

Modern Slavery Statement

Financial year 2020-2021

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TasNetworks acknowledges the palawa (Tasmanian Aboriginal community) as the original owners and custodians of lutruwita (Tasmania). TasNetworks, acknowledges the palawa have maintained their spiritual and cultural connection to the land and water. We pay respect to Elders past and present and all Aboriginal and Torres Strait Islander peoples here with us today.

Modern Slavery Statement

TasNetworks values human rights and is committed to ensuring that all business is conducted according to ethical, professional and legal standards and is fair, honest and open.

We own, operate and maintain the electricity transmission and distribution network in Tasmania and deliver a safe, cost-effective and reliable electricity supply to more than 295,000 residential, commercial and industrial customers. We facilitate the transfer of electricity between Victoria and Tasmania via Basslink, the sub-sea electricity interconnector. We also provide telecommunications and technology services.

As a large business providing an essential service to all Tasmanians, we recognise our relationship to the community, the economy and the environment and are committed to Corporate Social Responsibility (CSR). At its heart, CSR at TasNetworks is about building trust. Trust is developed by working to minimise our impact and create shared value for our customers, our people and our broader community over the long term.

The Modern Slavery Act 2018 (Cth) (the Act) imposes obligations on TasNetworks to make annual public reports about its actions to address modern slavery risks in its business operations and supply chains. The Act applies to all of our operations (including our subsidiaries). This Statement addresses the criteria set out in the Act.

Modern slavery is a violation of basic human rights and captures situations where coercion, threats or deception are used to exploit victims and deprive people of their freedom.

It takes various forms such as: slavery, servitude, forced labour, trafficking in persons, child labour, debt bondage, forced marriage and deceptive recruiting for labour or services.

Eradicating slavery around the world is an important social cause, and modern slavery compliance is an increasingly important issue to us. We're continuing to engage with external stakeholders to understand the bigger picture and work collectively to address modern slavery risks and collaborate to continually improve.

At this time, our high risk category with the greatest proportion of spend is Human Resources, Contractors (including contracted services) & Temp Field Labour. Given TasNetworks' role in the renewable energy transition - which can drastically reduce carbon emissions and support the fight against climate change - our biggest challenge is to participate in this transition by upgrading our existing electricity network in a way that benefits communities and our natural environment whilst ensuring modern slavery risk is properly managed.

Our initiatives and activities contribute to and address impacts identified across our key CSR material issues, and our four focus United Nations Sustainable Development Goals. We have a focus on Goal 8 to promote sustainable economic growth and stimulating demand for socially responsible products and services.



This Modern Slavery Statement (Statement) is made by Tasmanian Networks Pty Ltd (TasNetworks) and its wholly owned subsidiaries: TasNetworks Holdings Pty Ltd, Fortytwo24 Pty Ltd, Marinus Link Pty Ltd and Large Scale Renewables Pty Ltd (together, 'TasNetworks Group') pursuant to the Act.

This Statement is for the 1 July 2020 to 30 June 2021 financial year. The TasNetworks Board has approved the Modern Slavery Statement as required by the Act.

Seán Mc Goldrick
Chief Executive Officer

Roger Gill
Chairman

Our supply chain

We predominately contract with companies incorporated in Australia and international companies with an Australian presence.

We're committed to the Tasmanian Government's Buy Local Policy and to ensuring all our procurement policies and procedures adhere to those policy requirements. We seek to maximise the opportunities for Tasmanian businesses. Our contractual relationships have a strong local presence (see Chart 1).

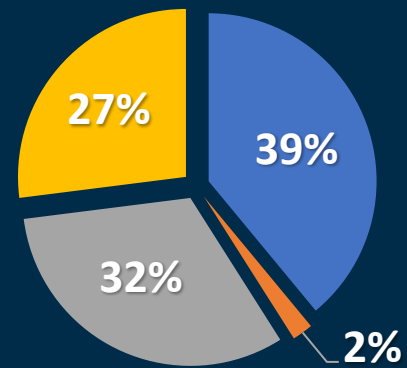
Many of the goods and services we procure have complex supply chains, with multiple suppliers to produce the end product or service. The TasNetworks Group's supply chain is summarised below, and we have also demonstrated our spend in high risk categories¹ (discussed further overleaf):



Chart 1:

FY21 TasNetworks Contractual Relationships

International	\$6.3m
Interstate	\$72.9m
Interstate with Tasmanian presence	\$61.3m
Tasmanian based	\$89.0m



Key statistics - Modern Slavery risks by category:

High risk modern slavery categories are listed below and include the proportion of spend as a percentage of overall contract spend for FY21

• Cleaning Services	0.4%	• IT Managed Services	11%
• Safety Equipment & Work wear	0.9%	• Traffic Management	1.9%
• Human Resources, Contractors (including contracted services) & Temp Field Labour	40.9%	• Meters, Parts Supply, Modems	<0.1%
• Security Services and Equipment	<0.1%	• Line Hardware	2.5%
• Logistics	0.1%	• Cables	1.3%
		• Switchgear	2.1%

¹ Energy Procurement Supply Association White Paper, Respecting Human Rights in Our Supply Chains, 2019: https://epsaonline.net/media/uploads/white_papers/EPSA_Respecting_Human_Rights_in_our_Supply_Chain.pdf

Country of origin

The predominant country of origin of goods and services in our supply chain is Australia followed by China.

The country of origin of 79% of the good and services that we procure is Australia. China and India represent some 5.4% and 1.7% respectively, with the remaining countries of origin each representing 1% or less of our total spend for the financial year (see Chart 3). We commit to continually improve country of origin data for future reporting periods to better understand our risks of modern slavery.

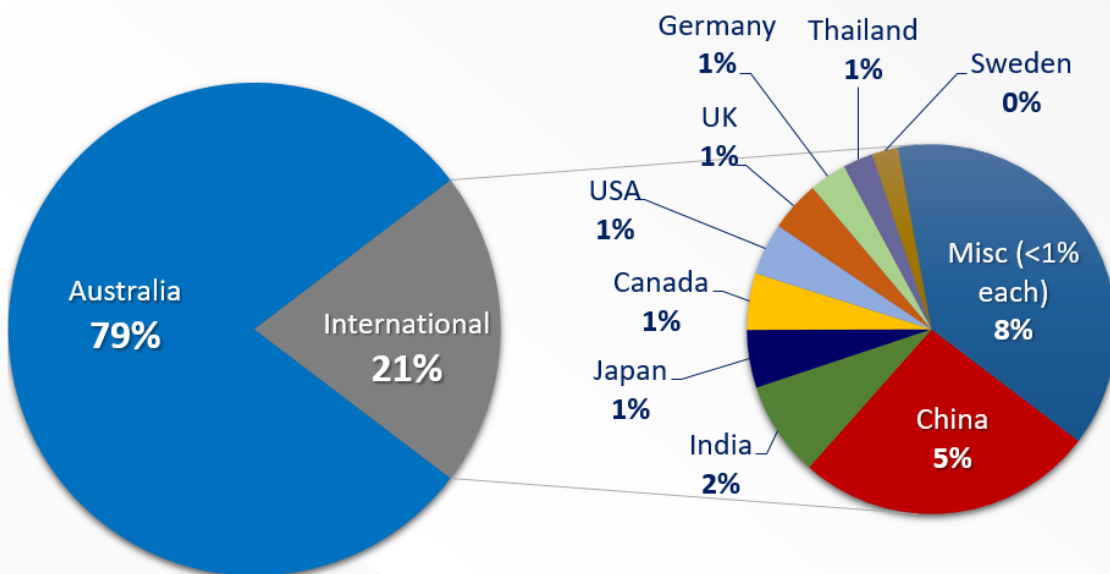
Our key risks of causing, contributing or being directly linked to modern slavery is in our supply chain. Although the majority of our purchases are Australian, we purchase goods from China and India, which both report higher levels of modern slavery.² We have also identified the categories of purchases have an inherently higher risk of modern slavery, which are outlined in the key statistics in the previous page.

Chart 3: Key statistics - Country of origin

FY21 - Country of origin and value of spend

Australia	\$149.9m (79.3%)
China	\$10.2m (5.4%)
India	\$3.2m (1.7%)
Japan	\$2.0m (1.0%)
Canada	\$1.9m (1.0%)
USA	\$1.8m (0.9%)
UK	\$1.7m (0.9%)
Germany	\$1.3m (0.7%)
Thailand	\$1.0m (0.5%)
Sweden	\$0.9m (0.5%)

Chart 2: FY21 - Country of origin



² Walk Free Foundation Global Slavery Index 2018: www.global-slaveryindex.org/resources/downloads/

Managing our risk

Our commitment to managing modern slavery risks ensures we can make a difference to reducing modern slavery globally, particularly through collaboration to build better solutions, encouraging decent work opportunities and sustainable growth.

Highlights

For our second statement, the following are some highlights of measures we have implemented to identify and manage modern slavery risks:

- the development of a Responsible Procurement Standard;
- continued raising awareness and understanding through targeted education to our team members;
- an update to our procurement plan, which requires users to clearly identify where there is a high risk of modern slavery to improve assessment and evaluation of tenders;
- completed the roll-out of updated tender documentation and standard form procurement contracts to require compliance with the Act and other laws relating to modern slavery by all contract counterparties;
- implementation of a compliance plan to monitor controls and effectiveness of controls; and
- working collaboratively with other leading Australian businesses and our industry peers to understand best practice.

Our approach

As our highest risks of modern slavery are in our supply chain, we have focussed our actions on mitigating these risks. Following the methodology developed by the Energy Procurement Supply Association and utilising the Global Slavery Index, we identified the highest risk categories of materials, equipment and services in our supply chain. As a result, we implemented the Policy Against Modern Slavery and continue to build on our approach which has established business processes to manage modern slavery risk.

Our greatest modern slavery risk is the hidden presence of modern slavery practices in our supply chain; ongoing actions will be focussed on addressing this risk. We work directly with suppliers where remediation is required, with a view to develop actionable solutions to prevent further instances of modern slavery in the future.

This financial year we prioritised the following actions to actively manage our risks:

- communication of the Policy Against Modern Slavery and all relevant elements of the program to team members throughout our business and to our business partners and direct supply chain;

- the assessment of modern slavery risks within our business operations and its supply chain and the development of effective, efficient and transparent controls to reduce exposure to those risks. For example, in the procurement planning process we have completed a substantial update of the procurement guidelines and process and included specific controls to enhance due diligence in the procurement planning process to identify whether the procurement activity is an identified modern slavery high risk category;
- completed the roll-out of a substantial update of TasNetworks procurement contract suite (notably all tender documentation now includes a questionnaire requiring all tenderers to provide specific information covering matters such as whether they have policies in place to deal with modern slavery and systems to manage modern slavery risks and all TasNetworks' procurement contracts include provisions requiring contract counterparties to comply with all modern slavery laws and use all reasonable endeavours to procure that all persons in its supply chains at all times comply with all modern slavery laws); and
- targeted training so that team members can recognise modern slavery practices and take steps to avoid them.

To assess the effectiveness of our actions, we have designed a Compliance Plan (in accordance with our Compliance Framework), which will introduce key controls to measure risk and the effectiveness of actions we have taken.

Where it is identified that we have caused or contributed to modern slavery, TasNetworks commits to rectifying the adverse impacts caused.

Continual improvement

We are early in our maturity with a focus on our direct suppliers and we will monitor effectiveness to improve our approach.

Our focus has been on the design and development of our approach to manage modern slavery – to establish governance, identify risks, assess risks and take actions to manage these risks. Our review is an ongoing and evolving process that we are committed to continue to build upon. We review and assess the effectiveness of our approach to inform our path forward as part of our compliance plan.

To continually improve, we plan to investigate implementation of the following:

- embedding an internal education and training program;
- widening our risk assessment and controls to indirect suppliers;
- further refining data capture for country of origin to improve our risk assessment and controls to address the risk of the hidden presence of modern slavery practices in our supply chain;
- conduct an independent risk assessment;
- engaging with identified high/moderate risk suppliers to understand what due diligence is being undertaken to identify risks of modern slavery in their supply chain, through the contractual performance evaluation and review of Modern Slavery Statements;

- work closely with our suppliers so that we can start to reduce modern slavery further across our supply chains;
- reviewing legacy supplier contracts and trading terms to cover modern slavery obligations and risks; and
- implement key measures to improve the assessment of the modern slavery risk framework.

Consultation and engagement

TasNetworks' core competencies are instilling trust, collaboration and communicating effectively. We engage and seek feedback from our team members and external stakeholders to build robust solutions.

To ensure consultation across the TasNetworks Group for the preparation of this Statement, an internal working group has been established with key representatives to develop and implement the risk management framework for modern slavery. This working group reaches across and engages within the TasNetworks Group.

The TasNetworks Leadership Team have been involved in the development and endorsement of this Statement for the TasNetworks Board. We also consult and engage with the Energy Procurement Supply Association to collaborate to model a consistent approach to modern slavery within the energy industry and continually improve.

About us

We are owned by the State of Tasmania and operate as a commercial business with assets of \$3.6 billion

Our responsibilities include:

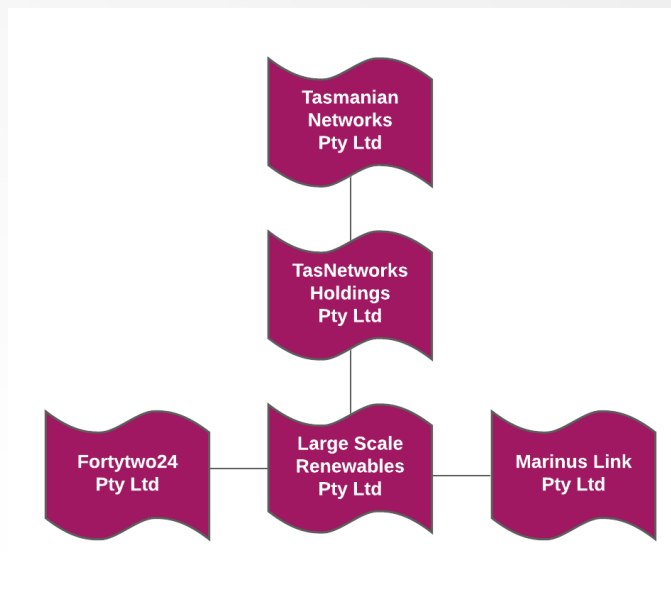
- Keeping our people and our customers safe;
- Tasmanian jurisdictional planner in the National Electricity Market (NEM);
- Maintaining and replacing network infrastructure to ensure a safe, reliable service for our customers;
- Connecting new customers to the network (including small and large-scale generators);
- Investing in the network to support capacity growth;
- Operating the network on a day-to-day basis, including all power outage restoration;
- Maintaining the public lighting system;
- Recording and providing regulated meter data to retailers; and
- Providing telecommunications, data centre and information technology services to customers, including those in the Tasmanian electricity supply industry.

Our locations

We have two administrative offices: one in the Hobart suburb of Lenah Valley and the second in the Launceston suburb of Rocherlea. Our field-based team members are located at major resource centres at Cambridge, Rocherlea, Devonport and Burnie; substations in Trevallyn and Glenorchy; and at smaller regional depots known as response centres. Our Training Centre is located at Mornington, near Hobart.

Our subsidiaries

The subsidiaries of Tasmanian Networks Pty Ltd are TasNetworks Holdings Pty Ltd (non-trading subsidiary), Fortytwo24 Pty Ltd (42-24), Marinus Link Pty Ltd (MLPL) and Large Scale Renewables Pty Ltd (LSR).



Fortytwo24 Pty Ltd

42-24 provides telecommunications, information technology and data centre services to Tasmanian customers, including those in the Tasmanian electricity supply industry. This business is developing new growth opportunities within its current services and also opportunities to provide unregulated energy services. 42-24's procurement activities are governed by TasNetworks policies and procedures. 42-24's tender documentation includes a questionnaire requiring all tenderers to provide specific information covering matters such as whether they have policies in place to deal with modern slavery and systems to manage modern slavery risks and all 42-24's procurement contracts include provisions requiring contract counterparties to comply with all modern slavery laws and use all reasonable endeavours to procure that all persons in its supply chains at all times comply with all modern slavery laws.

Marinus Link Pty Ltd

MLPL was established with a broad remit to allow for the Project Marinus feasibility and business case; to take any steps necessary to establish the interconnector; to build, own or operate the interconnector; and to undertake any other associated activity. The proposed interconnector, known as Marinus Link, is a 1,500 megawatt capacity undersea and underground high voltage direct current electricity and telecommunications connection that will link Tasmania's renewable energy generation and storage resources to Victoria and the rest of NEM. MLPL is presently used as the vehicle for land access and acquisitions for Marinus Link and is also the proponent for environment and planning approvals for Marinus Link. MLPL's procurement activities are governed by TasNetworks policies and procedures and all procurement contracts entered into by MLPL are in TasNetworks' name. MLPL's tender documentation includes a questionnaire requiring all tenderers to provide specific information covering matters such as whether they have policies in place to deal with modern slavery and systems to manage modern slavery risks and all MLPL's procurement contracts are identical to TasNetworks' and include provisions requiring contract counterparties to comply with all modern slavery laws and use all reasonable endeavours to procure that all persons in its supply chains at all times comply with all modern slavery laws.

Large Scale Renewables Pty Ltd

LSR was established to support the growth of TasNetworks' unregulated transmission connection services business, facilitating large scale generation and other large industry connections to our network. Once fully operational, contestable transmission connection services will be provided through LSR to provide customers with a 'one-stop shop' for large connections. Services to be provided include professional services to support project development (such as preliminary design) as well as build, own and operate asset services.

Governance

We're committed to being ethical, fair and transparent in all aspects of our operations. This means we uphold, respect and promote human rights in all our business dealings and relationships.

We have a zero-tolerance approach to modern slavery within our business and our supply chain. The TasNetworks Board is responsible for the strategic guidance and oversight of the company.

TasNetworks' Board Charter provides the framework for TasNetworks' corporate governance structure and practices. The Charter describes the responsibilities of the TasNetworks Board of Directors and the TasNetworks Leadership Team.

Our governance structure is outlined below and further explained in our 2020-21 Annual Report.

Policies

The following are the relevant policies which guide our team members in continuing to build our capability to address this important issue and to address remediation:

- Policy Against Modern Slavery
- Code of Conduct
- Procurement Policy
- Whistleblower Policy
- Right to Information Policy
- Fraud and Corruption Policy

What it takes to deliver your power

