

Modern Slavery Statement

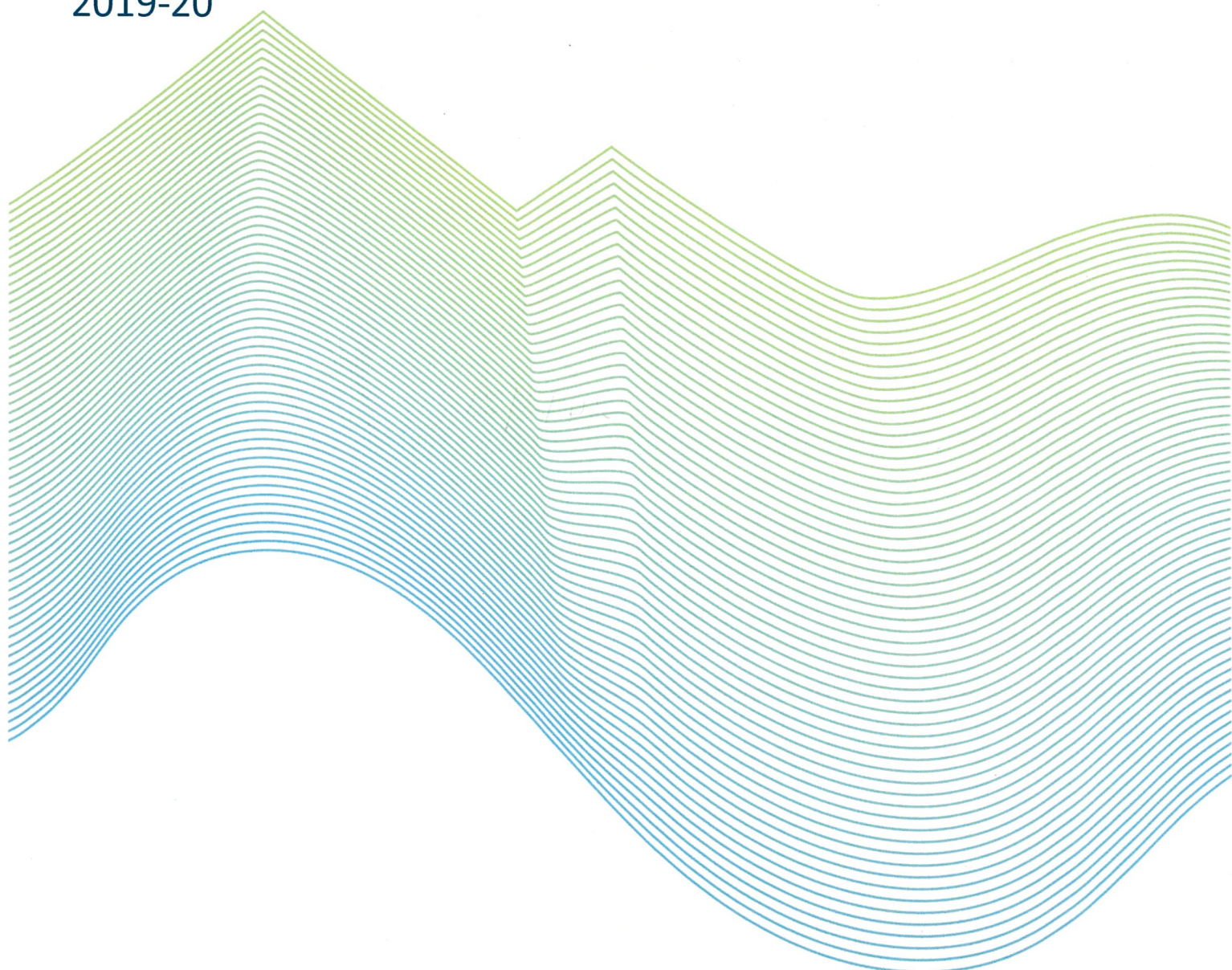
JOINT STATEMENT

Hydro-Electric Corporation

AETV Pty Ltd


Momentum Energy Pty Limited

2019-20



Contents

1.0	Hydro Tasmania and its reporting entities	3
1.1	Introduction	3
2.0	Hydro Tasmania's structure, operations and supply chains	4
3.0	Modern slavery risk overview	6
4.0	Identifying and responding to modern slavery	7
5.0	Assessing the effectiveness of modern slavery actions and future actions	9
5.1	The Hydro Tasmania group	9

Hydro Tasmania			
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1.0 Hydro Tasmania and its reporting entities

1.1 Introduction

This document satisfies Hydro Tasmania's reporting requirements under s14 of the *Modern Slavery Act 2018* (Cth). It provides an overview of Hydro Tasmania's approach to modern slavery, and the risks associated with its operations and supply chain for the financial year 2019-20.

Hydro-Electric Corporation, trading as Hydro Tasmania, is a corporation established under the *Hydro-Electric Corporation Act 1995 (Tas)*, a Government Business Enterprise under the *Government Business Enterprises Act 1995 (Tas)* and is registered with ASIC as a registered Australian Body (ARBN 072 377 148).

Hydro-Electric Corporation includes the following wholly owned and controlled subsidiaries.

1. AETV Pty Ltd trading as AETV Power
2. Bell Bay Power Pty Ltd
3. Bell Bay Three Pty Ltd
4. Cathedral Rocks Construction and Management Pty Ltd
5. Entura Hydro Tasmania India Pvt Ltd
6. Heemskirk Holdings Pty Ltd
7. Heemskirk Wind Farm Pty Ltd
8. HT Wind Developments Pty Ltd
9. HT Wind New Zealand Pty Ltd
10. HT Wind Operations Pty Ltd
11. Hydro Tasmania Consulting (Holding) Pty Ltd
12. Hydro Tasmania Neusberg Pty Ltd
13. Hydro Tasmania South Africa (Pty Ltd)
14. Lofty Ranges Power Pty Ltd
15. Momentum Energy Pty Limited trading as Momentum
16. RE Storage Project Holding Pty Ltd
17. Woolnorth Bluff Point Holdings Pty Ltd
18. Woolnorth Studland Bay Holdings Pty Ltd

Hydro Tasmania, AETV Power and Momentum are each deemed reporting entities under the *Modern Slavery Act 2018* (Cth) and are included in this joint statement. In addition, Hydro Tasmania's power, water and renewable energy consulting arm, Entura is included in this joint statement. **The reporting entities are referred to collectively in this statement as 'the Hydro Tasmania group'.**

Except as otherwise noted in this statement, all four businesses (including Entura, which is a part of Hydro Tasmania) that comprise the Hydro Tasmania group follow the same procurement policy and procedures. Procurement across the Hydro Tasmania group is conducted via a single supply chain.

2.0 Hydro Tasmania's structure, operations and supply chains

Hydro Tasmania is Australia's leading clean energy business and largest generator of renewable energy.

The Hydro Tasmania group is made up of four core businesses. As at October 2020, across the Hydro Tasmania group there were 1,367 employees. This reflects the approximate number employees during 2019-20.

High-level summaries of business activities undertaken by each of these divisions is as follows. Except as noted, all employee figures are as of October 2020.

- Hydro Tasmania (not including Entura) has 734 employees and is primarily involved in the generation of hydropower in Tasmania and the trading of electricity and energy-related environmental products (such as renewable energy certificates) in the Australian National Electricity Market. Hydro Tasmania owns and manages 55 major dams, 30 operating hydro power stations and supplies electricity to the Bass Strait islands via diesel, solar and wind power generation. Hydro Tasmania is also engaged in a pumped hydro storage feasibility study for its *Battery of the Nation* project. Most Hydro Tasmania employees work either at power stations across the state or at its head office in Hobart.
- Under the Entura trading name, the business provides expert consultancy services nationally and internationally for renewable energy development, engineering, hydropower, water infrastructure, water management, project management, environmental management and other relevant occupations. Entura's operations include the employment of technical professionals and administrative staff. Entura employs 245 staff, including 20 employees based in its Indian office in New Delhi. The majority of staff are based in Cambridge, Tasmania with a minority in the Hydro Tasmania group's Melbourne office.
- Momentum is principally engaged in the marketing and retailing of energy and energy related products and services to residential and business customers on mainland Australia and the Bass Strait Islands. Staff are based in Tasmania and in Victoria (Melbourne). Momentum employs 362 personnel.
- AETV Power operates a gas generation power station in the Tamar Valley in Northern Tasmania. The station was commissioned in 2009 and has both combined and open cycle gas turbines to provide both base load and peaking generation. AETV Power employs 26 personnel.

As a major employer in Tasmania, the Hydro Tasmania group has engineering, strategic planning, IT, financial, human resources, project management, marketing, operational, scientific, corporate governance, retail call centre and administrative staff spread across all four business areas.

Modern slavery risks are addressed in the Hydro Tasmania group's Code of Ethical Behaviour, Sustainability Principles, Work Health and Safety Policy, and Environmental Policy. These codes and policies work together to define the standard of ethical behaviour required across the business. They are supported by other internal procedures related to whistleblowing, fraud, corruption and risk management.

Hydro Tasmania group supply chains and operations

Generation asset maintenance, upgrades and repairs	<ul style="list-style-type: none"> • Operation and maintenance of generation equipment, including machinery in power stations and water conveyancing infrastructure • Feasibility studies for pumped hydro 	<ul style="list-style-type: none"> • Land care, waterway, and flora and fauna conservation • Testing and monitoring equipment • Electrical distribution on the Bass Strait Islands • Equipment hire
Energy generation	<ul style="list-style-type: none"> • Hydro generation plant and equipment consumables • Diesel (Bass Strait islands) 	<ul style="list-style-type: none"> • Industrial consumables • Gas (AETV Power) • Wholesale energy trading
Corporate services	<ul style="list-style-type: none"> • Personal protective clothing and equipment (PPE) • Legal services • Marketing and advertising • Office services and improvements, including cleaners and facility repair work 	<ul style="list-style-type: none"> • Office and asset-based labour hire • Travel, Fleet purchases and maintenance • Freight and logistics • Security services • Stationery and office consumables
Retail customer service (Momentum)	<ul style="list-style-type: none"> • Customer research services • Debt collection services 	<ul style="list-style-type: none"> • Bill printing and issuing • Call centre software to manage workflow and customer accounts
Information technology	<ul style="list-style-type: none"> • Hardware • Software and licencing 	<ul style="list-style-type: none"> • Consulting services including architecture and security • Telecommunication
Consulting (Entura)	<ul style="list-style-type: none"> • Professional and technical services throughout Australia and overseas 	

3.0 Modern slavery risk overview

The Hydro Tasmania group's supply chain is broad by nature. Consequently, the business's exposure to modern slavery risks are diverse and potentially present in:

- Entura's subcontractor supply chains delivering goods and services overseas, particularly in countries considered high-risk countries in the Global Slavery Index, including Entura's Indian office in New Delhi.
- The procurement of corporate clothing and personal protection clothing and equipment.
- The sourcing of equipment, machinery, consumables and materials from overseas, particularly for energy generation where European suppliers may procure supplies from high-risk countries.
- Labour hire sourcing within Australia (no labour hire occurs overseas).
- IT hardware and software supply procurement.

Procurement is coordinated across the Hydro Tasmania group through a central supply chain process, with one exception. Entura's Indian office has a separate supply policy and process, governed by the Indian ISO9001 quality management system under local legislation, and only uses the wider Hydro Tasmania group's supply chain for larger procurements, such as IT services for its offices. Apart from some smaller IT procurement, PPE, office consumables and office cleaning services, most suppliers to Entura's Indian office are technical and professional service providers, who present a lower modern slavery risk compared to other occupational and industry categories.

Given Entura's consultancy services are delivered in many countries for different clients, Entura conducts sustainability screening of all new countries, clients, partners and infrastructure-related projects. This process includes an evaluation of the risk of working with companies or on projects that support modern slavery.

More information about Entura's sustainability screening process can be found in Section 4.0 below.

4.0 Identifying and responding to modern slavery

The Hydro Tasmania group has undertaken several actions to identify, mitigate and respond to modern slavery risks.

Modern slavery contract clauses

The Hydro Tasmania group introduced modern slavery clauses to all its contract templates for all four businesses. These clauses provide a bi-lateral warranty, whereby the parties agree not to engage in modern slavery and to comply with modern slavery laws.

Improved supplier on-boarding

During 2019-20 new supplier screening was improved. For example, ensuring that all labour hire contractors comply with all local labour hire licencing laws.

Modern slavery internal working group

The Hydro Tasmania group formed an internal Modern Slavery Working Group to ensure cross-business representation in the identification and assessment of modern slavery risks in all four business areas.

Entura's Integrity Framework and sustainability screening process

Given the nature of Entura's consulting operations, their approach to modern slavery is defined by Entura's Integrity Framework and is guided by the Hydro Tasmania group's Code of Ethical Behaviour, its Sustainability Principles, Work Health and Safety Policy, and Environmental Policy.

The Integrity Framework is a part of Entura's ISO9001-certified quality management system. This framework supports sustainable and ethical decisions when considering geographically where we work, what projects we work on and with whom we choose to partner. Modern slavery commitments are incorporated into the Integrity Framework and guided by the *United Nation's Guiding Principles on Business and Human Rights*.

The Integrity Framework requires the following when working with suppliers, partners and sub-consultants:

- consideration of the supply chains of our partners, subcontractors and suppliers, and the likelihood of whether it may involve human rights issues associated with forced, compulsory, trafficked or child labour.
- sustainability screening to be undertaken prior to the engagement of all new partners, subcontractors and suppliers with greater than 10 employees.
- providing all suppliers and subcontractors with a copy of our Integrity Framework and ensure they understand and comply with the requirements and commitments contained within.
- ensuring all suppliers and subcontractors work within the requirements of Entura's Integrity Framework.
- proactively raising concerns about issues that Entura employees see in the behaviour of our suppliers, partners and sub-consultants.
- where issues are identified and validated, updating and re-evaluating the relevant sustainability screening.

Entura's sustainability screening process was reviewed in 2019 and improvements made to assess modern slavery risks. In 2019-20 a total of 126 sustainability screens were conducted of potential clients and/or projects.

For more details of Entura's Integrity Framework see www.entura.com.au/about/enturas-integrity-management/.

Identification and review of suppliers

The Hydro Tasmania group identified a range of suppliers of goods and services in 2019-20 for a targeted review. This process began by identifying:

- all Australian-based suppliers or providers of goods and services of AU\$1 million or more.
- all overseas suppliers with whom the Hydro Tasmania group spent AU\$1 million or more, excluding sole trading professional consultants.
- any overseas supplier located in or that delivered services or goods from countries which have a high Global Slavery Index Rating.

Additionally, Entura undertook a review of its sub-contractors and sub-consultants who worked in countries with a high risk of modern slavery during the same reporting period. This review showed that most sub-consultants and sub-contractors used in these countries were sole trader professional consulting companies, registered with the Asian Development Bank (ADB) working on ADB-funded infrastructure projects. A combination of ADB labour standards and Entura's own sustainability screening process significantly reduces the risk of modern slavery practices existing in Entura's sourcing of goods and services.

These processes resulted in a target list of 72 suppliers for further review. All 72 were then assigned an industry classification based on the Global Industry Classification Standard (GICS) description for goods and/or services.

The Hydro Tasmania group engaged sustainability and supply chain consultants 'Informed 365', to assist in further preliminary risk assessment and to conduct future surveying and investigations of the Hydro Tasmania group's supply chains. Informed 365 has developed an IT platform which is being used by other prominent members of the international energy industry, through the Energy Procurement Supply Association (EPSA Consortium).

Informed 365 provided a summary risk indicator (SRI) for all 72 suppliers identified by Hydro Tasmania, based on a combination of both their country and GICS. The results returned no 'Very High' SRI suppliers and three 'High' SRI suppliers. Two of these three suppliers are in the Asian Pacific region and one in South Africa.

These higher risk suppliers will be further investigated by way of online questionnaire via the Informed 365 platform. Should the additional survey results identify a high modern slavery risk, the Hydro Tasmania group will consider all available and appropriate steps to respond to the risk.

Responding to Modern Slavery

If modern slavery is identified as part of supplier and investigations, or other means such as public interest disclosure, the Hydro Tasmania group will respond by taking all appropriate actions in accordance with the guidance provided by Commonwealth Government's *Guidance for Reporting Entities*. Guidance includes ensuring that we do not try to resolve the situation ourselves to the detriment of victims, and only consider ending a supplier relationship if they refuse to address modern slavery and there is no real prospect of change. In most instances it will be better to collaborate with reputable international and local organisations, who can assist in providing pragmatic assistance to respond appropriately in each location and cultural context.

5.0 Assessing the effectiveness of modern slavery actions and future actions

5.1 The Hydro Tasmania group

The Hydro Tasmania group is committed to identifying and responding to modern slavery risks as an exercise of continual improvement. The preliminary risk assessment for its suppliers for 2019-20, based on country and expenditure, provides a solid footing for further investigation, review and improvement.

The following action will assist the effectiveness of measures outlined in this statement:

- a regular review of the effectiveness of modern slavery monitoring practices will be undertaken by the Hydro Tasmania group's Modern Slavery Working Group, which meets monthly to ensure cross-business supply chain risks are being adequately monitored, responded to and reported.
- develop a supplier code of conduct and a procedure that outlines appropriate steps to be taken when modern slavery is identified, by 31 December 2021.
- deliver staff training on procurement, modern slavery and other complementing human rights issues, including the delivery of general awareness training on the Integrity Framework to Entura employees during 2020-21.
- collaborate with other supply chain managers as part of the EPSA consortium to better identify, measure and respond to modern slavery supply chain risks.
- an ongoing review of Entura's Indian office procurement policies and procedures.
- continuous improvement of Entura's Integrity Framework and sustainability screening process, including consideration of wider screening of Hydro Tasmania group suppliers.

