diligence outcomes;
- 5) allow potential victims of modern slavery to have grievances fairly heard and addressed and, if applicable, remediated;
- 6) allow audits of their training, compliance and risk programs regarding the risk of modern slavery in their operations or supply chains; and
- 7) notify us of any risks or instances of modern slavery and to take reasonable, appropriate and documented, steps to mitigate or remediate the risk or instance.

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



Monitoring and evaluating performance

During the year, we assessed the effectiveness of our framework and programs, drawing on internal performance evaluation measures, as well as engagement with external bodies and stakeholders.

Internal evaluation

A key measure of the effectiveness of the Modern Slavery Program during the year was the progress made in increasing the number of suppliers assessed. This equated to 52 per cent of operational expenditure* for the period until 31 March 2021. In addition, the quality of information provided has improved as questions within the SAQ are refined, and reporting capabilities are enhanced.

The Modern Slavery Steering Committee oversees the development, implementation and effectiveness of the Modern Slavery Program. It is supported by stakeholders in the Procurement, Legal, Compliance, People and Safety, and Risk teams.

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

During the year, a key input to the Steering Committee was the outcome of an internal audit commenced in March 2020, with results published in the first quarter of FY2021. The Modern Slavery Program received an audit report grading of satisfactory, with recommendations to enhance the Program in relation to the following:

- establishing an integrated risk framework and controls for the Modern Slavery Program;
- utilisation of the organisation-wide compliance tool to record any modern slavery program risks;
- updating the existing supplier due diligence and onboarding process;
- considering an awareness and education program for employees and contractors.

All recommendations from the audit were actioned within the required timeframes. The measures taken to address those recommendations are also covered in this Statement.

External engagement

The EPSA joint program was formally assessed by the EPSA pilot members, providing the opportunity for evaluation and improvements. Once the revised process was endorsed, all EPSA members were encouraged to join the existing EPSA members in a full process and system rollout.

The engaged EPSA organisations meet frequently to continually improve the process, tools and opportunities for joint engagement, as each member seeks to develop their individual modern slavery program.

The performance of our Modern Slavery Program is monitored against industry practice and feedback and aimed at continuous improvement including:

- feedback from employees and suppliers;
- engagement with investors and representative groups;

- learning from, and engaging with, peers;
- building capability, including attending external industry forums;
- researching local and international practices.

This year AusNet self-assessed the maturity of its approach to managing modern slavery risks in its operations and supply chains by making use of the KPMG Modern Slavery Benchmark.

The KPMG Modern Slavery Benchmark is informed and aligned with the UN Guiding Principles on Business and Human Rights, and other international standards and frameworks. It is designed to assist an organisation in considering the maturity of its approach to managing modern slavery risks related to its operations and supply chain. This is benchmarked against established elements of international good practice in human rights due diligence.

The self-assessment activities undertaken by AusNet were based on the KPMG Modern Slavery Benchmark methodology developed by KPMG. These self-assessment activities by AusNet did not extend to KPMG being engaged to undertake any audit or other review activities to consider or confirm the outcomes of the process, or the maturity or compliance of AusNet and its business operations in the context of the *Modern Slavery Act 2018* (Cth).

* 'Operational' spend excludes spend not processed via a purchase order – main categories include tax, network charges, rent, government levies and insurance.

Consultation, engagement and approval

Industry collaboration

Our progress in FY2021 has been supported by our continued involvement with EPSA, providing regular opportunities to share insights with other energy industry procurement and supply professionals.

As highlighted in the EPSA pilot program case study (see 'Risk assessment and action' section) the shared digital tool from Informed 365 is a valuable output from this ongoing collaboration.

In addition, learnings from the shared insights of the other member organisations helps with the continuous improvement of our own Modern Slavery Program.

Beyond our own industry, engagement with other organisations was also sought.

This broader engagement also enables insights into the groups or individuals that may be impacted by modern slavery, as well as investors. In FY2021, this included engagement with:

- Informed 365
- Centrl
- Australian Border Force
- State of Flux
- CIPS (The Chartered Institute of Procurement and Supply)
- ACSI (Australian Council of Superannuation Investors)

Consultation and approval

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

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

The Steering Committee includes general and senior managers from AusNet's Procurement and the central Legal, People and Change, Compliance and Risk functions.

Procurement and the Steering Committee have engaged and been supported by subject matter experts and other relevant staff from the central Strategy and Transformation and Governance divisions of AusNet, as well as other staff more likely to be exposed to risks of modern slavery practices. A number of the central executive leadership team of AusNet have also been engaged in the development of this Statement.

This Statement has been approved by the Board of Directors of each of the AusNet Reporting Entities, and is signed by the Chairman of AusNet Services Ltd and the Managing Director of AusNet.



Looking ahead

We will continue to develop and refine our activities to mitigate the risks of modern slavery within our operations and supply chain. Key areas of focus will include:

Supplier assessment

- Utilisation of our framework to expand coverage of our supply base.
- Further expansion of Informed 365 digital tool utilisation for our SAQ assessment program.

Extended supplier due diligence

- Increasing the number of due diligence deep dives in our supply chains, assessing our suppliers' policies, procedures and education programs.

Employee education

- Broadening the reach of our internal education programs.

Supplier engagement

- Extending and continuing supplier engagement through 'Sharing our experience' sessions.
- Working with our EPSA colleagues to explore development of initiatives to improve supplier compliance with the Act, including a supplier forum.

Whistleblower hotline

T 1300 30 45 50 (toll free number)
between 8 am and 6 pm
Monday to Friday

AusNet Services c/- STOPline
Locked Bag 8
Hawthorn VIC 3122

ausnetservices@stopline.com.au

AusNet Services

Level 31
2 Southbank Boulevard
Southbank VIC 3006

T +61 3 9695 6000
F +61 3 9695 6666

Locked Bag 14051
Melbourne City Mail Centre
Melbourne VIC 8001

www.ausnetservices.com.au

Follow us on

 @AusNetServices

 @AusNetServices

 @AusNet.Services.Energy

AusNet
services

