

Modern Slavery Statement

Financial Year 2022-2023



Powering a
Bright Future

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.

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Owner of this Statement

This statement is submitted by Tasmanian Networks Pty Ltd (TasNetworks) (ACN 167 357 299) (TasNetworks), and also covers TasNetworks' wholly owned subsidiaries: TasNetworks Holdings Pty Ltd (ACN 626 376 903) (TasNetworks Holdings), FortyTwo24 Pty Ltd (ACN 117 987 925) (42-24), TasNet Connections Pty Ltd (ACN 633 576 628) (TasNet Connections) and Marinus Link Pty Ltd (ACN 630 194 562) (Marinus Link) (together, 'TasNetworks Group').

TasNetworks is a Tasmanian Government owned company, established under the *Electricity Companies Act 1997* (Tas). Companies within the TasNetworks Group are registered under the *Corporations Act 2001* (Cth). TasNetworks' registered address is 1-7 Maria Street, Lenah Valley Tasmania, Australia 7008.

This statement has been published in accordance with the *Modern Slavery Act 2018* (Cth) (Act). It identifies the steps TasNetworks and its controlled entities (including the reporting entities listed on page 4) took to identify, assess, mitigate and remediate modern slavery risks in its operation and supply chain during year ending 30th June 2023. All amounts are expressed in Australian dollars unless another currency is indicated.

Structure of this Statement

This Statement was prepared to meet the mandatory reporting requirements set out under the Act. It provides an overview of TasNetworks' approach to modern slavery and the risks associated with its operations and supply chain for the financial year 2022-23. The table below sets out where each criterion of the Act is disclosed within sections of this Statement.

Message from the Chief Executive Officer

Dear Stakeholders

As the CEO of TasNetworks, I am committed to upholding the highest standards of ethical conduct and integrity in all aspects of our business. This commitment extends to our dedication to combatting modern slavery in all its forms.

Modern slavery, encompassing forced labour, human trafficking, and other rights abuses, is a global challenge that requires collective action and vigilance. As a responsible organisation, we acknowledge our role in this global challenge.

We are continuously strengthening our policies, practices, and partnerships to identify, prevent, and address any risks of modern slavery within our operations and supply chain. We believe that transparency and accountability are key to driving change, and this statement serves as a testament to our ongoing efforts.

We also acknowledge that addressing modern slavery is an evolving journey. We are committed to learning, improving, and adapting our strategies as we advance. This journey is not one we undertake alone; collaboration with our employees, suppliers, customers, and the wider community is essential. Together, we can make a significant impact.

As the leader of TasNetworks, I assure you of our steadfast commitment to respecting and protecting human rights. We will continue to work diligently to ensure that our business operations are free from modern slavery and contribute positively to the communities we serve.



Seán Mc Goldrick

Chief Executive Officer

TasNetworks

About TasNetworks

We deliver power to Tasmanians. Our vision is to be trusted by our customers to deliver today and create a better tomorrow.

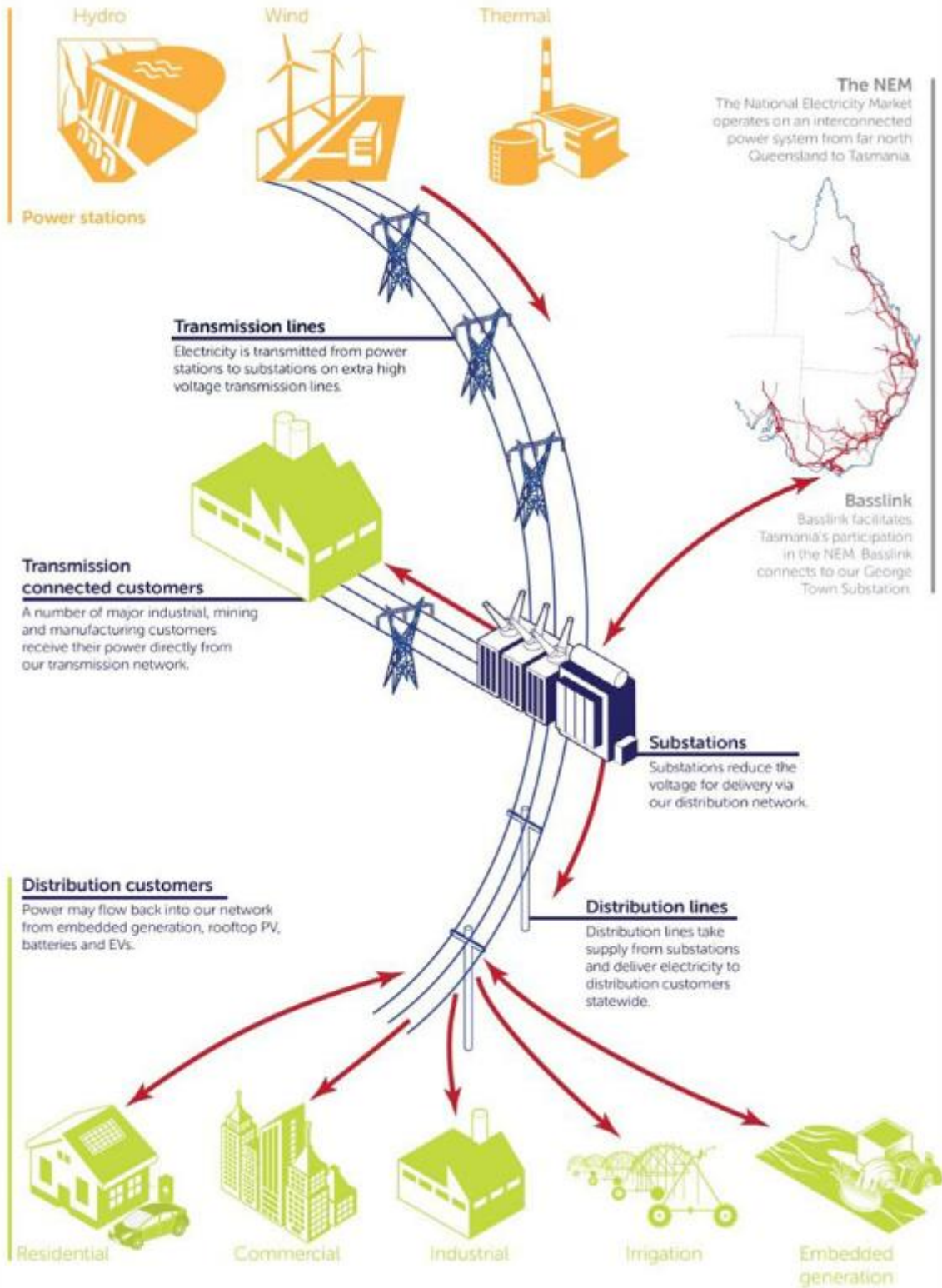
We deliver safe, reliable, and affordable electricity supply to more than 295,000 residential, business, commercial and industrial customers. We also provide telecommunications and technology services.

As the Transmission and Distribution Network Service Provider in Tasmania, our core responsibilities include:

- Keeping our people and our customers safe,
- Maintaining and replacing network infrastructure to ensure a safe, reliable service for our customers,
- Serving as Tasmanian jurisdictional planner in the National Electricity Market,
- 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,
- Planning and developing Renewable Energy Zones,
- 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.



The areas in blue in the diagram below indicate our role in Tasmania's electricity supply industry.



As a large business responsible for keeping the lights on for all Tasmanians, we recognise our relationship to the community, the economy and the environment. We are working to build trust by minimising our impact and creating shared value for our customers, our people and our broader community.

TasNetworks employs over 1000 Tasmanians, and between our reporting entities we have staff working in a broad range of disciplines including engineering, scientific, project management, strategic planning, IT, financial, people and culture, marketing, operational, corporate governance and administrative staff.

At TasNetworks, we uphold ethical standards through our Code of Conduct, ensuring compliance with all relevant legislation. Our policies on sustainability, workplace health and safety, and environmental protection collectively establish the framework for ethical conduct company wide. These policies are reinforced by internal procedures addressing matters such as whistleblowing, fraud prevention, corruption mitigation, and comprehensive risk management.



Consultation with Reporting Entities

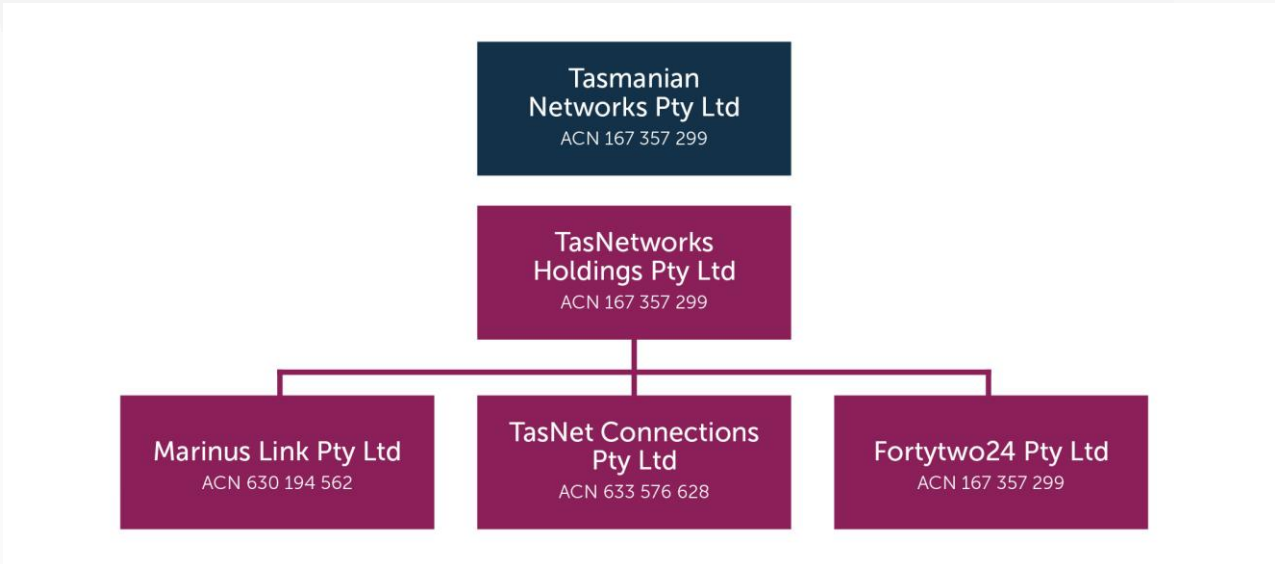
We consulted with each of the reporting entities within the TasNetworks Group in the development of this statement.

TasNetworks engaged with and consulted with Marinus Link through a number of workshops leading up to the preparation of the Statement. While Marinus Link had direct input into this statement, TasNetworks Procurement Team provided information for 42-24 and TasNet Connections, as they are responsible for procuring goods and services for these subsidiaries.

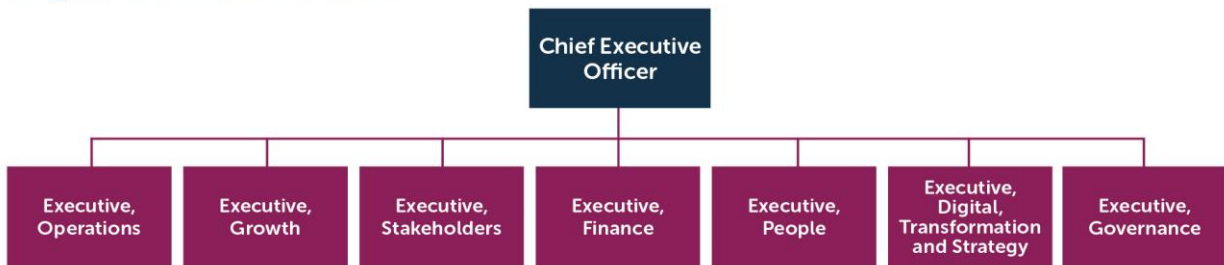
All data presented in this paper captures that of TasNetworks and its subsidiaries.

Our Business Structure

The corporate structure and organisational structure (as at 30 June 2023) is set out below.



Organisational structure



TasNetworks Holdings

TasNetworks Holdings is a non-trading subsidiary, incorporated to hold all shares in and oversee the subsidiary companies of TasNetworks.

Marinus Link

Marinus Link's operations include the Project Marinus feasibility and business case assessment; 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, comprises of two 750-megawatt capacity undersea and underground high voltage direct current electricity and telecommunications connections that will link Tasmania's renewable energy generation and storage resources to Victoria and the rest of National Electricity Market.

The cable will run 255km undersea from North-West Tasmania to Waratah Bay in Victoria, then a further 90km underground to the Latrobe Valley. Converter stations at each end will enable alternating current to be directed back and forth as needed into the energy grid. Marinus Link will have a 1500-megawatt (MW) capacity, equal to the power supply for 1.5 million Australian homes.

TasNet Connections

TasNet Connections was established to support the growth of TasNetworks' competitive transmission connection services business, facilitating large-scale generation and other large industry connections to the network in Tasmania. During 2022-23, TasNet Connections was a non-trading entity. Once fully operational, contestable transmission connection services will be provided through TasNet 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.

42-24

42-24 commenced operations on 1 July 2018. 42-24 was established as a result of regulatory requirements under the Australian Energy Regulators Distribution Ring Fencing Guideline. 42-24's operations include the provision of telecommunications, information technology and data centre services to Tasmanian customers, including those in the Tasmanian electricity supply industry.

TasNetworks Operations

Our Team

TasNetworks employs 1,005 team members directly with a further 112 team members employed through temporary contract arrangements.

We consider the risk of Modern Slavery within our direct operations to be low for the following reasons:

- Recruitment policies, which ensure right to work status are validated through VEVO, along with validating age of prospective team members.
- Our team members are employed under contracts of employment and enterprise agreements, which abide by relevant industrial instruments that are regulated by Australian employment law.
- TasNetworks has regular engagement with registered trade unions, and we value our team member’s right to freedom of association as well as recognising the rights of our team to negotiate employment conditions collectively.
- TasNetworks has strong policies and accessible grievance mechanisms available to all employees and contractors working on behalf of TasNetworks.
- Ongoing training around our policies and grievance mechanisms to ensure all team members understand their rights both in and out of work. We recognise this training as an important way of reaching team members of all 28 countries represented within our team as we recognise that international and indigenous team members are still highly represented in Modern Slavery statistics.
- Ensuring our workplace environments are safe and healthy and that team members have the freedom and clear mechanisms to call out any hazards or issues with the assurance that they will be heard, and action will be taken. This encompasses both physical and psychological safety.

Our locations

We have two main 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 Supply Chain



The Supply Chain Team

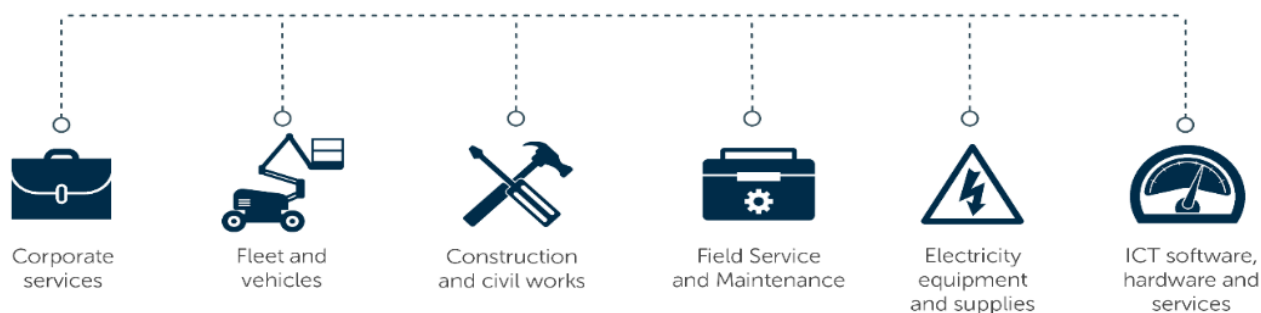
Since 2022, the Supply Chain group now have the accountability for implementation of the Modern Slavery Compliance Plan and for continuous improvement of our associated processes. Supply Chain will continue to collaborate with other key resources across the business and will endeavour to encourage engagement in robust risk assessment and management practices. TasNetworks Supply Chain consists of the following teams who all play a part in TasNetworks' compliance to Modern Slavery risk reduction:

Supply Team Name	Responsibilities	Role in Modern Slavery Risk Management
Head of Supply Chain	Modern Slavery Compliance Officer	Ensuring compliance to the TasNetworks Modern Slavery Framework
		Preparing annual Modern Slavery Statement
Procurement	Procurement Policy Endorsement	Completing Modern Slavery risk assessment for upcoming procurements
	Supplier Onboarding	New supplier risk assessment completed and supplier added to risk register
		Ensure high risk suppliers are declared according to Government Policy
	Contract Management	Ensure Modern Slavery is addressed in all new contracts
Country of Origin	Country of origin is captured on Purchase Orders	
Supply Chain Commercial	Supplier Management	Updating supplier risk assessment annually
		Ensuring risk posed by second tier contractors is captured and risk assessed against the Modern Slavery Framework
Materials Management, Warehousing & Logistics	Materials Compliance	Ensuring the Country of Origin is accurately captured at receipt of goods
Strategic Projects		Ensuring the risk of large-scale projects are assessed for Modern Slavery risks and mitigated
Supply Chain Performance	Data Management	Ensuring data collected around Modern Slavery risk is organised and audited to accurately capture the risk of Modern Slavery within Supply Chain

TasNetworks' supply chain is broad and consequently the business' exposure to modern slavery risks is diverse. The complexity in our supply chain extends to the indirect supply chain, involving our suppliers' supply chains across diverse regions and industries. Addressing modern slavery risks demands a vigilant approach throughout this network.

TasNetworks' Supply Chain team procures goods and services to support the following activities within the organisation:

- Asset strategy and management
- Design and Construct of the transmission and distribution networks, including substations
- Operating and maintaining the network which includes vegetation and easement management, underground and overhead maintenance programs and the decommissioning and disposal of assets
- ICT software, hardware and services
- Facilities and Fleet construction and maintenance
- Support services providing professional advice and guidance in areas such as engineering, training, legal, governance and marketing.



TasNetworks has undertaken risk assessments of the modern slavery risks in its operations and supply chains during the reporting period to identify the risks that it is causing, contributing or directly linked to modern slavery practices.

Modern slavery has the potential to be present in:

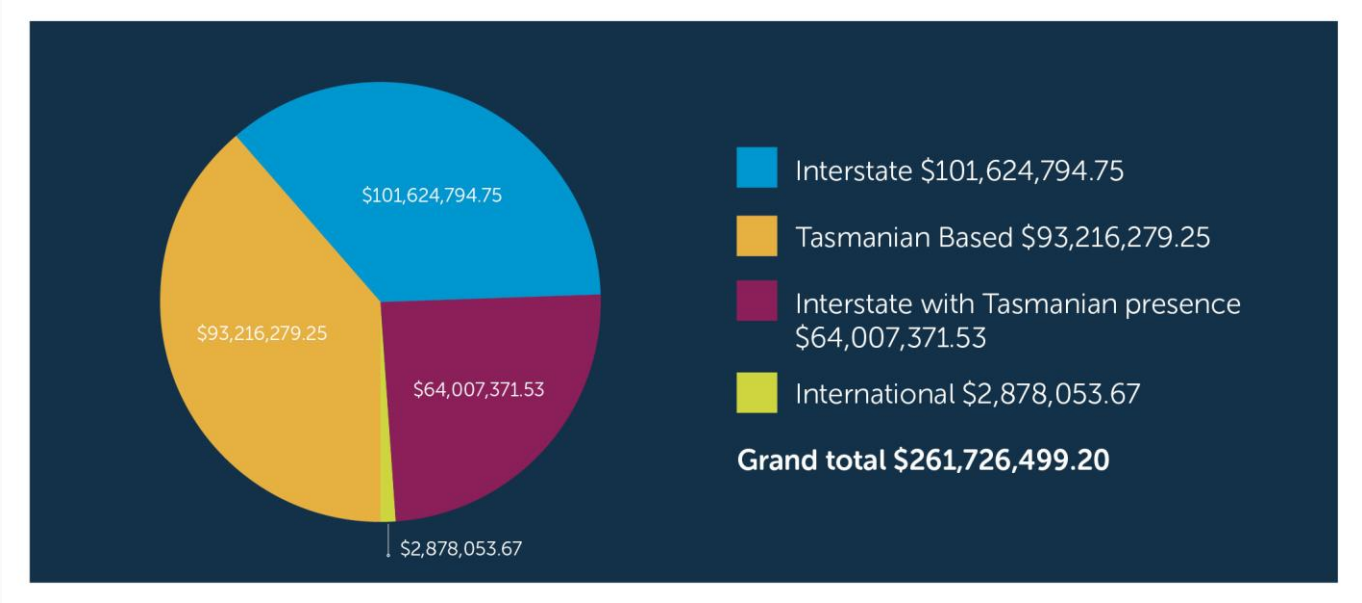
- Contracted human resource services, including contracted facility services such as cleaning, maintenance, and security
- The origin of input materials for finished goods
- Subcontractor supply chains, especially in high-risk regions identified by the Global Slavery Index
- Procurement of corporate clothing and personal protective equipment
- Production of marketing materials including printing services, paper, and promotional items
- Sourcing equipment, machinery, consumables, and materials from overseas, particularly in energy generation where European suppliers may procure from high-risk countries
- Transportation and logistics providers in the transport of internationally sourced materials
- IT hardware and software procurement

We acknowledge the emerging risk within the clean energy industry, particularly concerning the sourcing of essential materials for solar energy construction from high-risk countries, notably China. Additionally, we recognise that climate change exacerbates pre-existing vulnerabilities associated with Modern Slavery, as individuals face displacement from their homes and countries. Our steadfast commitment at TasNetworks lies in the strategic investment in technologies that bolster clean energy initiatives while concurrently enhancing the well-being and liberties of those most susceptible to risk.

The latest Global Slavery Index shows that Australia ranks second in the world for Government response and in the bottom 14 countries for Modern Slavery Prevalence. Accordingly, we understand that by keeping our supply chain as close to home as possible, we are inherently reducing the risk of Modern Slavery within our Supply Chain and ability to expediently respond if instances do occur. We are 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.

Key Statistics of TasNetworks High Risk Supply Chain Spend

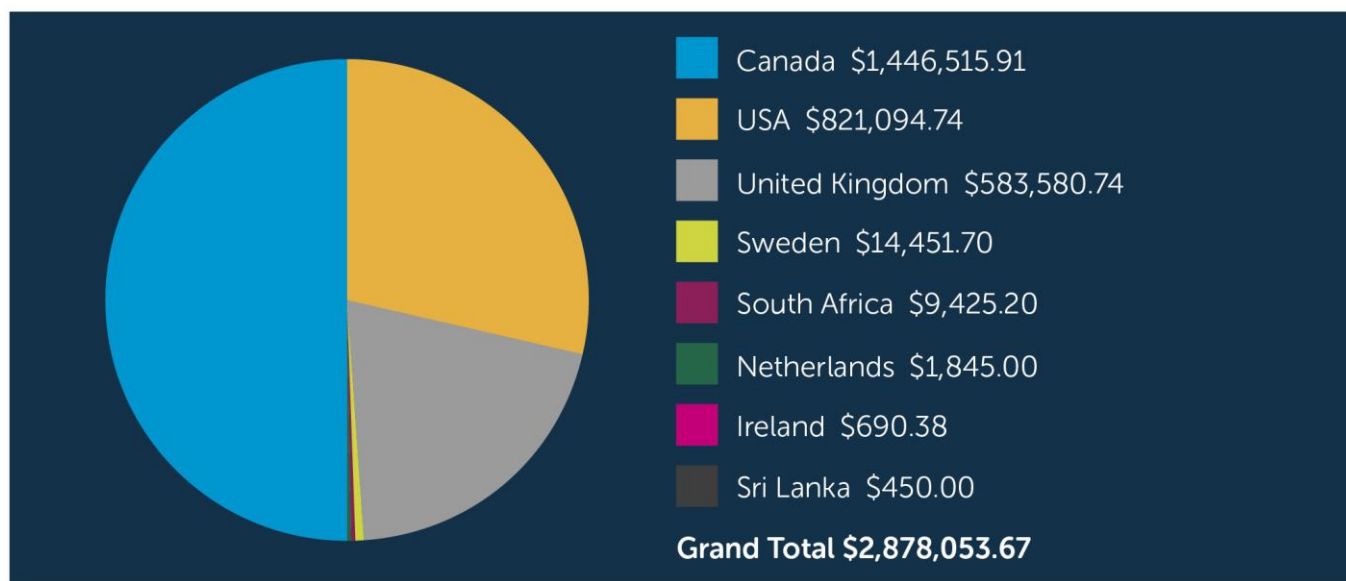
Buy Local Status



Spend by High-Risk Categories

High Risk Category	Percentage FY23 spend
Switchgear	0.80%
Cables	1.90%
Line Hardware	1.83%
Meters, Parts Supply, Modems	0.13%
Traffic Management	1.19%
IT Managed Services	9.94%
Logistics	0.70%
Security Services and Equipment	0.12%
HR Resources, Contractors (including contracted field services) & Temp Labour	45.38%
Safety Equipment and work wear	0.47%
Cleaning Services	0.24%

Spend by International Location of Contracted Supplier



Spend by Country of Origin (spend greater than \$140,000)

Country	Spend	Percentage
Australia	\$233,804,076.01	89.33%
USA	\$7,245,599.63	2.77%
China	\$6,052,436.91	2.31%
Singapore	\$2,991,387.42	1.14%
Germany	\$1,609,855.62	0.62%
Spain	\$1,586,714.41	0.61%
Japan	\$1,426,628.06	0.55%
Canada	\$1,125,891.92	0.43%
Thailand	\$905,653.41	0.35%
Taiwan	\$793,671.83	0.30%
Sweden	\$637,164.56	0.24%
Not Classified	\$609,343.87	0.23%
France	\$331,398.51	0.13%
New Zealand	\$329,441.45	0.13%
Puerto Rico	\$321,578.64	0.12%
Poland	\$286,255.50	0.11%
India	\$275,742.68	0.11%
United Kingdom	\$258,004.33	0.10%
Indonesia	\$234,145.63	0.09%
Italy	\$161,500.11	0.06%
Brazil	\$143,525.88	0.05%
Note: long tail end of countries <\$100k	\$596,482.82	

Note: Not classified is a result of CoO field not mandatory for PR's raised from a work order that could not be easily manually updated

Identifying Modern Slavery Risk within TasNetworks

TasNetworks is committed to upholding human rights and is dedicated to conducting all business activities in adherence to ethical, professional and legal standards. Our commitment extends to fostering an environment that is characterised by fairness, honesty and transparency. Our primary concerns regarding modern slavery risks pertain to aspects beyond TasNetworks’ direct operations, specifically within the supply chain encompassing the provision of goods and services from external sources.

The risks of modern slavery practices in the operations and supply chains of the TasNetworks Group includes:

Internal (Operations)	External (Supply Chain)
Safety of our team members, both physical and mental	Procuring from countries with a high risk of modern slavery
Age of our team members	Procuring goods and/or services with higher incidences of modern slavery
Payment and working conditions in line with the government law	Goods and/or services being delivered via the suppliers’ subcontractors (ie indirect supply chain)
Appropriate Right to Work status	Climate change
Recognition that underprivileged nationalities and indigenous people are overrepresented in Modern Slavery statistics	Emerging technologies

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. Roles and responsibilities for managing Modern Slavery risk at TasNetworks have been clearly defined within our updated business structure.

Through the reporting period, TasNetworks and its subsidiaries has taken actions to address its risks of modern slavery, including by:

Policy:

- The TasNetworks Modern Slavery Policy provides guidance to the business by documenting our commitments and roles and responsibilities with regards to Modern Slavery. While TasNet Connections and 42-24 both fall within the TasNetworks Policy, Marinus Link is in the process of creating their own Modern Slavery Policy.
- During the reporting period, an audit of the existing Modern Slavery Policy and compliance to the Act was conducted, with the generation of a compliance action plan. This compliance action plan has formed the foundation for our development plan for 2023 continuous improvement.
- The SAP GRC module is an important due diligence tool that enables on-going monitoring of control effectiveness and compliance with guidelines. This is managed by TasNetworks Audit, Risk and Compliance team.

Contractual Obligations:

- Anti-Slavery clauses are included in TasNetworks' contract templates. Existing contracts are incorporating this clause as they are renewed.

Collaboration and Engagement:

- TasNetworks continues to participate in the monthly nationwide consortium meetings with the Energy Procurement Supply Association to share best practices and stay informed about industry-specific risks.

Informed 365 Platform:

- The I365 platform is a customised, web-based application that was developed with EPSA to manage and automate modern slavery risk management and allows us to undertake due diligence in relation to suppliers. TasNetworks has purchased licences for this platform with the intent of onboarding our major suppliers and contractors over a period of time. Although we are early in our adoption of this platform, usage will be increased significantly over the coming years.
- This tool is used by TasNetworks only. Marinus Link is reviewing uptake for next financial year.

Whistleblower Policy:

- Our Whistleblower policy provides a reporting pathway for all team members and contractors of TasNetworks. TasNetworks maintains both a confidential whistleblower email hotline, and an independent reporting service through Deloitte, which are both available to current team members, as well as broader eligible whistleblowers

(such as past employees and family members, and TasNetworks' contractors). Instances of violations are monitored and reported by the TasNetworks Governance Team.

Training:

- Ongoing Modern Slavery Awareness Training and Country of Origin Training across the business.

If remediation was required, we would work directly with suppliers with a view to develop actionable solutions to prevent further instances of modern slavery in the future.

Assessing our Effectiveness

With the establishment of centralised Supply Chain Team, TasNetworks is well positioned to better assess the effectiveness of our Modern Slavery risk mitigation in the next reporting period. Limited historical data has constrained the ability to track improvements in this space.

We believe the actions taken to address the risks of modern slavery are effective, though there is more work to be done to better assess our effectiveness in the future. We assess the effectiveness by measuring the actions we have taken against the modern slavery risks that have been identified.

Additional Information

Our Partnerships

- Member of Energy Procurement Supply Association (EPSA)
- Member to Social Traders – Essentials Membership

Our Continuous Improvement Journey

Over the past year, TasNetworks has undergone a substantial transformation, including a restructuring of the organisation. With the formal establishment of a dedicated Supply Chain function within TasNetworks, along with the introduction of new Procurement and Category Management teams under Supply Chain, we are strategically positioned for the forthcoming reporting period to:

- Review the existing TasNetworks Modern Slavery Policy and develop a Modern Slavery Framework to encourage policy compliance and due diligence.
- Collaborate closely with internal business partners to heighten their understanding of modern slavery within their respective procurement chains and provide education on Modern Slavery risks.
- Place a heightened emphasis on meaningful data, fostering transparent collaboration with vendors through the i365 tool in conjunction with ESPA. This includes notification of non-compliance in line with government regulations.
- Implement enhanced tracking mechanisms for this data, enabling the Supply Chain to promptly identify shifts and discern the key drivers precipitating these changes.
- Conduct a comprehensive review of our existing vendor base.
- Create a working group to promote oversight in both operation and supply chain, which will provide inputs into the quarterly Sustainability Steering Committee.
- Develop a clear remediation path for breaches of Modern Slavery Policy.
- MLPL are in the process of developing an MLPL Procurement Policy, Framework and procedures, which will ensure that modern slavery risks are identified, considered and managed.
- Integrate modern slavery risk frameworks into Project Marinus and other large-scale projects in FY 2023/24 through procurement practices on major projects.

This statement was approved by the Board of TasNetworks in their capacity as principal governing body of Tasmanian Networks Pty Ltd on 14 December 2023. The TasNetworks Board approved the statement on behalf of the TasNetworks Group.



Roger Gill
Chair of the TasNetworks Board
14 December 2023



www.tasnetworks.com.au

Modern Slavery Statement
Public