

Revision to EnergyAustralia's Modern Slavery Statement 2021

EnergyAustralia's Modern Slavery Statement 2021 (**Statement**) was revised on 15 June 2023.

The Statement was revised to include the following additional reporting entities:

- EnergyAustralia Holdings Limited (ABN 57 101 876 135);
- EnergyAustralia Investments Pty Ltd (ABN 27 113 121 592); and
- EnergyAustralia AusPower Pty Ltd (ABN 83 073 060 054).

(together known as '**Companies**').

This revision was made on page 3 of the Statement.

The Statement is a joint statement made in accordance with clause 14 of the *Modern Slavery Act 2018* (Cth). This revision is necessary to ensure all the reporting entities in the EnergyAustralia group of companies covered by this statement are correctly identified.

Notwithstanding this amendment, the framework, analysis and approach outlined in the Statement remains relevant across the entire EnergyAustralia group of companies. Therefore, there are no other changes to the Statement and our responses to all the other mandatory reporting criteria remain the same.

This revision was approved by the EnergyAustralia Holdings Limited Board on 15 June 2023.

Mark Collette

Managing Director, EnergyAustralia

Date: 20/06/2023

Jane McAloon

Chair of the Board, EnergyAustralia

Date: 20/06/2023

Modern Slavery Statement

2021



EnergyAustralia

LIGHT THE WAY

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Message from the Managing Director



Here at EnergyAustralia, sustainability is part of who we are and how we operate.

During the past 12-months we have increased our focus on environment, social and governance principles (ESG) as part of our commitment to lead and accelerate the clean energy transformation for all.

Ensuring our supply chain remains safe and fair across all facets of our operations is critical to our ESG approach, and this Statement covers how we have progressed in identifying and mitigating modern slavery risks.

While internal reviews have not uncovered significant risks of modern slavery, we are aware of allegations within certain elements of the solar industry. We are taking a strong stance against this and are working to better

understand this with our suppliers. We continue to monitor these issues in conjunction with fellow industry stakeholders and Government.

COVID-19 continued to place pressure on our operations and supply chains. Late last year we were compelled to postpone major operational maintenance programs at our Mt Piper facility to keep our people, suppliers and the broader community safe.

Having successfully navigated these challenges, we are hopeful that the coming year will enable us to continue to make advances towards the energy transition in a safe and sustainable way.

In 2021, we were proud to update our Climate Change Statement outlining our commitment to reach net zero greenhouse gas emissions by 2050, reduce direct carbon dioxide emissions by over 60% on 2019-20 levels in 2028-2029, and to transition out of our coal assets by 2040. The task ahead is a significant one, that will require a transformation of our business and our generation portfolio, but we will do this in a respectful and responsible manner, including in relation to our supply chains.

Mark Collette
Managing Director, EnergyAustralia

About this Statement

i. Reporting Entity

This Modern Slavery Statement is made under the *Modern Slavery Act 2018* (Cth) (the Act) by EnergyAustralia Holdings Limited on its own behalf and on behalf of the following controlled subsidiary companies, which meets the reporting entity criteria of the Act:

- EnergyAustralia Pty Ltd (99 086 014 968)
- EnergyAustralia Yallourn Pty Ltd (47 065 325 224)
- EnergyAustralia NSW Pty Ltd (75 163 935 635)
- EnergyAustralia Investments Pty Ltd (27 113 121 592)
- EnergyAustralia AusPower Pty Ltd (83 073 060 054)

As of 31 December 2021, EnergyAustralia comprised of 37 controlled subsidiaries, of which the five above meet the reporting entity criteria of the Act, and 3 Joint Ventures. Together, EnergyAustralia Holdings Limited and its Group of Companies are referred to as EnergyAustralia. EnergyAustralia is a wholly owned subsidiary of CLP Group Ltd (CLP).

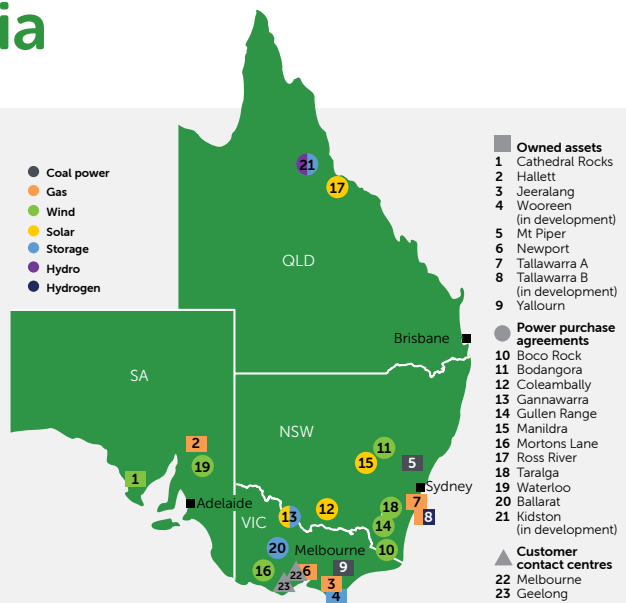
The Boards of EnergyAustralia subsidiary companies and the Board of Directors of EnergyAustralia Holdings have reviewed and approved this Modern Slavery Statement, and it is signed by the Managing Director and Chair. This Statement has been prepared to meet the mandatory reporting criteria set out under the Act.



About EnergyAustralia

EnergyAustralia at a Glance

- One of Australia's largest energy retailers and generators
- Around 2.4 million electricity and gas accounts across eastern Australia
- A diverse workforce of around 2300 employees
- Mix of residential and business customers in Victoria, South Australia, New South Wales, the Australian Capital Territory and Queensland
- The only major retailer who is a signatory to the Energy Charter
- Generation and storage portfolio comprising coal, gas, solar, wind and battery assets with more than 5000 MW capacity
- Owned by CLP Group, one of the biggest power businesses in the Asia Pacific
- Contact centres in Melbourne and Geelong



i. Our structure

EnergyAustralia supplies gas and electricity and delivers energy services to approximately 2.4 million accounts in Victoria, New South Wales, the Australian Capital Territory, South Australia and Queensland. We own and operate an energy portfolio, underpinned by coal and gas power plants, as well as renewable energy sources like wind, solar and batteries.

We buy electricity and natural gas on behalf of our customers, manage their accounts and make sure they have access to products which help them control their gas and electricity consumption.

ii. Governance

All EnergyAustralia entities operate under a common set of governance policies, including a Modern Slavery Policy which outlines EnergyAustralia's stance on modern slavery and how risks of modern slavery within our operations and supply chain are to be identified, assessed and addressed. Our Modern Slavery Policy is supported by other policies, processes and systems described in this Statement.

The Board of EnergyAustralia Holdings has oversight of our compliance with legal and regulatory matters.

As part of its governance structure, EnergyAustralia has an Audit and Risk Committee which functions to review the effectiveness of our risk management systems for both financial and non-financial risks and internal controls, and the systems and procedures for compliance with applicable legal and regulatory requirements. A new Executive Sustainability Committee was formed in December 2021 which will support the Board Sustainability Committee which met for the first time in March 2022.

Sustainability at EnergyAustralia means how we conduct business sustainably through a commitment to making a positive impact on health, safety, employee wellbeing, the environment, climate change and the net zero transition, the community and cultural heritage. Our approach to Modern Slavery is part of this important commitment. The Executive Sustainability Committee is accountable for the performance of the business in relation to Sustainability.

Their charter includes reviewing the effectiveness of our programs based on our continuous improvement ambitions, as well as providing recommendations, information, and reports to assist the Board Sustainability Committee fulfil its responsibilities.

In turn, the Board Sustainability Committee will assist the Board and management in the oversight and review of EnergyAustralia's objectives to be a sustainable organisation. They will review and monitor key sustainability policies, strategies and programs, including those related to Modern Slavery.

About our operations

Overview

EnergyAustralia employs nearly 2,300 people. Most of our workforce are engaged directly via employment contracts and/or enterprise agreements on a permanent, fixed/maximum term or casual basis. Our employment contracts, enterprise agreements and workplace policies are regularly reviewed to ensure compliance with workplace laws, including the *Fair Work Act 2009* (Cth) and National Employment Standards.

All forms of modern slavery and related behaviour are forbidden under EnergyAustralia's Code of Conduct, Workplace Behaviour Policy and Modern Slavery Policy. We also have a comprehensive Work Health and Safety (WHS) policy and site-specific WHS procedures regarding working conditions. Our direct employees and extended workforce undertake mandatory annual training in relation to the Code of Conduct.

i. Risks of modern slavery

An internal assessment focusing on EnergyAustralia's hiring policies and practices was completed in 2019 and will again be completed in 2022. The 2019 audit confirmed that we did not have any significant risks of modern slavery in our operations, and we anticipate that the 2022 audit will not identify any significant risks.

We acknowledge that while no current significant risks were found in that assessment, this does not guarantee that instances of modern slavery cannot occur. As such, we will continually monitor risks and review our internal policies and practices to ensure compliance.

ii. Actions taken to address modern slavery risks

EnergyAustralia has several mechanisms in place to capture employee concerns and grievances, including those relating to modern slavery. These are communicated to all employees on commencement as part of induction processes and then regularly to people via the Company intranet, direct emails and online training and include:

- a **Grievance policy and procedure**
- a **Whistleblowing program**
- an anonymous **Employee Engagement Survey**.

A register is kept by the People and Culture team to record any breaches of our employee related policies. Other policy breaches are recorded and reported by other relevant functions such as Group Internal Audit and Legal and Governance. These are formally reviewed monthly and shared with CLP quarterly.

No modern slavery breaches have been identified in 2021; however any allegations of modern slavery in our operations would be reviewed and comprehensively investigated where appropriate by a senior member of EnergyAustralia's People and Culture team and Group Internal Audit. Any breach of our policies or procedures could result in measures such as individual disciplinary action, corrective operational changes, or a review of compliance controls.

About our supply chain

i. Overview

As of 31 December 2021, EnergyAustralia had 4,289 active suppliers, 2,648 (60 per cent) of which are classified as Australian small businesses. 95 per cent of our suppliers are registered with an Australian address, including several multinational suppliers with Australian headquarters, and these suppliers represented 98.6 per cent of our expenditure in 2021. In 2021, EnergyAustralia's total spend with suppliers was ~\$1.9 billion.





Many of our suppliers have supply chains that are outside Australia. With the ongoing pandemic, we have relied on Supplier Self-Assessment questionnaires to report about their own operations and supply chains. We use this information in conjunction with human rights reports and our risk framework to assess the risk of modern slavery in our supply chain (see below).

ii. Risks of modern slavery

Our Risk Assessment Framework considers risk factors based on registered supplier location and the commodity they provide. These factors enable us to determine a risk rating. We use independent data from the US Bureau of International Labour Affairs' List of Goods Produced with Child Labour or Forced Labour, and from Walk Free, an initiative of the Minderoo Foundation.

In 2021, we had 11 suppliers who are registered in four potential high-risk locations: India, China, Malaysia, and the Philippines.

The commodities we consume that are potentially high risk based on these sources are:

Commodity	
<p>Solar collection devices & batteries</p> 	<p>There are allegations of modern slavery risks in the global solar supply chain, particularly in relation to polysilicon production, connected to the Xinjiang Uyghur Autonomous Region (XUAR), as well as current and historical risks associated with cobalt (a raw material in the manufacturing of batteries) being sourced through child and forced labour in artisanal mines.</p>
<p>Electronic Goods (including Computers, communication devices, electronic hardware and equipment, office machines and domestic appliances)</p> 	<p>The electronic manufacturing industry has had numerous allegations of modern slavery through all levels of the supply chains of componentry including in the sourcing of raw materials from high-risk geographies. The industry may be at risk of forced labour and human trafficking including the use of migrant labour particularly in countries where electronics are predominantly produced.</p>
<p>Clothing and Footwear</p> 	<p>The clothing and footwear manufacturing industries are high risk industries for modern slavery. Multiple allegations, both current and historical, have been made in relation to the manufacture of clothing and footwear, in multiple countries.</p>
<p>Security and Cleaning services</p> 	<p>Security and Cleaning Services are considered a high risk of modern slavery due the prevalence of sub-contracting arrangements in the industry and high rates of migrant labour.</p>

Existing suppliers who are assessed as high risk are required to complete our revised Modern Slavery Survey and their responses are reviewed in accordance with our Risk Assessment Framework (see below). New suppliers are assessed in line with our onboarding process.

iii. Assessing modern slavery risks

As a wholly-owned subsidiary of CLP, we have been providing information regarding CLP Group's [Responsible Procurement Policy Statement](#) (RePPS) since 2015, which is fed into their annual [Sustainability Report](#). This occurs through a voluntary questionnaire for suppliers who currently hold or will hold a contract with a total value of \$1 million or more. These questionnaires cover questions regarding modern slavery, corporate social responsibility, environmental management and resource usage, and organisational governance. We have included these questionnaires in our assessment of modern slavery risk in our supply chain in 2021. CLP is undertaking a review of their RePPS process in 2022.

In 2021, EnergyAustralia revised its Modern Slavery Survey to ask a range of questions relating to suppliers' knowledge of their supply chain; organisational policies, including modern slavery; countries from which the products or services were sourced from; country in which they are headquartered; awareness of allegations of modern slavery in their operations, industry or supply chain; and whether they screen suppliers in their supply chain for modern slavery risks.

In 2021 we asked 266 suppliers complete our modern slavery survey (~representing ~30% of our 2021 spend). This is a substantial increase on the number of surveys completed in 2020 as we broadened our survey base to include more of our critical suppliers. The surveys help us understand the origin of the goods and services our suppliers provide to EnergyAustralia, and the policies and practices in their organisations that would mitigate risks of modern slavery.

Whilst most Suppliers have responded to these surveys, as at 31 December 2021, we have not yet received responses from some. One of these suppliers had also failed to respond in 2020 and we have implemented controls to ensure that no future orders can be placed with them. This action is only taken after multiple attempts to follow up with the supplier to understand what processes or policies they may or may not have in place to address modern slavery. EnergyAustralia welcomes working with suppliers to address any policy or process gaps they may have and ending our relationship with a supplier is a last resort. We will continue to follow up the suppliers who have not responded to our survey request, with oversight through our recently formed Executive Sustainability Committee.

Of the suppliers who completed our modern slavery surveys, 53 of these suppliers did not have any formal policies in place specifically relating to modern slavery risk. In 2021 we looked at the size of the supplier's business and took two different approaches. For Australian small business suppliers with fewer than 20 employees, we asked the suppliers to abide by our Supplier Code of Conduct. For suppliers with over 20 employees, we asked the suppliers to abide by our Supplier Code of Conduct and to create relevant policies and/or processes over the next 12 months, advising suppliers to contact their local Chamber of Commerce or other Industry association for policy templates. We will follow up with these suppliers in 2023.



Gannawarra Energy Storage System

For the purchase of carbon offset certificates, EnergyAustralia sources reports from Ndevr Environmental for major purchases which, in part, examines the human rights risk of projects. These reports guide EnergyAustralia in whether or not to purchase from the carbon offset project based on the risks of modern slavery in the supply chain or ownership of the project.

iv. Policies and contractual terms

EnergyAustralia has a publicly available [Supplier Code of Conduct](#) which details the behaviours we expect from our suppliers. These include paying wages and benefits in accordance with the law; workers not exceeding local work hour limits or 60 hours per week; and prohibiting the use of forced labour or child and underage labour.

Our Purchase Order terms and contract precedents require suppliers to confirm that they consider the risks of modern slavery in their operations and supply chain and will notify us of any suspected or actual instances of modern slavery within their operations and supply chain.

v. Working with EnergyAustralia for the first time

New suppliers of EnergyAustralia are required to complete our onboarding questionnaire which includes questions relating to modern slavery, including whether they have their own working practices and safeguards in place to evaluate and select their own suppliers and subcontractors relating to these same issues.

Where suppliers indicate that they do not have their own similar policies or working practices, we ask them to confirm that they commit to EnergyAustralia's Supplier Code of Conduct, and if the new supplier is not an Australian small business, we request that they develop relevant policies within the next 12 months.

vi. Investigating allegations of modern slavery

EnergyAustralia actively monitors various sources for relevant information that can help inform our understanding of risks. In 2021, we became aware of allegations of modern slavery at an industry level (such as in the manufacturing of Solar Panels). In these instances, EnergyAustralia is working with our suppliers to better understand their supply chains, and will continue to work with industry and other stakeholders including government, as we seek to help mitigate the risk of modern slavery practices occurring in the supply chains of goods and services.

Assessing effectiveness

An effective response to modern slavery is one where our policies, processes and other actions identify the modern slavery risks in our supply chain including any emerging risks, where we mitigate those risks, and where we respond appropriately to any instances of modern slavery (none of which have been identified to date).

We acknowledge that the hidden nature of modern slavery can make it difficult to accurately determine the full impact of our actions and initiatives. We remain committed to continuous improvement in our approach to assessing the risks of modern slavery in our operations and supply chain and aim to further strengthen our approach by developing a set of Key Performance Indicators relating to modern slavery during 2022.

Consistent with our approach for the first reporting period, the following processes remain in place to continue to monitor, review and assess the effectiveness of our actions.

Metric	2020	2021	Intended Outcome
Supplier surveys	105 suppliers sent surveys	266 suppliers sent surveys	Higher risk suppliers identified for assessment
Specific modern slavery risks identified	Nil	Risks identified in electronics, battery and solar cell manufacturing	Understanding of modern slavery risks in our supply chain
Actions taken on supplier response to surveys	All suppliers who required follow up were asked to develop a Modern Slavery Policy	A range of remediation options developed. Australian small businesses were asked to confirm they would abide by EnergyAustralia's Supplier Code of Conduct, and larger organisations were asked to both abide by the Supplier Code of Conduct and develop a Modern Slavery Policy	Improved engagement with suppliers regarding modern slavery risks
Training	Mandatory Code of Conduct training compliance rate was 99% Contractor and 97% for our employees	Mandatory Code of Conduct training compliance rate was 99.8% for our employees, and 99.1% for Contractors Key staff and leaders undertook Modern Slavery training	Awareness of modern slavery risks and obligations across our Operations and Supply Chain
Number of modern slavery concerns raised through our Grievance Program and Whistleblowing	Nil	Nil	Risk of modern slavery in our operations
Executive and Board Committee oversight	Nil	Established an Executive Sustainability Committee	Oversight of modern slavery risks and reporting requirements

Looking ahead

Our work to identify and mitigate modern slavery risks in our business is an ongoing process. Our efforts to date have laid a strong foundation for continued improvement. Building on what we've learned so far, EnergyAustralia will continue to refine its approach with best practice advice.

Against our priorities for 2021, we have made the following progress:

Improvement initiative	Progress
Continued improvements to our internal processes such as reviewing our supplier surveys and policies in line with best practice	<p>Ongoing</p> <p>EnergyAustralia reviewed and updated our Modern Slavery Survey to focus on policies and practices suppliers have, to examine the risk of modern slavery in their supply chains.</p> <p>EnergyAustralia's governance processes include two-yearly review of all policy and process documents</p>
Ensuring our Procurement teams maintain their current training and awareness of modern slavery risks and practices, both globally and within our business	<p>Ongoing</p> <p>EnergyAustralia completed training for the Procurement team and Senior Leader Briefings.</p>
Integrating our Modern Slavery Survey into our supplier management system to ensure effective tracking	<p>Complete</p> <p>Our revised Modern Slavery Survey was created in our supplier management system. We also tracked feedback from suppliers regarding their experience in completing the survey.</p>
Working with our suppliers to support those who have not yet developed their own modern slavery risk management practices	<p>Ongoing</p> <p>We work with our suppliers who don't have their own modern slavery risk management practices as appropriate depending on the business size.</p>
Continuing to monitor high and medium-risk supply chains and assessing risk	<p>Ongoing</p> <p>EnergyAustralia is continuing to monitor our high and medium-risk supply chains and will continue to assess risk.</p>
Continuing collaboration with other organisations to share knowledge and improve processes, including how to tackle issues of modern slavery if identified	<p>Ongoing</p> <p>EnergyAustralia has held discussions with multiple companies in 2021 regarding supplier risk, including modern slavery risk. We have also participated in forums and briefings on modern slavery with other Australian organisations.</p>

Our priorities for 2022 are:

- Creation of an EnergyAustralia Sustainability Board Committee and Executive Committee, which will include responsibility for Modern Slavery risk and processes
- Inclusion of Modern Slavery in a broader EnergyAustralia Sustainability Framework including communication and training opportunities
- Collaboration across the CLP Group on Supply Chain Risk
- Review of risk management tools within EnergyAustralia, to examine how best to track supply chain risks
- Continued work with suppliers who have not yet completed our Modern Slavery Survey
- Cyclical Review of EnergyAustralia's Procurement Policy, Modern Slavery Policy and Supplier Code of Conduct
- Ensuring our People and Culture team maintain their current training and awareness of modern slavery risks and practices
- Continuing our culture of speaking up and taking action if you see something that's not right
- Creation of Key Performance Indicators to measure the effectiveness of our modern slavery approach.

Consultation

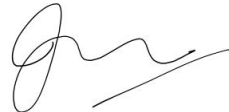
All EnergyAustralia entities share a common set of governance policies. Work undertaken by our Procurement, People and Culture and Risk Assessment teams outlined in this Statement included engagement with our senior leadership and Executive Leadership Team, many of whom sit on the Boards of our subsidiary companies.

The Executive Leadership Team has also been involved in the endorsement of this Statement for the approval of our Subsidiaries Boards and the EnergyAustralia Holdings Board.

This statement was approved by the board of EnergyAustralia Holdings Limited in their capacity as principal governing body of EnergyAustralia on 15 June 2023.



Mark Collette
Managing Director, EnergyAustralia






Jane McAloon
Chair of the Board, EnergyAustralia

At EnergyAustralia, we recognise the Aboriginal and Torres Strait Islander peoples as the Traditional Owners of the land on which we operate and the communities we serve. Our goal is to build working relationships with Aboriginal and Torres Strait Islander peoples, communities and businesses. Through reconciliation we live our values of doing the right thing and leading change.

EnergyAustralia Pty Ltd

Level 19
Two Melbourne Quarter
697 Collins Street
Docklands Victoria 3008

Phone +61 3 9060 0000
enq@energyaustralia.com.au
energyaustralia.com.au

 @EnergyAustralia
 @EnergyAustralia
 @EnergyAustralia

EnergyAustralia Whistleblowing information

You can submit a report in a number of ways:

1. In writing or verbally to Head of Group Internal Audit on (03) 8628-1000 at Level 19/697 Collins St
2. Contacting the anonymous externally hosted channel 'Fair Call' via
 - Phone: 1800 500 965. This free call number is available 24 hours, 7 days a week.
 - Email: faircall@kpmg.com.au
 - Web: <http://faircall.kpmg.com.au>. Whistleblowers may complete and submit a form online. This method does not permit two-way communication unless the whistleblower provides contact details.
 - Post: FairCall Manager, PO Box H67, Australia Square 1213, Sydney
 - Fax: (02) 9335 7466

EnergyAustralia Pty Ltd
ABN 99 086 014 968
Locked Bag 14060, Melbourne, Vic. 8001

energyaustralia.com.au