



# Modern Slavery Statement

Financial year 2020–2021

People. Power. Possibilities.

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**At Transgrid, we acknowledge our fundamental responsibilities to respect human rights and address modern slavery risks in our supply chain. We support the Commonwealth Modern Slavery Act 2018 (the Act) and are committed to continually improving the way we identify, address and guard against modern slavery risk.**



### Vision

Lead the transition to a clean energy future



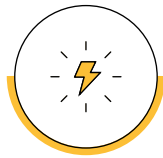
### Purpose

Making a better power system for Australians

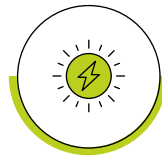
## Strategic pillars



Advocate for the energy system of the future



Deliver safe, reliable and low-cost power



Invest in new infrastructure and services to support the transition

Transgrid acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of this land and we pay our respects to their Elders past and present.

# Transgrid at a glance

Transgrid operates and manages the high voltage electricity transmission network in NSW and the ACT. Electricity is central to almost every part of our lives, and the transmission network is the backbone of the power system.

Our network connects large electricity generators to the load-centres of NSW and the ACT and, through distribution networks, to more than three million homes and businesses, providing safe, reliable and affordable electricity. Our network also provides the platform on which energy is traded within NSW and the ACT, and between adjoining states, providing energy consumers with access to the lowest cost generation available.

The National Electricity Market (NEM) is currently undergoing a period of transition as the generation mix changes to include more renewables and technology, allowing greater participation from consumers in the energy market. We are working with our customers, energy consumers, the energy supply chain and decision-making bodies to ensure consumers see the benefits of this transition.



**13,051km**

high voltage  
transmission lines  
& underground cables



**0**

incidents of actual  
or potential modern  
slavery identified



**110**

bulk-supply  
substations



**3,435**

suppliers



**\$700.2m**

spend



**1,066**

people (FTE)



Transgrid at a glance

Our 3 year roadmap

Our business and supply chain

Our modern slavery risks

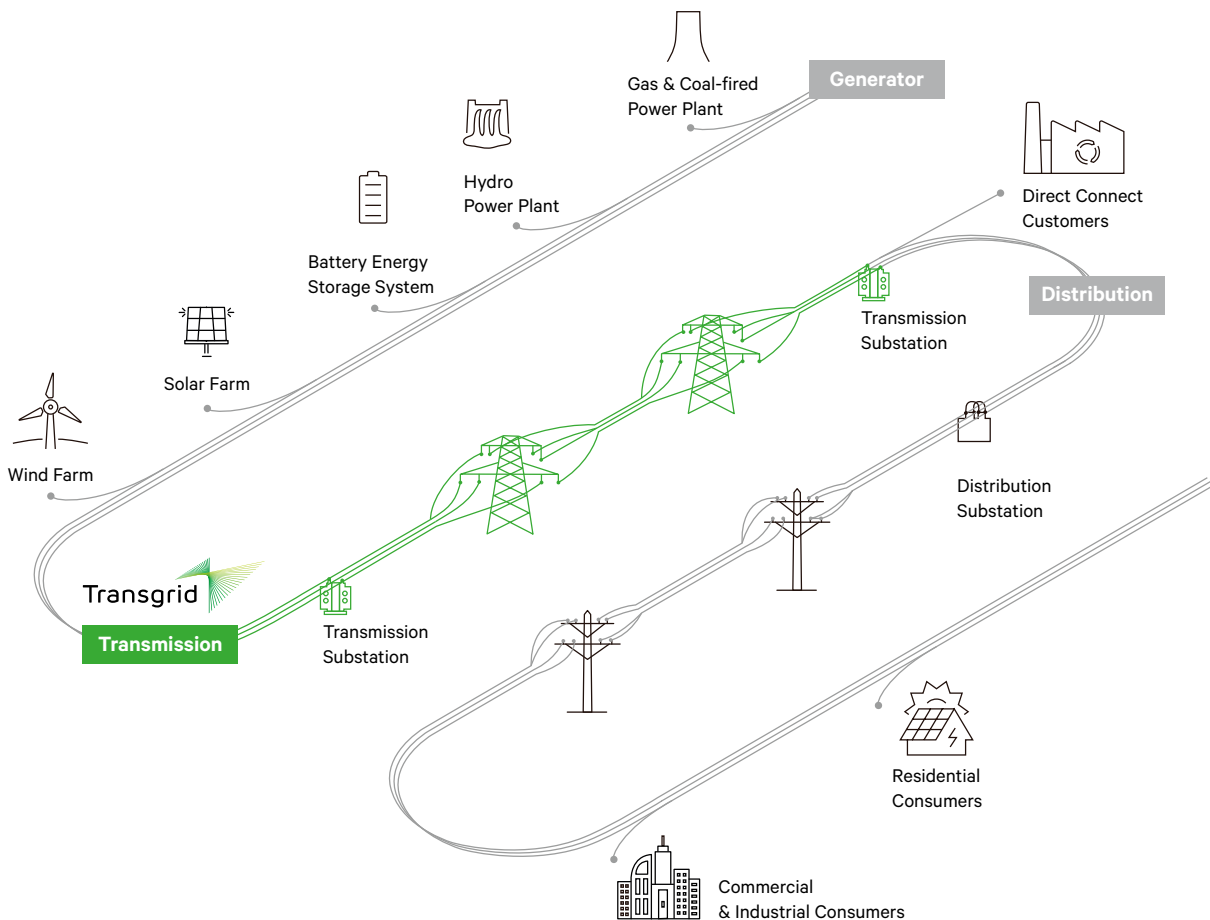
Risk assessment mitigation and remediation

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## FY21 Highlights

- 1. Our new digital procurement platform** requires all active suppliers, new or existing, to review and adhere to our Business Ethics Guide.
- 2. A new supplier-dedicated section** of [our website](#) makes the modern slavery requirements of our contractual terms and conditions and Business Ethics Guide publicly available.
- 3. Our 3 year roadmap** sets out a long-term program of works to address modern slavery.
- 4. Modern slavery requirements are embedded within our facilities maintenance contract** renewal processes to address the majority of the modern slavery risk associated with contract cleaning services.
- 5. A dedicated resource to lead and champion Transgrid's** evolution in understanding, continuing to adopt and promote modern slavery awareness.

## Transgrid within the electricity supply chain



To see a detailed map of our transmission network, go to the ['network'](#) section of our website.

# Our 3 year roadmap

## FY2020

Action Completed

Tier 1  
supplier risk  
assessment

Train key sourcing  
decision makers

Create Self-Assessment  
Questionnaire

Sector  
collaboration project  
through EPSA

Review systems  
and update general  
contract

## FY2021

Action Completed

Review Tier 1  
risk assessment

Include modern  
slavery in strategic  
supplier meetings

Update and  
communicate new  
Terms and Conditions

Include  
Business  
Guide to Ethics  
in supplier  
onboarding  
process

Develop  
Modern Slavery  
Roadmap



Our Roadmap is founded on a risk-based approach to prioritising continual improvement in modern slavery risk management over three years. The following actions are helping us to steadily improve transparency in deeper and deeper layers of our supply chain.

## FY2022

### Action

Launch Modern Slavery Working Group

Train the Supply Chain team

Deep dive into high-risk categories (cleaning and PPE)

Investigate systems to capture Tier 1 modern slavery risks

Review and update modern slavery systems

Continue sector collaboration

## FY2023

### Action

Expand risk assessment to include high risk Tier 2 suppliers

Review remediation process and grievance mechanisms

Train senior leaders

Deep dive into high risk categories (offshore network equipment)

Continue sector collaboration

## FY2024

### Action

Train all relevant staff

Develop partnership with relevant NGO

Include modern slavery in supplier forums and training

Deep dive into high-risk categories security and construction labour



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# Statement development and approval

This joint statement has been prepared in relation to the mandatory reporting requirements of the Modern Slavery Act 2018 (the Act) for the period 1 July 2020 to 30 June 2021. It covers NSW Electricity Networks Operations Pty Limited (ACN 609 169 959) and NSW Electricity Networks Assets Pty Limited (ACN 609 169 922) (together referred to as we, us, our or Transgrid). No other entities in the Transgrid group of companies met the reporting entity criteria under the Act during this period.

Our central, shared procurement function has prepared this joint Modern Slavery Statement on behalf of the relevant entities, in collaboration with our Risk, Compliance, People & Culture, Supply Chain and Legal teams – and drawing on the expertise of external parties (see [Appendix 2](#)).

This Statement has been reviewed and approved by the Boards of Directors of NSW Electricity Networks Operations Pty Limited and NSW Electricity Networks Assets Pty Limited.

## Principal Governing Body Approval

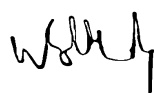
This modern slavery statement was approved by the principal governing body of NSW Electricity Networks Operations Pty Limited and NSW Electricity Networks Assets Pty Limited as defined by the Modern Slavery Act 2018 (Cth) (“the Act”) on 30 November 2021.

## Signature of Responsible Member

This modern slavery statement is signed by a responsible member of NSW Electricity Networks Operations Pty Limited and NSW Electricity Networks Assets Pty Limited as defined by the Act:



**Jeremy Maycock, Chairman of the Board for NSW Electricity Networks Operations Pty Ltd as trustee of the NSW Electricity Networks Operations Trust (TOT)**



**Warren Mundy, Chairman of the Board for NSW Electricity Networks Assets Pty Ltd as trustee of the NSW Electricity Networks Assets Trust (TAT)**

Requirements of the Act	Transgrid Statement Section	Page No.
Section 16 (1) (a) Identify the reporting entity or entities	Statement development and approval	6
Section 16 (1) (b) Describe the structure, operations and supply chains of the reporting entity/entities	Our business and supply chain	8–13
Section 16 (1) (c) Describe the risks of modern slavery practices	Our modern slavery risks	14–19
Section 16 (1) (d) Describe the actions to assess and address risks, including due diligence and remediation	Risk assessment, mitigation & remediation	20–25
Section 16 (1) (e) How we assess the effectiveness of the actions taken to assess and address modern slavery risks	Effectiveness evaluation	26–27
Section 16 (1) (f) Consultation with other entities	Statement development and approval; and Appendix 2	28
Section 16 (1) (g) Other relevant information	FY20 Modern Slavery Statement	Online





# Introduction

Modern slavery is a complex and significant global issue with no easy fix. It involves grave abuses of human rights and serious crimes, including human trafficking, slavery, servitude, forced marriage, forced labour or services, and the worst forms of child labour. Estimates suggest that 40 million people around the world are currently suffering some form of modern slavery.<sup>1</sup>

We understand that 40% of all modern slavery victims are within corporate supply chains<sup>2</sup> and are committed to our new, three-year Modern Slavery Roadmap. The Roadmap will see us continually work through the risks we have identified and ensure we do not cause or contribute to modern slavery through our operations or business dealings.

We believe everyone has the right to come home from work safely, and be treated fairly, ethically and with respect, whether they are employed by us or our subcontractors and suppliers. Respect for human rights underpins our values, our commitment to safety and sustainability, and informs the way we work.

This statement describes the actions taken by the Transgrid group to assess and address the modern slavery risk in our operations and supply chains from 1 July 2020 to 30 June 2021 (FY21). At the date of this statement, we had not identified any instances of modern slavery through our incident tracking systems or other interactions with suppliers. However, we remain vigilant and have a robust plan in place to continually expand transparency and improve modern slavery risk mitigation over the next three years.

1 International Labour Organization and Walk Free Foundation (2017) [Global Estimates of Modern Slavery](#).  
2 UN Global Compact (2021) [Tackling Modern Slavery in Global Supply Chains](#).



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# Our business and supply chain

# Our structure



## Reporting entities

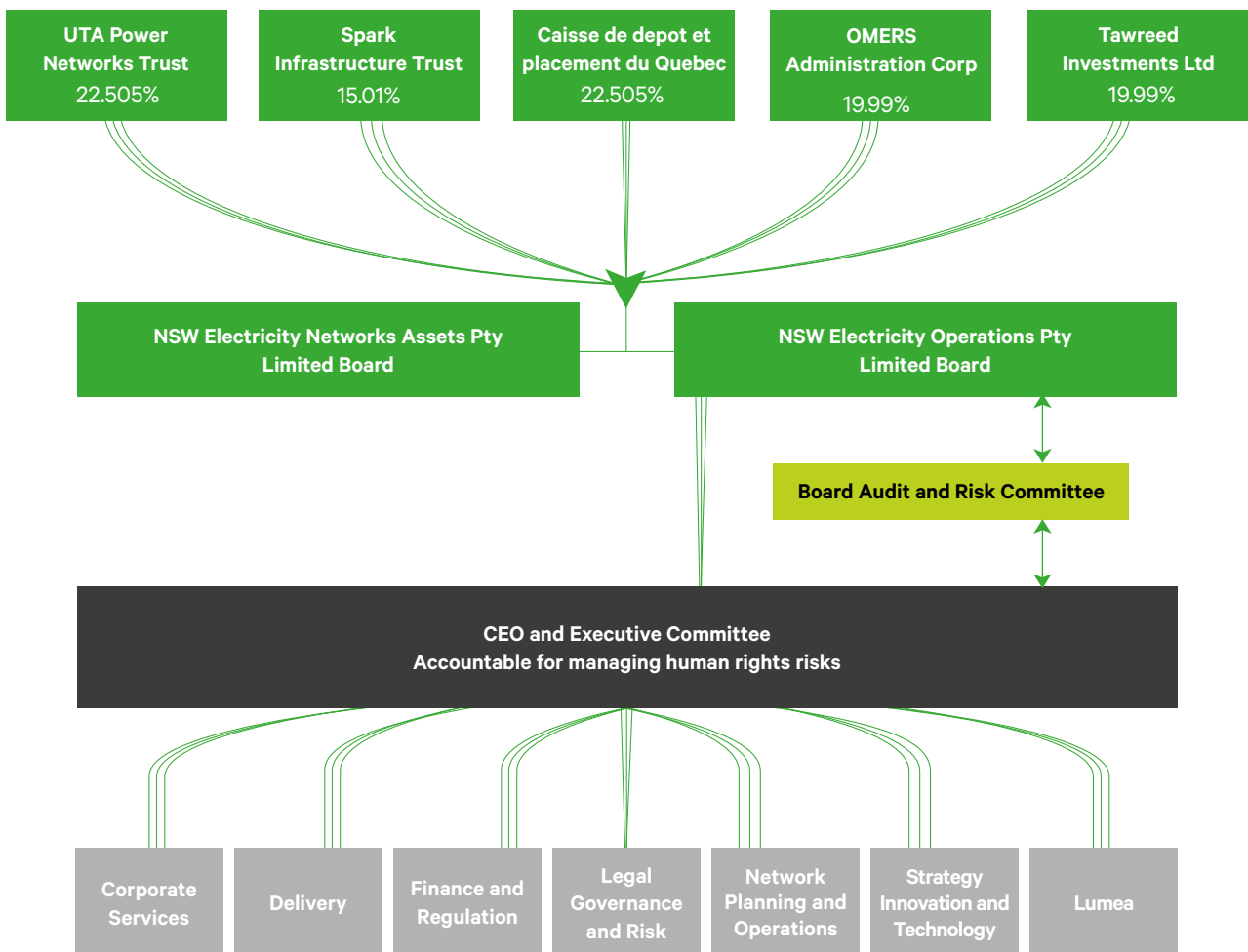
This is a joint statement covering NSW Electricity Networks Operations Pty Limited (ACN 609 169 959) and NSW Electricity Networks Assets Pty Limited (ACN 609 169 922) (together referred to as we, us, our or Transgrid).

As at 30 June 2021, no other entities in the Transgrid group of companies (see Appendix 1), met the reporting entity criteria under the Modern Slavery Act 2018 (Cth) (the Act).

These are separate and independent entities, which operate at arm's length, each with its own board and governance structure.

Within the Transgrid group, the NSW Electricity Networks Operations Pty Limited is the only operational entity that employs a workforce and procures goods and services. All activities that may introduce the risk of modern slavery are consolidated in this entity.

NSW Electricity Networks Assets Pty Limited has a Management Services Agreement with NSW Electricity Networks Operations Pty Limited to provide policies, processes and back office support, including a centralised, shared procurement function.









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# Our operations

Transgrid offers a range of essential transmission, infrastructure and telecommunications services to enable customer access to low-cost energy while meeting the growing needs and expectations of our customers. Our operations are managed and delivered in two areas, both covered by this report:

## Prescribed services

This is the largest part of our business, which operates and manages the transmission and telecommunication assets acquired from the NSW State Government in 2015 by way of a 99-year lease and a Sale and Purchase Agreement. The Australian Energy Regulator is responsible for the economic regulation of Transgrid's prescribed services business under the National Electricity Rules. Our prescribed services business is headquartered in Sydney, with regional offices in: Western Sydney, Newcastle, Orange, Tamworth, Wagga Wagga and Yass.

## Non-prescribed business services

This commercial arm of our business offers infrastructure and telecommunications services from its Sydney and Melbourne offices. Established in 2018 as the TransGrid Services Trust, this entity was rebranded as Lumea in May 2021. Lumea is a leading essential infrastructure service provider. It creates market-first solutions to accelerate the energy transition and provides bespoke solutions to renewable energy generators and large energy load customers. Lumea is also one of the leading telecommunications providers to renewable projects in Australia, with a focus on regional areas, data transmission and emergency broadcast services.

# Our people

We have a diverse workforce of more than 1,000 full-time equivalent (FTE) employees, all based within Australia and engaged on individual contracts. Their skillsets range from engineers and power workers to professionals. Two-thirds of our people are protected by Transgrid's Enterprise Agreement, which is renegotiated periodically. As such, we consider the modern slavery risks in our workforce to be low.



**1,066**

local FTEs



**66.4%**

on an Enterprise Agreement



# Our supply chain

As an electricity transmission company, we need to procure a wide range of products and services. Our direct supply chain primarily consists of construction, network equipment, facilities management, advisory and corporate services companies. These entities are headquartered in Australia and 17 other countries.

We already have more than 3,000 suppliers in our domestic and international supply chains. With an investment pipeline of \$11 billion over the next 5-10 years to build critical new transmission infrastructure, we are mindful that our already large supplier 'pool' is likely to grow.

To create a strong, resilient and risk-free supplier base, we will continue to rationalise, standardise and streamline our supply chain. Our priority is to find ethical companies that share our values capable of supplying the right materials and services, in the right place, at the right time, in the right quantities. These suppliers are essential to help us build Australia's future grid, manage network integrity and deliver excellent customer services.



**17**

offshore countries



**\$700.2m**

spend (FY21)



**9**

categories



**<3%**

of Tier 1 suppliers  
are international



**3,435**

suppliers

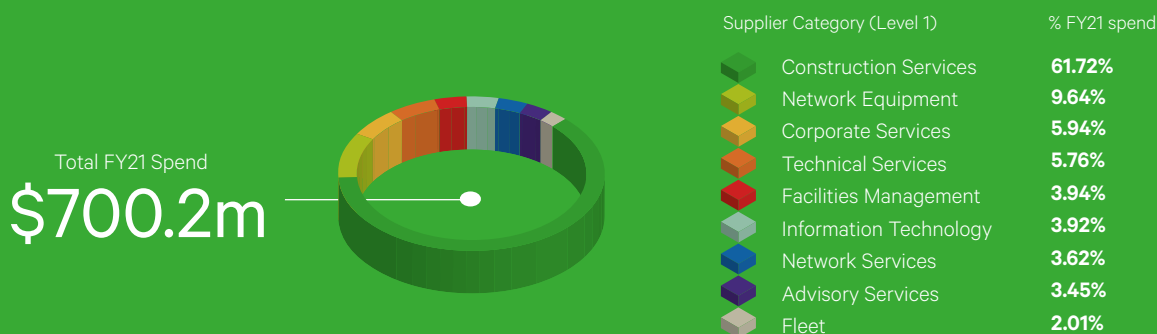


**\$11 bn**

to build new transmission  
infrastructure

## Supply chain spend by category

Looking at our nine supplier categories, the majority of our total spend is in construction services and network equipment. These services and products are primarily provided by local Australian suppliers, supporting the design and construction of substations and transmission lines, as well as asset maintenance.





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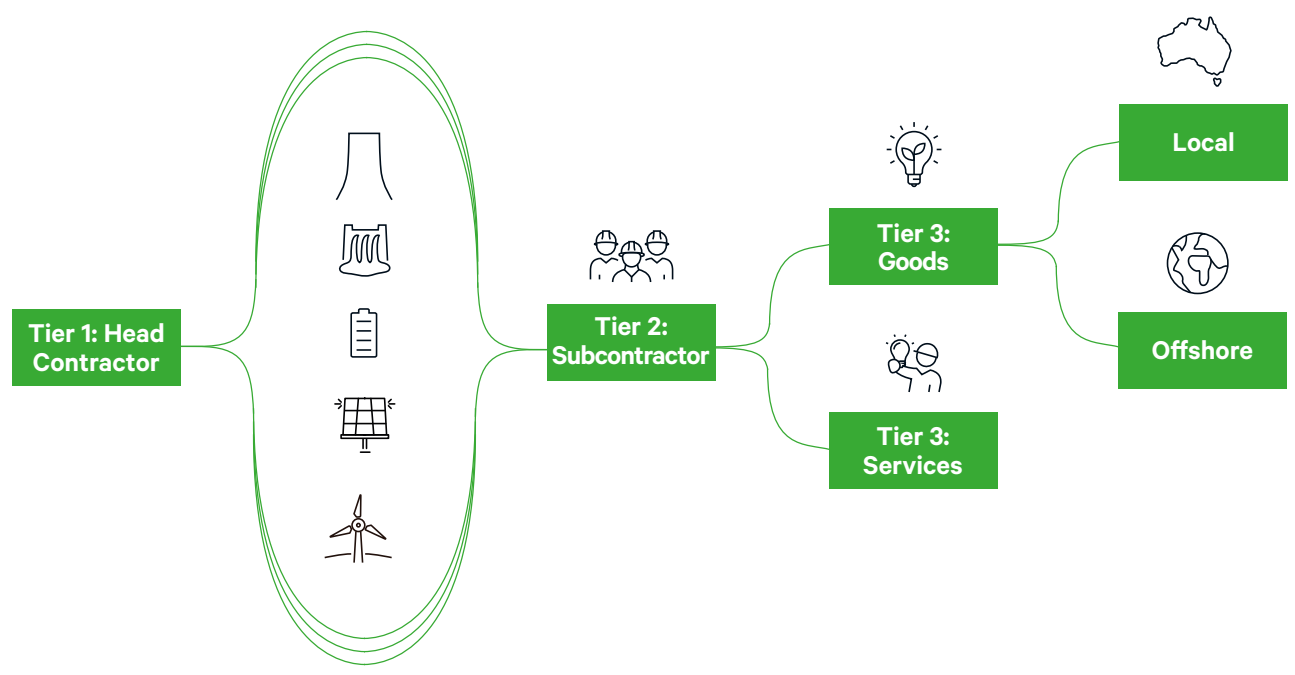
Effectiveness evaluation

## Offshore country locations of Tier 1 suppliers



## Modern slavery risks diagram

The vast majority of our Tier 1 suppliers are based in Australia, with less than 3% of our suppliers located offshore. However, many of our Tier 1 suppliers, such as the head contractors on major projects, purchase goods and services on our behalf, sometimes from overseas. We therefore acknowledge that our indirect supplier base, and modern slavery risks, will extend further, with risks increasing in Tier 3 and Tier 4, see diagram below.





# Our modern slavery risks



With all operations based in Australia, Transgrid’s greatest exposure to modern slavery exists in our supply chain. We are taking a robust, phased approach to improving transparency across our direct and extended supply chain.

During the first year of reporting, after an independent review of our risk management systems, we began the first phase of what will be a deep dive into our supply base. In FY21, we focused on a refreshed risk assessment approach, prioritising:

- Agreed energy sector risk priorities<sup>1</sup>
- High-risk categories and geographies based on current research
- High-spend, high-impact Tier 1 suppliers with whom we have direct relationships and therefore the most influence

Our assessment also considered the modern slavery risk indicators noted in the Commonwealth Modern Slavery Act 2018 [Guidance for Reporting Entities](#):

- The use of unskilled, temporary or seasonal labour, such as cleaners
- Short, high-pressured contract timeframes or outsourcing
- Reliance on migrant workers or other vulnerable groups
- Product, product components or services provided within countries where international organisations report a high risk of labour exploitation
- Recruitment strategies that target individuals and groups from marginalised or disadvantaged communities
- Long, complex or opaque supply chains

Based on this approach, during the year we identified and prioritised our modern slavery risks and created a three-year plan of mitigating works: our [Modern Slavery Roadmap](#).

1 EPISA (2019), [Respecting Human Rights in our Supply Chains](#).



# Modern slavery risk assessment results

With no significant changes in our business operations or supply base, our risk assessment results are largely similar to those from last year. Notable new trends are:

## Delivery of major projects

with the potential for Engineering Procurement and Construction contracts to extend the length of our supply chain (a known indicator of modern slavery risk).

## Ongoing impacts of the COVID-19 pandemic

creating less reliable shipping of offshore products and reducing our access to offshore suppliers.





# High and moderate supply chain risks

Our assessment indicated risk categories requiring attention include:



## Network equipment

Transformers, static var compensators, synchronous condensers, capacitor banks and HV components are primarily sourced from Asia, where international organisations report a high risk of labour exploitation in some countries.



## Personal Protective Equipment (PPE)

Garments manufactured offshore have been identified as one of the biggest modern slavery risks being imported into Australia, particularly from China, India and Vietnam.<sup>1</sup>



## Short-term contract cleaning and security staff

These services are primarily provided after hours, in a 'hidden' environment using low-skilled labour, employee conditions are at risk of being lowered.



## Electronics

Hardware components and services are primarily manufactured in Asia, where international organisations report a high risk of labour exploitation in some countries.



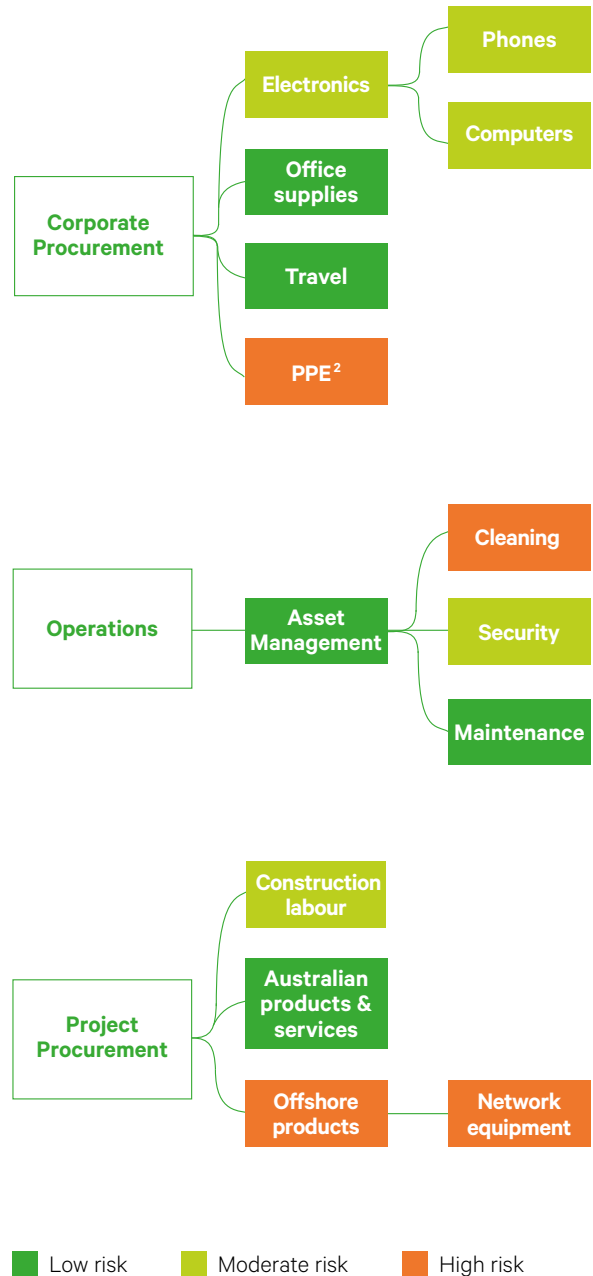
## Construction labour

Employment practice visibility can be limited when Tier 2 or Tier 3 companies subcontract low-skilled or unskilled labour for construction projects.

1 [Global Slavery Index 2018](#).

2 PPE (Personal protective equipment).

## Our Modern Slavery Risks



# Continuous improvement

Many of our key suppliers are multinationals who work with us to identify and address modern slavery risk, including sharing their own modern slavery compliance actions and progress. We draw on these learnings and our ongoing consultation with external experts to continually improve our modern slavery response.

## Drawing supplier attention to modern slavery requirements

From August 2020, all suppliers were onboarded to a new digital platform for purchasing, invoicing and sourcing. The on-boarding process requires suppliers, existing and new, to read and accept our Business Ethics Guide and information on our 'Whistleblower' Services.

As part of this launch, a new dedicated supplier web page was created with updated information on how to work with us. This new resource contains information on ethics, human rights and modern slavery, such as our Guide to Business Ethics, Reconciliation Action Plan and our contract [Terms and Conditions](#), where the following clauses are relevant to modern slavery.

Contract Clause	Modern Slavery Risk Indicator(s)
<p><b>Compliance with Modern Slavery Laws</b></p> <p>Suppliers must comply with legislation, ensure contractors do not engage in modern slavery practices, and notify Transgrid of any complaint or allegation relating to modern slavery.</p>	All
<p><b>Country of manufacture</b></p> <p>Suppliers require written approval by Transgrid for any changes to the Contract.</p>	Product, product components or services provided within countries where international organisations report a high risk of labour exploitation.
<p><b>Payment of wages and allowances</b></p> <p>Before Transgrid pays fees to a supplier, they are required to provide reasonable evidence that all their employees have been paid in full, including award wages and allowances.</p>	Recruitment strategies that target marginalised or disadvantaged communities.
<p><b>Transgrid Business Ethics Guide</b></p> <p>All suppliers and their employees must act in accordance with the Guide.</p>	All
<p><b>Subcontracting</b></p> <p>Suppliers must gain written approval from Transgrid prior to subcontracting any component of the scope of works.</p>	Use of unskilled, temporary or seasonal labour.
<p><b>Acceleration of the works</b></p> <p>Suppliers are protected by a formal process where they must respond to a request to accelerate works.</p>	Short, high-pressured contract timeframes or outsourcing.

Transgrid maintains a proactive, ongoing dialogue with our strategic suppliers to gain a greater understanding of our downstream supply chain risks and opportunities. Throughout the year, we made modern slavery a regular agenda item in forums with our strategic suppliers. For example, our Construction Panel suppliers included modern slavery in two Supplier Relationship Management meetings to share approaches, lessons learned from their own modern slavery programs and flag any trends or emerging risks.



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## Reducing modern slavery risks in cleaning and security contracts

During the year, we renewed our five-year facilities contract. With both cleaning and security identified as high risk in the energy sector<sup>1</sup>, the procurement process had a sharper focus on human rights and modern slavery risk, including:

- The requirement for tenderers to complete a modern slavery Self-Assessment Questionnaire.
- New modern slavery and Indigenous procurement requirements within the technical specification.
- Contractual requirements for the supplier to comply with the Modern Slavery Act (2018), train their own staff on modern slavery and report any incidents to Transgrid.

We look forward to working with our Tier 1 suppliers collaboratively over the next five years to better understand and manage the modern slavery risks within our asset management service, with a strong focus on cleaning and security.

## Updating our employment practices

Within Transgrid's operations, our employment practices minimise the risk of modern slavery. These practices and commitment are underpinned by our Code of Ethics and Conduct, recruitment and workplace grievance policies and practices, and our health and safety policies. We leverage diversity and foster inclusion, so all employees feel valued and respected and can do their best each day to deliver the best business outcomes. To do this, we strive to ensure all our people feel a sense of belonging, regardless of their gender, age, cultural identity or sexual orientation.

In FY21, in response to the COVID-19 pandemic, we augmented our employment practices by:

- Implementing a hybrid work model, allowing people the flexibility to work in an environment where they feel comfortable and can be most productive.
- Investing in mental health and wellbeing programs to create a culture that facilitates early identification of mental health issues and encourages help-seeking behaviour.

<sup>1</sup> EPSA (2019), [Respecting Human Rights in our Supply Chains](#).

# Risk assessment mitigation and remediation





Transgrid’s commitment to complying with all our legislative, regulatory and contractual obligations is the foundation of our risk governance framework.

Transgrid’s Board and executive team oversee compliance and provide leadership and direction in risk management, setting a very low risk appetite for non-compliance. The Audit and Risk Committee provides assurance and assistance to the Board on the risk and control framework, particularly around the effectiveness of systems that manage compliance.

Our governance structure has defined roles and responsibilities aligned with the Three Lines Model for risk and compliance management:

- **1st Line:** Executive, Business Units, Groups and Teams (management control)
- **2nd Line:** Corporate Risk & Compliance (independent review and challenge)
- **3rd Line:** Internal and External Audit (independent assurance)

This enables appropriate management, challenge, review and assurance over compliance management activities.

The below diagram displays the key controls we have in place to manage modern slavery risks.

### Modern Slavery Risk Management Approach





# Policy framework

Transgrid's comprehensive policies and procedures help us manage modern slavery risk. They are updated regularly to promote continual improvement and respond to regulatory and market changes.

Our commitment to workplace ethical behaviour is entrenched by our Code of Ethics & Conduct. Our Business Ethics Guide sets the same expectations of our suppliers and partners. Our Whistleblower Service and Complaints Handling Policy provide robust avenues for our employees, contractors and suppliers to report incidents confidentially and without penalty.

<b>Policies and procedures</b>	<b>Objective</b>
<b>Code of Ethics and Conduct</b>	<b>Outlines our commitment to maintaining high ethical standards in our own business as well as our expectations of those with whom we do business.</b>
<b>Business Ethics Guide</b>	<b>Articulates our expectations that suppliers maintain high ethical standards.</b>
<b>Whistleblower policy</b>	<b>Encourages and guides our staff to report in good faith any wrongful act, including those relating to human rights and modern slavery.</b>
<b>Risk management framework</b>	<b>Sets expectations of Board, management and staff behaviours in managing risks, as well as providing a structured approach to risk management.</b>
<b>Supplier contracts</b>	<b>Sets out standard requirements, including modern slavery and human rights, for all suppliers in our network.</b>
<b>Recruitment policy</b>	<b>Provides guidance regarding how we source internal and external talent.</b>
<b>Enterprise agreement</b>	<b>Sets our employment conditions and wages to ensure workers are paid and subject to workplace conditions above the minimum standards of the law.</b>
<b>Anti-discrimination harassment bullying and equal employment opportunity policy</b>	<b>Articulates the appropriate standards of behaviour to ensure employees are treated fairly and with respect, and are free from unlawful discrimination, harassment, vilification and bullying.</b>
<b>Procurement framework</b>	<b>Aims to ensure a consistent approach to procuring all goods, materials, equipment, works and services.</b>
<b>Subcontractor labour</b>	<b>Ensures direct suppliers who subcontract labour do so using best practice and in line with our values.</b>
<b>Environment, Social and Governance (ESG) Roadmap</b>	<b>Guides consistent, best practice ESG outcomes across the business.</b>





## Implementation

All Transgrid staff and contractors complete this training as part of their induction and are required to undertake an annual refresher course. The training makes it clear that we do not tolerate any unethical, fraudulent or corrupt conduct. Our [Code of Ethics and Conduct](#) is available on our website.

All suppliers are required to read and accept our Business Ethics Guide through the on-boarding process via our digital platform.

Any breach of the Guide may cause us to invoke penalty clauses in contracts and/or bring civil or criminal proceedings. Our [Business Ethics Guide](#) is available on our website.

This independently provided service is available to Transgrid staff, their families, suppliers, contractors and customers.

Details of the service are publicly available on our website. Employees and suppliers are briefed on how the service works in our Code of Ethics & Conduct training, including induction and refresher courses.

All suppliers are provided with information on our Whistleblower Service via our Guide to Business Ethics and the 'Suppliers' section of our website.

Our risk management framework is overseen by Transgrid's Board, the Audit and Risk Committee and our executive team. The executive team maintains overall responsibility for risk. Business units, groups and teams are responsible for identifying, controlling and mitigating threats within their operations. Corporate Risk & Compliance offers independent review and challenge. Independent assurance is provided by Internal Audit.

All contracts have Terms and Conditions that include modern slavery clauses, which are publicly available on our [website](#).

This policy applies to all employees involved in the talent acquisition process and covers all forms of employment, including permanent, fixed term and short term (labour hire/agency resources).

A collective bargaining process is undertaken periodically to review and maintain fair conditions.

All staff and contractors receive mandatory training in this policy as part of their induction before they begin working for Transgrid.

Implementation is driven and supported by the centralised procurement team. Human risk issues are embedded through category plans, which include risk analysis as well as consideration of environmental and social sustainability outcomes.

Written approval is required from Transgrid prior to subcontracting any component of the scope of works.

Our Sustainability team support all ESG initiatives implemented across the business, supported by a newly established working group with representation from around the business.









## Due diligence

As part of our supply chain due diligence, new suppliers undergo a pre-qualification and registration process, which helps us to identify modern slavery risks from engaging with suppliers. Onboarding through our new digital platform means that all new and existing suppliers read and accept our Business Ethics Guide, which includes our expectations that suppliers maintain high ethical standards and obey all relevant laws.

Our suppliers also undergo periodic risk assessments and are required to demonstrate their compliance to human rights and fair employment practices in accordance with existing international standards. We review any red flags in partnership with the relevant business units and take action as required.

## Risk mitigation

Transgrid manages modern slavery risk via our Risk Management Framework, which is aligned to ISO31000 Risk Management Guidelines. During the year, modern slavery risk mitigation initiatives included:

- Making all suppliers aware of, and accept, our Guide to Business Ethics.
- Continuing to share modern slavery insights and learnings with Tier 1 suppliers
- Highlighting the relevant modern slavery clauses in our contracts to ensure suppliers understand their contractual obligations.
- Embedding ESG outcomes in supply category plans.
- Incorporating a feedback mechanism in our Procurement Framework to drive continual improvement
- Using a Supplier Risk Assessment Matrix, which includes modern slavery incident assessments, to prioritise strategic suppliers.
- Using ethical hiring practices, ensuring all employees and contractors complete ethical training and operating an Enterprise Agreement.

## Remediation

We have not identified any instances of modern slavery during FY21 through our incident tracking systems or other interactions with suppliers.

If modern slavery problems are identified through our grievance process or discussions with suppliers, we will work with the supplier to develop corrective actions within an agreed timeframe as part of remediation. Suppliers will be required to provide evidence of their corrective actions. If these are not taken in an acceptable manner, Transgrid may terminate its contract with the supplier.



# Effectiveness evaluation





Modern slavery is a complex issue best managed through multiple, diverse strategies – including working collaboratively with suppliers over the long term. While it is difficult to measure the effectiveness of any single action Transgrid may take, we acknowledge the importance of having the right mechanisms in place to review and assess the effectiveness of our activities to address the risks of modern slavery.

We are taking a risk-based approach to gradually extending transparency deeper into our supply chains, progressively working through our highest risk areas and addressing issues as we go. We track the effectiveness of this work via multiple, robust controls, including through our Risk Management Framework, Supplier Relationship Management systems, HSE systems and contractual requirements, see the [Modern Slavery Risks](#) diagram.

We are committed to continually improving our approach to modern slavery over the long-term. Key areas identified for ongoing improvement include:

### **Risk assessment**

Over the past two years, we have engaged with our direct suppliers, focussing on high-spend and high-risk categories where we have the most influence. While this is an appropriate approach at this early stage in our modern slavery journey, over the coming years we will work collaboratively with our suppliers and industry peers to gain greater insights into the risks further down our supply chain (see [Modern Slavery Roadmap](#)).

### **Internal training and engagement**

We are aware of the need to continue to build capability in and understanding of modern slavery within our business. Our training program to date has focused on those in procurement decision-making positions. Over the coming years, we will expand this out more broadly across the business, including both senior leaders and those on the ground making purchasing decisions.

### **Modern Slavery Working Group**

This cross-functional working group will be rolled out in FY22, with representatives from all our key business functions. This group will focus on driving continual improvement in our modern slavery approach and have strategic input into preparing our annual Modern Slavery Statement.



# Appendices

## Appendix 1: Transgrid entities

Full list of companies in the Transgrid Group:

- NSW Electricity Networks Assets Pty Limited (ACN 609 169 922)
- NSW Electricity Networks Operations Pty Limited (ACN 609 169 959)
- NSW Electricity Networks Operations Holdings Pty Limited (ACN 609 266 033)
- NSW Electricity Networks Operations Intermediate Pty Limited (ACN 626 136 847)
- Transtelco Pty Limited (ACN 607 531 653)
- NSW Electricity Networks Finance Pty Limited (ACN 619 171 913)
- NSW Electricity Networks Assets Holdings Pty Limited (ACN 609 265 938)
- Transgrid Services Pty Ltd (ACN 626 136 865)
- Transgrid Services Intermediate Pty Ltd (ACN 626 136 856)
- Transgrid Services 2 Pty Ltd (ACN 646 785 122)

## Appendix 2: Consultation with stakeholders

### Consultation with internal stakeholders

The joint Procurement team has collaborated with internal stakeholders from across the business, including Sustainability, People and Culture, Compliance, Risk and Legal teams. We are committed to setting up a formal working group to continue our ongoing collaboration on modern slavery over the next reporting year.

### Consultation with external parties

We have collaborated with industry peers through our membership of Energy Procurement Supply Australia, building on work done in the previous reporting year.

Our Procurement team also engages with forums to share best practice, ideas and learnings on modern slavery compliance from other companies in a wide range of sectors and countries, including through the Faculty and Chartered Institute of Procurement and Supply.

# Contact details

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NSW Electricity Networks Operations Pty Limited (ACN 609 169 959), as trustee for NSW Electricity Networks Operations Trust (ABN 70 250 995 390).

Registered business name is TransGrid (ABN 70 250 995 390).

[transgrid.com.au](http://transgrid.com.au)



Transgrid at a glance

Our 3 year roadmap

Our business and supply chain

Our modern slavery risks

Risk assessment mitigation and remediation

Effectiveness evaluation





People. Power. Possibilities.