

Modern Slavery Statement

Financial Year 2021-2022



Powering a
Bright Future

Contents

Modern Slavery Statement	3
Our supply chain	5
Country of origin	6
Managing our risk	7
Highlights	7
Our approach	7
Continual improvement	8
Consultation and engagement	9
About us	10
Our responsibilities	10
Our locations	10
Our subsidiaries	11
Fortytwo24 Pty Ltd	11
Marinus Link Pty Ltd	11
TasNet Connections Pty Ltd	11
Governance	12
Policies	12

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 categories with the greatest proportion of spend are Human Resources, Contractors (including contracted services) and origin of input materials to our finished goods. Although Labour comprises a significant portion of spend across our high risk categories, the residual risk is reduced due to a large proportion of this spend occurring within Tasmania and contractual conditions placed upon those entities. Our next greatest risk lies in the origin of input materials to our finished goods, primarily due to global instability in raw material prices and availability, changes to manufacturing processes, and quality and availability of this information to our Tier 1 suppliers¹ and onwards from Tier 1 to TasNetworks. Given TasNetworks' role in the renewable energy transition - which can drastically reduce carbon emissions and support the fight against climate change - our biggest

¹ Tier 1 suppliers are those that are directly engaged by TasNetworks.

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 TasNet Connections Pty Ltd (together, TasNetworks Group) pursuant to the Modern Slavery Act 2018 (Cth) (the Act).

This statement is for the 1 July 2021 to 30 June 2022 financial year. The Board has approved the Modern Slavery Statement as required by the Act.

Seán Mc Goldrick
Chief Executive Officer

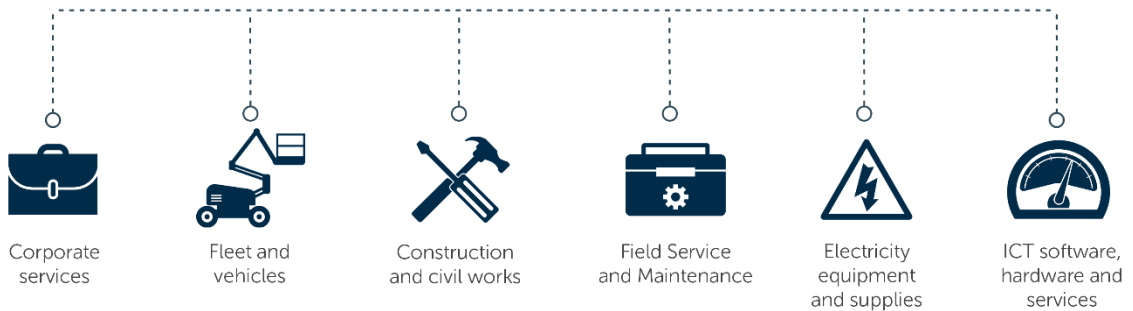
Roger Gill
Chairman

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 ensuring all our procurement policies and procedures adhere to the intent of relevant Government requirements. Our contractual relationships have a strong local presence (see Chart 1 and our contracts with international counterparties are outlined in Chart 2, both charts have been rounded to the nearest million or hundred thousand).

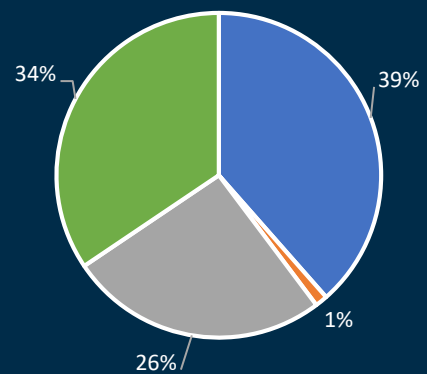
We continue to seek to maximise the opportunities for Tasmanian businesses. Many of the goods and services we procure have complex supply chains, with multiple suppliers to produce the end product or service. These categories include:



Key statistics: Chart 1

FY22 TasNetworks Contractual Relationships

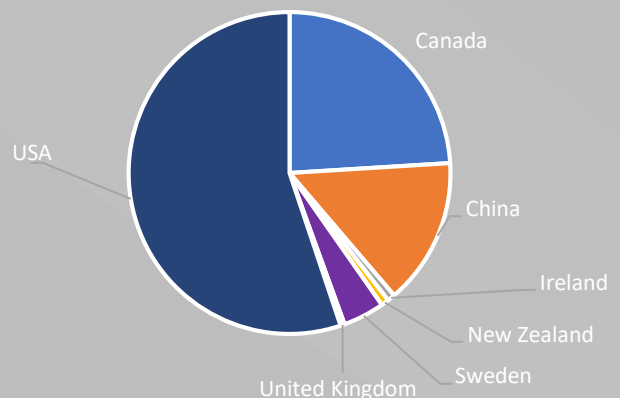
International	\$3.0m
Interstate	\$82.9m
Interstate with Tasmanian presence	\$62.1m
Tasmanian based	\$92.7m



Key statistics: Chart 2

Geographical location of country of incorporation of international contract counterparties and value of spend:

- USA
- Canada
- United Kingdom
- China
- Sweden
- Ireland
- New Zealand



Key statistics: Top 10 Country of origin

FY22 country of origin and value of spend

Australia	\$196.1m (83%)
Software/IT	\$16.1m (6.8%)
Undefined	\$8.8m (3.7%)
China	\$5.1m (2.2%)
USA	\$3.1m (1.3%)
Japan	\$2.1m (0.9%)
Germany	\$1.45m (0.6%)
Thailand	\$1.3m (0.3%)
New Zealand	\$0.54 (0.2%)
Indonesia	\$0.43m (0.2%)
United Kingdom	\$0.39m (0.2%)
Canada	\$0.39m (0.2%)
Ukraine	\$0.35m (0.1%)
Sweden	\$0.25m (0.1%)
India	\$0.2m (0.2%)

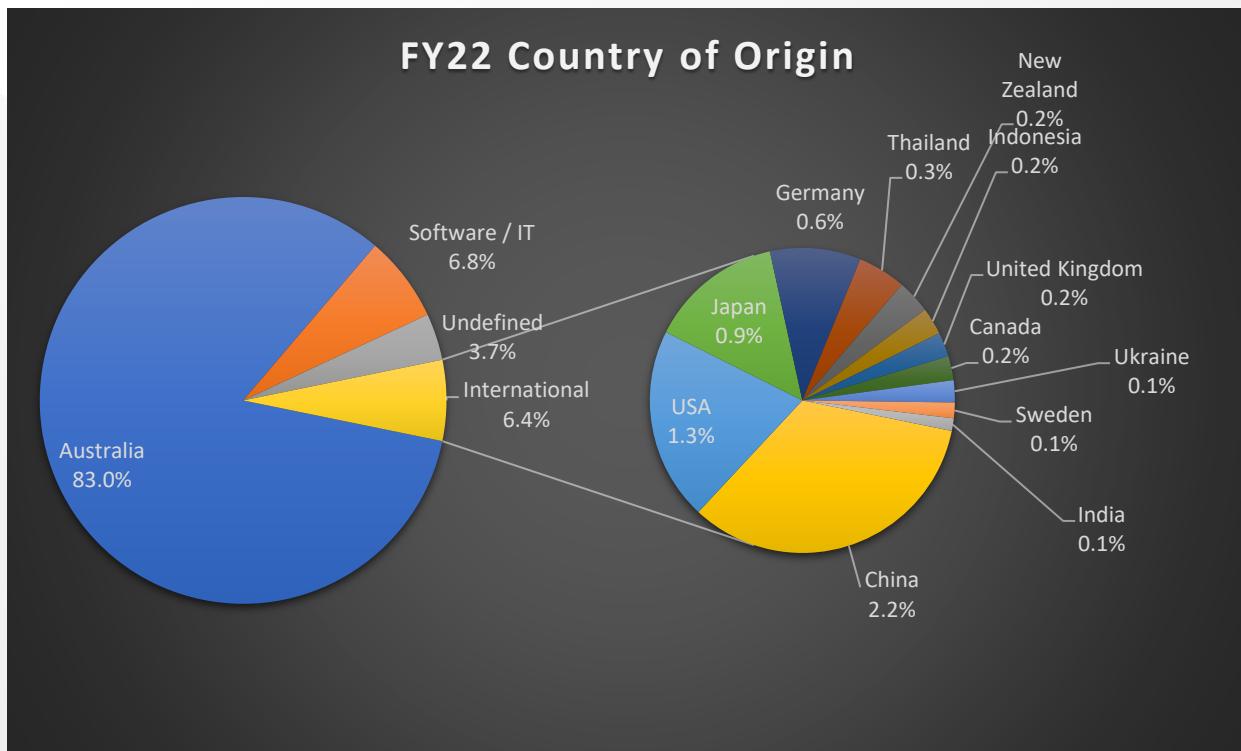
Country of origin

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

The country of origin of over 80% of the good and services that we procure is Australia. China and USA represent 2.2% and 1.3%, respectively, with the remaining countries of origin each representing less than 1% of our total spend for the financial year.

Software/IT has been represented separately as typically resources in multiple countries contribute to the development of IT solutions. At present, there is no further visibility of these points of origin. However, we will continue working with implementation partners and resellers on ways to better identify these going forward.

In addition, 3.7% of spend (excluding software) is as yet unable to be defined. This is due to the fact that the country of origin changes in SAP and the subsequent verification process have only just been recently implemented. Data quality will be greatly improved for future reporting periods.



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 third annual statement, the following are some highlights of measures we have implemented to identify and manage modern slavery risks in the FY22:

- a process to capture country of origin data in SAP;
- implementation of modern slavery assessments for preferred tenderers and direct award contracts;
- development of a Modern Slavery Register to enable the business to centrally manage supply chain risk;
- implementation of a compliance plan to monitor controls and effectiveness of controls;
- working collaboratively with other leading Australian businesses and our industry peers to understand best practice; and
- continued raising of awareness and understanding through targeted education to our team members.

Key risks by category

High risk categories we have identified are listed below and include the proportion of spend as a percentage of overall contract spend for FY22:

• Cleaning Services	0.3%
• Safety Equipment & Work wear	0.6%
• Human Resources, Contractors (including contracted services) & Temp Field Labour	44.7%
• Security Services and Equipment	0.1%
• Logistics	0.1%
• IT Managed Services	10%
• Traffic Management	1.7%
• Meters, Parts Supply, Modems	0.3%
• Line Hardware	1.6%
• Cables	1.3%
• Switchgear	1.3%

Our approach

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. This year we have focussed on improving our risk management capabilities by implementing changes to our systems to allow us to capture country of origin data. Over the last year world events have placed significant challenges on our supply chain and we have needed to be able to respond to those challenges and strengthen the way we both assess and manage supply chain risk. Our greatest modern slavery risk is the hidden presence of modern slavery practices in our supply

chain; future 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 risk in the future. This financial year the TasNetworks Group prioritised the following actions to actively manage our risks in our operations and supply chain:

- capturing of country of origin data to allow us to more readily access related data and subsequently better understand the risk related to the origins of our goods and services;
- collaboration with key suppliers to raise awareness of the need for visibility of country of origin for products procured by TasNetworks;
- 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 tendering process we have included a modern slavery questionnaire that is included in the supplier's submission to assess as part of the tender evaluation;
- utilisation of the Informed 365 platform to assess and manage the continuous improvement of our suppliers;
- implementation of the Responsible Procurement Standard to ensure that standards relating to people, the environment and the communities in which we operate are maintained and continuously improved throughout our conduct of procurement activities;
- continued training so that team members can recognise modern slavery practices and take steps to avoid them; and
- implementation of steps to monitor the effectiveness of our approach through the Modern Slavery Compliance Plan.

Continual improvement

We recognise that continual improvement is key to managing modern slavery risk and we are working on further developing our maturity. We will monitor the effectiveness of our processes to improve our approach.

We are continuing to refine our approach to managing modern slavery risk and we are committed to establishing a responsible and transparent supply chain. We recognise that the review and assessment of the actions we have taken to identify and address the risks of modern slavery in our operations and supply chain are an ongoing process that the TasNetworks Group will build on.

We will continue to evaluate the success of our approach and will review, assess and refine our processes to assess the effectiveness of our approach and inform our path forward, to ensure they are effectively addressing modern slavery risk.

To continually improve, we plan to do the following:

- continue to embed an internal education and training program, in particular providing more targeted training for those team members who interact with our suppliers;
- look at ways in which we can get better visibility of our Tier 2 suppliers;

- continue to refine our reporting capabilities by improving our systems and the way we utilise them to produce cleaner, more accurate data;
- Investigate implementation of tools to support risk and reporting processes;
- further embed use of the Informed 365 platform with the aim of getting the majority of our high risk/high spend suppliers registered and therefore managed from within the platform;
- widen our risk assessment and controls to indirect suppliers;
- continue 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 tendering performance evaluation, review of Modern Slavery Statements and ongoing category management;
- continue to work closely with our suppliers so that we can start to reduce modern slavery further across our supply chains;
- review legacy supplier contracts and trading terms to cover modern slavery obligations and risks; and;
- Implementation of our compliance plan.

Following the completion of these actions, we will develop frameworks and processes to ensure that we can review the effectiveness of the actions we are taking to assess and address modern slavery risks in our operations and supply chains.

Consultation and engagement

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

The Supply Chain group now have the accountability for implementation of the Modern Slavery Compliance Plan and for continuous improvement of our associated processes. Supply Chain will continue to collaborate with other key resources across the business and will endeavour to encourage engagement in robust risk assessment and management practices.

The TasNetworks Executive Team have been involved in the development and endorsement of this Statement for the 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.

We consulted with each of the reporting entities within the TasNetworks Group in the development of this statement.

About us

TasNetworks owns, operates and maintains the electricity transmission and distribution networks in Tasmania.

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

Our responsibilities

Our responsibilities include:

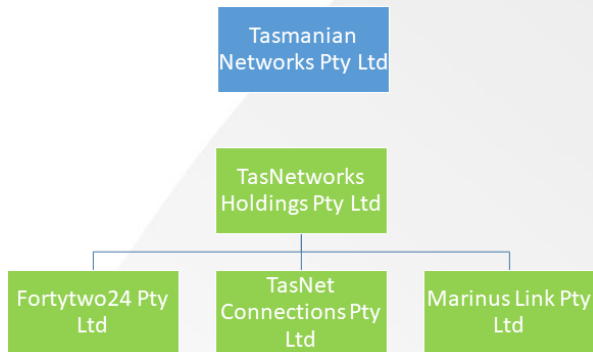
- Keeping our people and our customers safe
- Tasmanian jurisdictional planner in the National Electricity Market (NEM)
- Maintaining and replacing network infrastructure to ensure a safe, reliable service for our customers
- Connecting new customers to the network (including small and large-scale generators)
- 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
- 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), Fortytwo24 Pty Ltd (42-24), Marinus Link Pty Ltd (MLPL) and TasNet Connections Pty Ltd (TNC).



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.

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.

TasNet Connections Pty Ltd

TNC 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 TNC. 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.

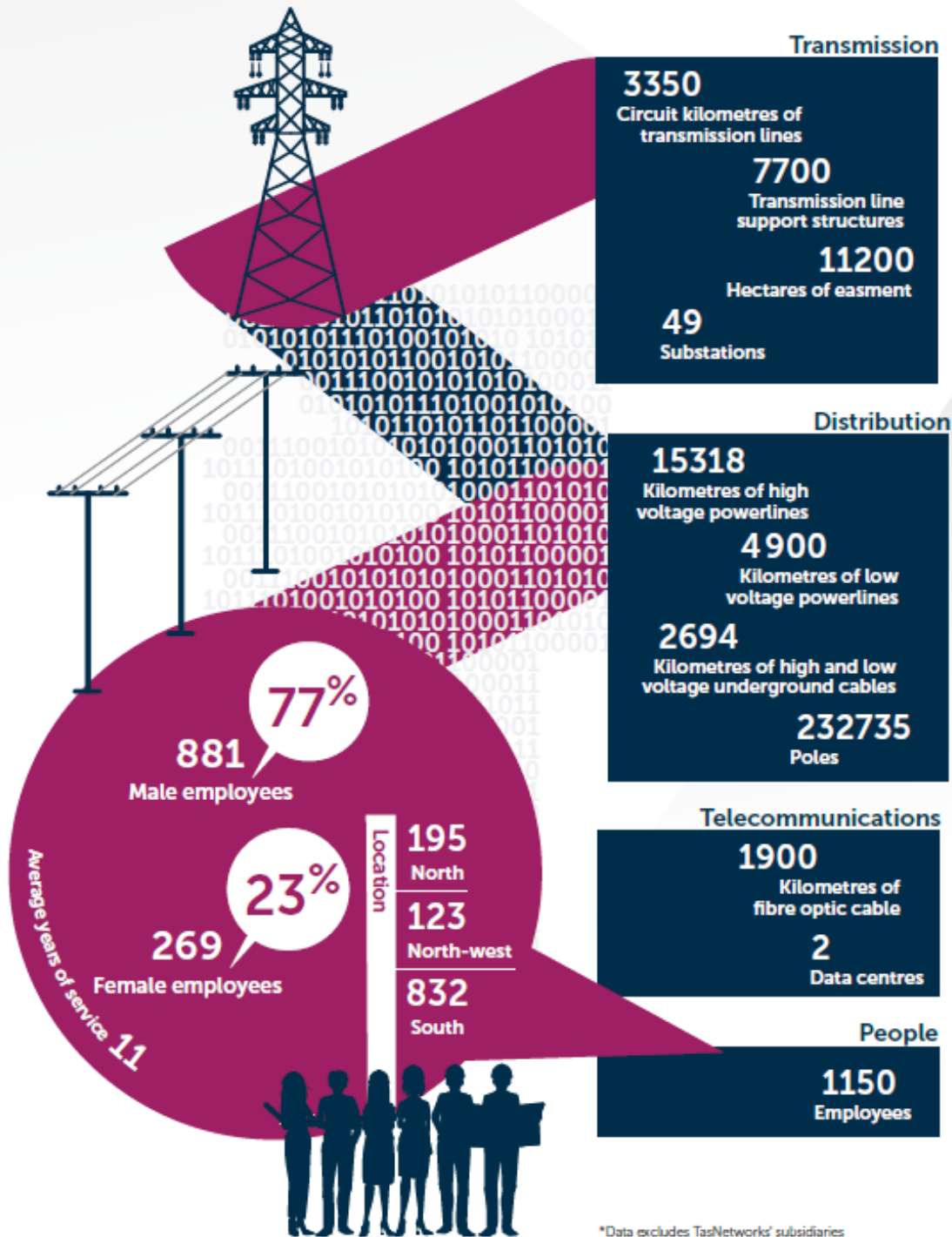
TasNetworks' Board Charter provides the framework for TasNetworks' corporate governance structure and practices. The Charter describes the responsibilities of the TasNetworks Board of Directors and the TasNetworks Executive Team.

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
- Responsible Procurement Standard

What it takes to deliver your power



*Data excludes TasNetworks' subsidiaries