



2021

**MODERN SLAVERY  
STATEMENT**



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## ABOUT THIS STATEMENT

This Modern Slavery Statement ("Statement") is made pursuant to section 16 of the Australian Modern Slavery Act 2018 (the Act).

Modern slavery is used to describe serious exploitation and includes circumstances where a:

- worker cannot refuse or cease work because of coercion, threats or deception; and/or
- worker is deprived of personal freedom.

Practices that constitute Modern Slavery can include human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage, and the worst forms of child labour ("Modern Slavery").

This Statement is provided by Spark Infrastructure RE Limited (ABN 36 114 940 984) as trustee of the Spark Infrastructure Trust ("Spark Infrastructure") and covers the following 100% owned entities of Spark Infrastructure Trust:

- Spark Infrastructure RE Limited (ABN 36 114 940 984)
- Spark Infrastructure Holdings No. 1 Limited (ABN 14 116 940 786)
- Spark Infrastructure Holdings No. 2 Limited (ABN 16 116 940 795)
- Spark Infrastructure Holdings No. 3 Limited (ABN 62 117 034 492)
- Spark Infrastructure Holdings No. 4 Pty Limited (ABN 66 116 823 548)
- Spark Infrastructure Holdings No. 5 Pty Limited (ABN 23 151 150 275)
- Spark Infrastructure (Victoria) Pty Limited (ABN 18 116 940 740)
- Spark Infrastructure (SA) Pty Limited (ABN 80 116 940 688)
- Spark Infrastructure SA (No1) Pty Limited (ABN 54 091 142 380)
- Spark Infrastructure SA (No2) Pty Limited (ABN 19 091 143 038)
- Spark Infrastructure SA (No3) Pty Limited (ABN 50 091 142 362)
- Spark Infrastructure Electricity Assets Pty Limited (ACN 609 164 570) (ACN only)
- Spark Infrastructure Electricity Assets Trust (ABN 95 674 223 769)
- Spark Infrastructure Electricity Operations Pty Limited (ACN 609 164 598) (ACN only)
- Spark Infrastructure Electricity Operations Trust (ABN 48 311 370 213)
- Spark Renewables Pty Limited (previously Spark Infrastructure Holdings No. 6 Pty Limited) (ABN 90 632 860 023)
- Bomen SF Holdco Pty Ltd (ACN 631 229 331) (ACN only)
- Bomen SF Hold Trust (ABN 23 832 721 903)
- Bomen Solar Farm Pty Ltd (ABN 40 620 832 108)
- Bomen SF Trust (ABN 67 363 258 504)

- Bomen SF Finco Pty Ltd (ABN 46 631 229 359)
- Dinawan Energy Hub Pty Ltd (previously Spark Renewables 1 Pty Ltd) (ABN 83 646 054 524)
- Dinawan Energy Hub Trust (previously Spark Renewables 1 Trust) (ABN 86 873 457 480)
- Mates Gully Solar Farm Pty Limited (ABN 72 640 967 755)
- Mallee Wind Pty Ltd (ABN 12 636 566 713)
- Yorke Peninsula Wind Farm Project Pty Ltd (ABN 15 138 965 901) (together, the "Spark Infrastructure Group")

Spark Infrastructure was acquired by Pika Bidco Pty Ltd ("Pika Bidco") on 22 December 2021. Pika Bidco is directly owned by Pika HoldCo Pty Ltd ("Pika Holdco"). Both Pika Bidco and Pika Holdco are companies owned by funds and/or investment vehicles managed and/or advised by Kohlberg Kravis Roberts & Co. L.P. and/or its affiliates, Ontario Teachers' Pension Plan Board and Public Sector Pension Investment Board.

Prior to the acquisition, all securities in Spark Infrastructure were owned by retail and institutional investors, and were traded on the Australian Securities Exchange ("ASX"). Following the acquisition, Pika Bidco holds all of the issued securities. Trading in Spark Infrastructure securities on the ASX was suspended at the close of trading on 29 November 2021 and Spark Infrastructure was removed from the official list of the ASX with effect from close of trading on 23 December 2021.

The Statement focuses on activities completed in the calendar year reporting period ending 31 December 2021 (FY21).

This Statement was approved by the Spark Infrastructure Board on 29 June 2022.

Laura Reed  
Chair  
Spark Infrastructure

# OVERVIEW OF SPARK INFRASTRUCTURE



**Spark Infrastructure is a long-term investor in electricity infrastructure assets within Australia. Our companies help deliver electricity to over 5 million homes and businesses and are also heavily involved in supporting the transition in Australia's electricity system to one that is increasingly reliant on renewable energy.**

As of December 2021, our assets comprised of electricity transmission (Transgrid) and distribution (SA Power Networks and Victoria Power Networks) networks, as well as renewable energy generation assets (100% owned Spark Renewables).

## SPARK RENEWABLES (100% OWNERSHIP)

Spark Renewables is a leading renewable developer and long-term owner of renewable energy projects, with an operational solar farm (the 100MW Bomen Solar Farm in NSW) and a large portfolio (in excess of 3GW) of development assets including wind, solar, storage and green hydrogen projects.

## VICTORIA POWER NETWORKS (49% OWNERSHIP)

CitiPower and Powercor (together known as Victoria Power Networks) distribute electricity to over 1 million customers in Melbourne and western Victoria.

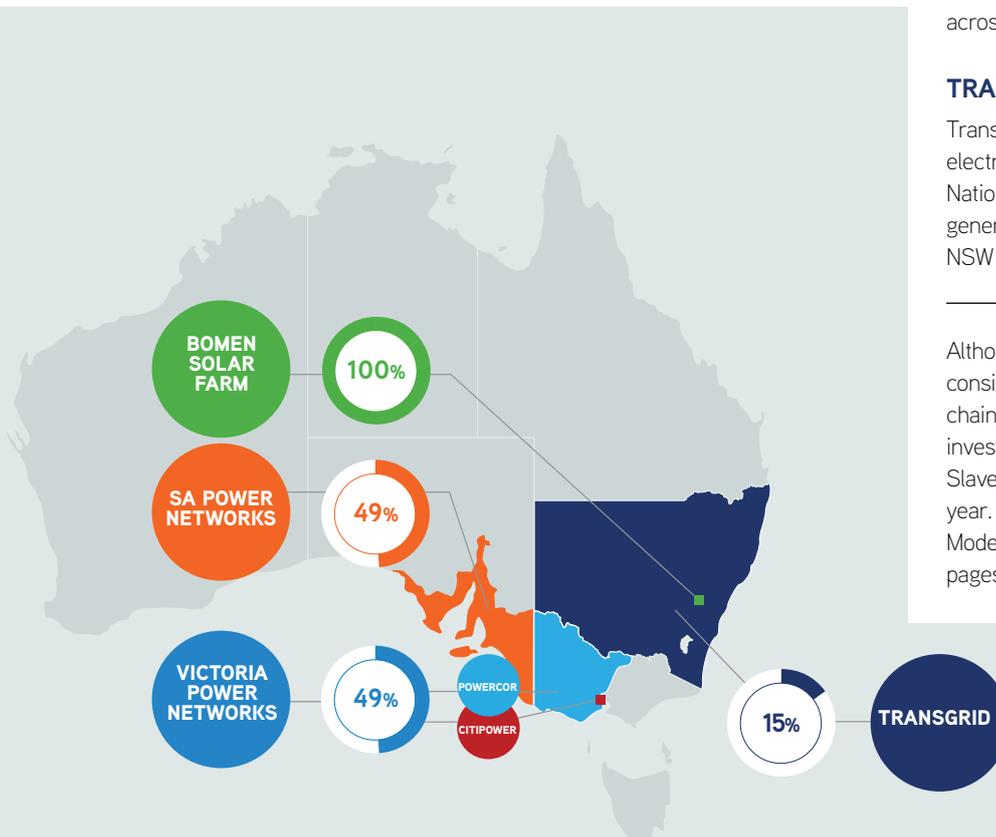
## SA POWER NETWORKS (49% OWNERSHIP)

SA Power Networks is the sole operator of South Australia's electricity distribution network, supplying around 880,000 residential and commercial customers across the State.

## TRANSGRID (15% OWNERSHIP)

Transgrid is the largest high-voltage electricity transmission network in the National Electricity Market (NEM), connecting generators, distributors and major users in NSW and the ACT.

Although our investment portfolio is not considered part of our operations or supply chain, we engaged with our minority interest investment portfolio businesses on Modern Slavery risk management throughout the year. Summaries of our portfolio businesses' Modern Slavery statements are set out on pages 11-16.



# GOVERNANCE OVERVIEW AND SUPPLY CHAIN MANAGEMENT



## OUR GOVERNANCE STRUCTURE

Spark Infrastructure's corporate governance structure consists of a Board of Directors, various Board Committees (including the Audit, Risk and Compliance ("ARC") committee), and the Senior Management Team, as well as the management team of Spark Renewables.

Key roles and responsibilities regarding the assessment and management of Modern Slavery risk include:

- Spark Infrastructure Board of Directors – Ultimate oversight of compliance with Modern Slavery regulations
- Senior Management Team – Responsibility for day-to-day management of Modern Slavery risk in direct operations and supply chain
- Head of Legal – responsibility for whistleblowing/grievances

Additionally, Spark Infrastructure has representation on the boards of our investment businesses. Our role on the boards is to actively engage with the businesses to drive continued performance and explore growth opportunities. Risk management is a critical component, which involves overseeing the management of supply-chain related risks including Modern Slavery.

## DIRECT OPERATIONS

At the close of 2021, Spark Infrastructure's direct workforce comprised 17 individuals across white-collar roles such as investment management, asset operations, legal, and other corporate functions. Our direct workforce is engaged on individual workplace agreements that pay above the Australian minimum wage. These employees are based out of Spark Infrastructure's head office in Sydney's CBD, and the Spark Renewables' team are based in their Manly (NSW) office.

### Our supply chain

In 2021 Spark Infrastructure engaged approximately 130 suppliers. Our 17 largest suppliers, which are all Australia-based, accounted for over 90% of total supplier spend.

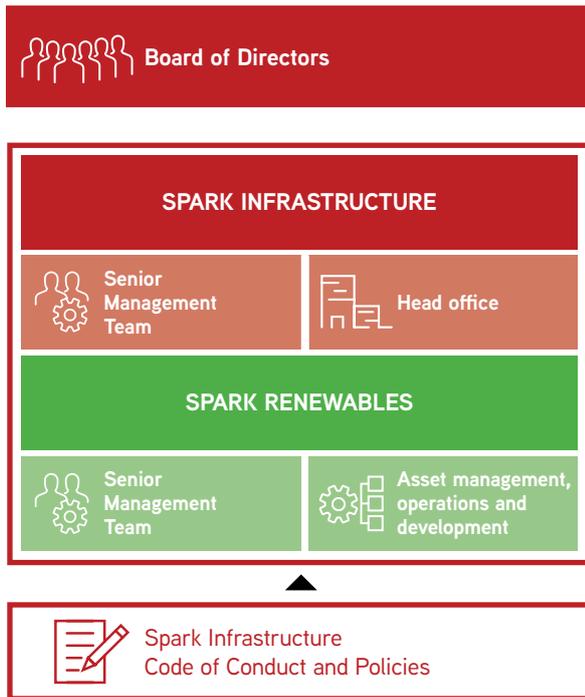
Spark Infrastructure's suppliers can be considered in two main categories:

- **Corporate** – including suppliers engaged to support head office tasks such as information technology, audit, legal, and other corporate services, inclusive of transaction-related services. Corporate spending accounted for ~87% of Spark Infrastructure's total spend in 2021. This was heavily influenced by the procurement of legal, financial and advisory services associated with the implementation of Spark Infrastructure's acquisition by Pika Bidco.

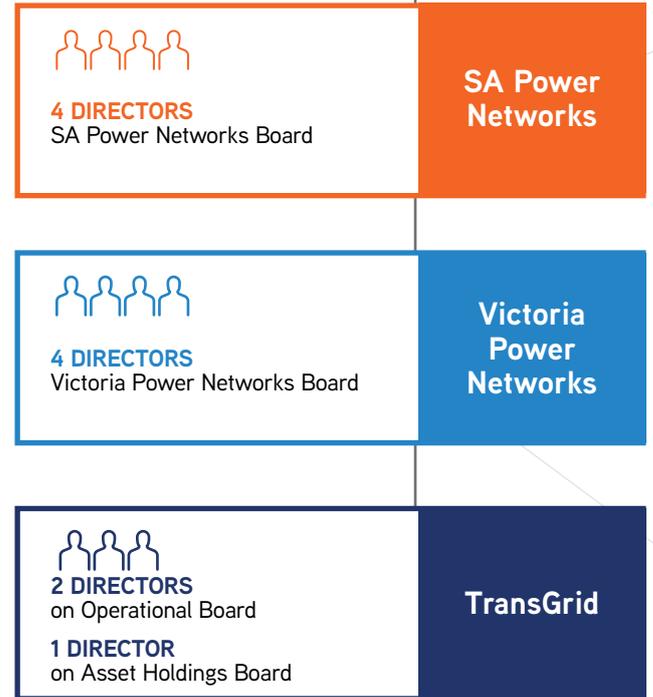
- **Spark Renewables** – including suppliers involved in the operations of Bomen Solar Farm and development of other renewable opportunities. Spark Renewables spending accounted for ~13% of Spark Infrastructure's total spend, and was mainly related to the ongoing operation and management of Bomen Solar Farm.

More than 99% of Spark Infrastructure's direct suppliers (by expenditure) are based in Australia, a country with a low risk rating (as defined by the Global Slavery Index). In 2021 we did not directly engage any suppliers from non-low risk countries. Notwithstanding this, we recognise that the highest risks of Modern Slavery risks are most likely to occur further down our supply chain (tier two and beyond). We will continue to work with our tier one suppliers and industry peers to gain a better understanding of these risks.

## SPARK INFRASTRUCTURE



## Spark Infrastructure representation



# MODERN SLAVERY RISKS IN OUR SUPPLY CHAIN

**Employees within Spark Infrastructure’s corporate operations are skilled white-collar professionals operating exclusively in Australia, and therefore have very low levels of industry risk and geographic risk associated with Modern Slavery.**

Although our corporate office is small, we recognise there are risks relating to the supply of IT equipment, where some components may be indirectly sourced from higher risk regions, including those with poor labour practices.

Operations relating to Spark Renewables are higher risk than our corporate office given the expanded scope of its procurement activity and reliance on components that are often imported from more modern-slavery prone jurisdictions. However, unlike previous years, in 2021 Spark Renewables did not undertake any construction or significant procurement exercises which has naturally lowered the associated risks. Notwithstanding this, we are aware that activities related to the maintenance and operations of Bomen Solar Farm may still present risk factors for Modern Slavery. These risk factors can be considered a result of present industry dynamics, including:

- Use of low-skilled, contract and/or migrant labour
- Subcontracting and use of third-party labour hire agencies
- Complex projects, often with hundreds of workstreams and considerable outsourcing, which increases supply chain complexity and decreases the visibility of labour risks and impacts
- A highly competitive and cost-driven business sector, with a heavy reliance on contract terms predicated on low margins and significant pressure on delivery times
- Products with long supply chains that extend into countries with weak or opaque commitments to human rights.



The areas that have the highest levels of Modern Slavery Risks for the Spark Infrastructure Group are:

AT RISK SECTORS	MODERN SLAVERY RISK
<b>Solar Panels and related components</b>	Much of the manufacturing of solar panel parts occurs in China, which is considered a higher risk nation. In particular, the industry has faced concerns about the polysilicon used in solar panel production.
<b>Operational Equipment</b>	Electricity infrastructure materials used within the industry often have long supply chains that extend into countries with relatively weak or opaque commitments to human rights, including China, India, Vietnam and Thailand.
<b>Personal Protective Equipment (PPE)</b>	The Global Slavery Index identifies apparel and clothing accessories as one of Australia’s largest importing risks, citing China, Vietnam, India and Thailand (among others) as the prominent sources.
<b>Office IT Equipment</b>	The production of laptops, computers and phones is considered at risk of having used Modern Slavery practices. Many components are manufactured in higher risk countries, including China and Malaysia which are the primary suppliers to Australia.
<b>Temporary or low-skilled labour</b>	Even in developed countries, Modern Slavery risks can emerge relating to the overwork or relatively poorer conditions of short term or contract workers.

# MANAGING MODERN SLAVERY RISKS IN OUR SUPPLY CHAIN

**Spark Infrastructure maintains and implements a range of policies and procedures which help to mitigate Modern Slavery risks in our operations and supply chain.**

These include our:

- **Code of Conduct** – Outlines the way employees are expected to conduct themselves to uphold the integrity and values of Spark, including procurement practices, equal opportunity and anti-discrimination, Occupational Health and Safety (OHS), bribery and corruption, community contribution and environment.
- **Speak Up (Whistleblower) Policy** – Provides framework for anyone with information about potential misconduct to report the information. This can be done anonymously if required.
- **Risk Management Policy** – Describes the risk framework under which the company operates. This includes risks associated with supply chain management.
- **Procurement (incl External Service Providers) Policy** – Details the due diligence to be considered in relation to supplier processes and systems, compliance and past regulatory issues (among other things).

These policies apply to all employees of Spark Infrastructure and affiliated entities. They are regularly reviewed to ensure effectiveness and appropriateness for prevailing circumstances is maintained.

## ENGAGING SUPPLIERS ON MODERN SLAVERY

We implement the following procedures directed at understanding Modern Slavery risks and minimising the likelihood of Modern Slavery occurring in our supply chain:

- **Prospective supplier due diligence** – our Procurement Policy states that prior to engaging a supplier, due diligence must be performed and documented, and due diligence is to consider supplier processes and systems, compliance arrangements, and past regulatory issues (among other factors).
- **Ongoing supplier due diligence** – we regularly review the performance and compliance of our suppliers, and we require select suppliers to complete a Modern Slavery questionnaire designed to understand supplier awareness and management of Modern Slavery risks based on the processes and systems that they have in place. In 2021 we sent questionnaires to suppliers which represented 94% of total procurement expenditure.
- **Specific contract terms** – we have added clauses to select new supplier contracts, which require the supplier to report to us any instances of Modern Slavery in its operations or supply chains and to provide all reasonable information to Spark Infrastructure regarding its compliance with Modern Slavery laws.
- **Training** – we have engaged an external provider to present training on Modern Slavery to all employees of Spark Infrastructure and to assist in the preparation of training materials for future training sessions.
- **Reporting** – we require regular reporting from current suppliers as to their compliance with laws and regulations, the appropriate functioning of processes and systems, stakeholder engagement and complaints, and training provided to employees, among other factors.





## REMEDIATION

Spark Infrastructure's Speak Up (Whistleblower) Policy is a key component of its approach to identifying and remediating instances of Modern Slavery present in its operations and supply chains. The Speak Up Policy encourages anyone with information about potential misconduct, which includes concerns over Modern Slavery, to report the information to specific individuals named in the policy or an external consultant via the Spark Whistleblower Service. The policy clearly identifies its applicability to current and past employees, directors, consultants, contractors, suppliers and associates. Individuals who provide information to Spark Infrastructure in accordance with the Speak Up Policy can do so anonymously. Spark Infrastructure is committed to upholding the legal protections afforded to individuals who report potential misconduct and making sure that individuals who Speak Up are treated fairly and do not suffer detriment. The Spark Infrastructure Board or a committee of the Board receives a summary of reports made under the Speak Up Policy.

There were no confirmed instances of Modern Slavery within our operations or supply chain brought to our attention in FY21. There were also no instances of Modern Slavery identified in the operations and supply chains of our investment businesses in FY21.

We recognise this does not mean that Modern Slavery is not actually occurring in our operations, our supply chain, or across our investment businesses. We remain committed to enhancing our focus on Modern Slavery and working with our investment businesses to further minimise Modern Slavery risks in their operations and supply chains.

When we are made aware of any grievance or complaint that indicates the possibility of Modern Slavery occurring in our operations or supply chain, we investigate the matter further and take appropriate action. The appropriate action may involve requests for further information and discussions with key officers or personnel.

If a supplier is found to be violating Modern Slavery laws, and a satisfactory resolution could not be achieved, we may terminate the relationship with the supplier. When considering remediation activities including supplier termination, our focus is always on mitigating the risk to those experiencing the possible impacts and using our leverage to foster continuous improvement.

## EXTERNAL ADVISORY SERVICES

To ensure we continue to promote best practices, we engaged BWD, an advisory firm specialising in sustainability business strategy, to perform a full review of our Modern Slavery Statement and commitments to date. Included in this was short and medium term recommendations, some of which have already been employed, to enhance our future efforts and safeguards in combatting Modern Slavery.



## SPARK RENEWABLES

**In 2021, Spark Renewables focused on increasing its awareness and understanding of Modern Slavery risks in its supply chain and taking steps to reinforce its commitment to mitigating those risks.**

### OPERATIONS AND SUPPLY CHAIN

Spark Renewables has a workforce of less than 10 full-time equivalent (FTE) employees, who are all professionally qualified and are based in Australia. Within Spark Renewables, protections against Modern Slavery are operationalised through Spark Infrastructure's Speak Up (Whistleblower) Policy (which is available for anonymous reporting of any unethical conduct), Risk Management Policy and Procurement (incl External Service Providers) Policy. (See page 7 for policy details).

Bomen Solar Farm directly engaged a total of 29 suppliers in 2021, which were all based in Australia, a country with a low geographic risk rating. Our 5 largest suppliers accounted for 81% of our total spend.

In 2021, construction activities for Bomen Solar Farm had ceased, since it commenced commercial operations in mid-2020. The operational phase of Bomen Solar Farm presents a far lower Modern Slavery risk profile, with the engagement of a local operations and maintenance manager (Beon Energy Solutions, a subsidiary of VPN) which resources the services supplied with a small number of full time employees. This was our largest single supplier in 2021 (47% of spend). The other services supplied by third parties (e.g. asset management, forecasting, insurance, technical and legal advisory) present low risks of Modern Slavery, being professional services delivered in Australia.

During the operational phase, procurement of electrical hardware is largely limited to replacement parts or upgrades. In 2021 we procured a licence for predictive control software to enhance the performance of the solar system, which required the installation of equipment on the solar farm's trackers. This was our second largest spend in 2021 (11% of spend). We engaged a supplier who is an industry leader in the field and has a strong Modern Slavery risk management framework in place.

## 2021 ACTIONS

In 2021 Spark Renewables took multiple steps towards progressing its management of Modern Slavery risks, including:

- Lifting engagement levels with suppliers and potential partners about Modern Slavery risks and approaches to mitigation.
- Expanding its questionnaire to better gauge how our direct suppliers manage their Modern Slavery risks.
- Increasing the frequency of cross-functional engagement with Spark Infrastructure to better inform practices.

Cognisant of industry-wide Modern Slavery concerns regarding the manufacture of solar panels in China, in particular in connection with polysilicon used in solar panel production, in 2021 Bomen Solar

Farm sought and obtained information from the supplier of the modules used for Bomen Solar Farm and was given written reassurance about the labour practices employed by the company along with its Supplier Code of Conduct, its Code of Business Conduct and Ethics and its 2020 Modern Slavery statement.

For the second consecutive year we prepared a Modern Slavery questionnaire for issue to the suppliers of goods and services to Bomen Solar Farm. A total of 10 suppliers representing 89% of Bomen Solar Farm's total procurement spend received questionnaires in 2021. All suppliers demonstrated their strong position on Modern Slavery Risk Management within their own supply chains, with robust policies, processes and training in place.

Spark Renewables also joined the Clean Energy Council's Risks of Modern Slavery Working Group. The group consists of Australian energy businesses which use the shared platform to discuss and consider collaborative efforts to identify and address risks of Modern Slavery within supply chains. By joining this group, we can ensure we remain at the forefront of supply chain management practices within the industry and can work towards collective engagement with upstream industry providers.

## LOOKING FORWARD

In addition to Bomen Solar Farm, Spark Renewables has a development portfolio comprising early stage wind and solar farms. It is not anticipated that significant procurement for these projects will occur until at least 2024. However, in anticipation of this time, and in an attempt to better mitigate the above Modern Slavery risks, Spark Renewables is looking to implement the following actions:

Signing a Pledge Against Modern Slavery (developed by the CEC as part of an industry-wide response to addressing Modern Slavery risks)\*. The pledge commits Spark Renewables to practices designed to ensure its supply chain is free of adverse human rights impacts, including Modern Slavery, and sees it declare its corporate responsibility to respect human rights

\* This was signed in early 2022.

Continuing to strengthen contractual arrangements by embedding anti-slavery and supply chain management clauses, particularly as projects approach the construction stage and procurement of higher risk goods increases

Creating a framework to better understand our supply chain beyond our tier one suppliers, particularly as we recognise this is where most of the risks of Modern Slavery risks lie within our organisation

Including provisions in contracts requiring local counterparties to investigate and prioritise (where possible) local procurement opportunities

Including criteria relating to Modern Slavery risk in the assessment of proposals received in response to tenders for the procurement of equipment





## SA POWER NETWORKS

**In 2021, SA Power Networks (SAPN; including its unregulated business, Enerven) focused its efforts on further developing structures to support supplier compliance with its Modern Slavery policies and contract clauses. SAPN also maintained its CIPS Standard and Ethical Procurement certification, among other efforts.**

### OPERATIONS AND SUPPLY CHAIN

SAPN has a workforce of approximately 2200 full-time equivalent (FTE) employees, with a further 420 people employed by Enerven. This workforce is supplemented by casual employees equivalent to 6-8% of these figures. Within SAPN, protections against Modern Slavery are operationalised through its HR & Ethics policy, employee Code of Conduct and independent Whistleblower's Line, which is available for anonymous reporting of any unethical conduct.

Within SAPN's supply chain, the vast majority of SAPN's suppliers (98.42% by expenditure) are based within Australia, a country with a very low risk rating.

In 2021, SAPN repeated its supplier risk assessment based on inherent industry and country risk, covering more than 1300 suppliers. No suppliers were assessed as having a risk greater than Medium.

SAPN procures equipment and services that may be impacted by Modern Slavery risks. Energy infrastructure materials such as power cables, transformers, line hardware, protective equipment – as well as other products including IT hardware – are associated with long construction and electrical components supply chains. SAPN also purchases services, such as asset inspection, construction and maintenance, facilities management, solar services, traffic management, and IT and professional services.

### KEY SAPN RISK MITIGATION MEASURES IN 2021

1. Included Modern Slavery clauses in contracts for approximately 75% of its suppliers
2. Rolled out an e-learning Modern Slavery training module, initially to all members of its procurement team
3. Refreshed its supplier risk assessment to establish updated supplier risk likelihood scores
4. Issued its first self-assessment questionnaire to a sample of suppliers
5. Continued industry collaboration on Modern Slavery with peers in the Energy Procurement Supply Association
6. Maintained its CIPS Standard and Ethical Procurement certification

## SAPN'S MODERN SLAVERY RISKS

Following its supplier risk assessment, SAPN's procurement team has identified four industries considered to be the entity's greatest risks and conducted further research to understand the type of Modern Slavery risks present.

### AT-RISK SECTORS



#### Construction and engineering

### WHY IS THIS SECTOR AT RISK OF MODERN SLAVERY?

Long international supply chains and manual labour involved in raw materials.

Includes higher risk involved in shipping of construction materials.



#### Electrical equipment

Like construction, long international supply chains for raw materials.

The manufacturing and assembly of these products may occur under poorly regulated working conditions.



#### Human resources and employment services

Typically lower risk because procured in Australia, however labour hire is a known Modern Slavery risk even within developed economies.



#### Solar

An emerging risk with reports of Uyghur forced labour in parts of China implicated in manufacturing solar panels and producing up to 45% of the world's solar-grade polysilicon. Likely that many solar products will be impacted by this Modern Slavery risk.



### IN FUTURE

In addition to its actions to date, SAPN has made a number of commitments to strengthen and harmonise its efforts against Modern Slavery, including to:

Continue the rollout of the Modern Slavery training module beyond the procurement team

Continue embedding the anti-slavery contract clause within formal contracts (beyond the 75% of contracts already covered)

Standardise Modern Slavery and human rights due diligence procedures across the business

Develop a process for regular monitoring of human rights risks, including a company-wide approach to remediation

For more detail on SAPN's approach to Modern Slavery, including how it assesses the effectiveness of its actions, please see its most recent Modern Slavery Statement [available here](#).



# VICTORIA POWER NETWORKS

**In 2021, Victoria Power Networks (VPN; comprising of CitiPower, Powercor and its unregulated business Beon) focused its attention on risk identification and management processes, building employee awareness and knowledge through training. VPN also reviewed relevant policies and procedures to ensure they support its management of Modern Slavery risks, among other efforts.**

## OPERATIONS AND SUPPLY CHAIN

Within VPN, protections against Modern Slavery are operationalised through its Procurement and Purchasing Policy, Supplier Code of Conduct, Whistleblower Policy, Employee Handbook Code of Conduct, Enterprise Risk Management Framework and ongoing Supplier compliance.

As at 31 December 2021, VPN had approximately 1,188 active suppliers. Of this, 98% are located in Australia (based on their direct engagement business locations), with the majority in Victoria. A small number are located overseas in Canada, China, United Kingdom, Ireland, New Zealand, Sweden, Switzerland, Israel, the Netherlands and the USA. As 98% of VPN's suppliers are based in Australia, a nation with democratic governance, strong rule of law, minimal internal conflict and healthy economic development, VPN's geographic Modern Slavery risks are low.

The products VPN buys range from energy infrastructure materials (power cables, transformers, line hardware, poles, protective equipment, public lighting materials, solar panels, inverters, PV mounting equipment) to IT hardware, fleet and network associated consumables. Significant services include asset inspection, construction and maintenance, facilities management, solar services, traffic management, and IT and professional services.

## VPN'S MODERN SLAVERY RISKS

During 2021, VPN conducted a Modern Slavery risk-mapping assessment. The analysis was undertaken on VPN's operational and supply chain procurement activities focusing on supplier expenditure by sector and geography. Based on supplier industry and expenditure, VPN assessed its top three key risk sectors as construction, electrical equipment and employment services – each of which has a unique risk profile.

## KEY VPN RISK MITIGATION MEASURES IN 2021

1. Formally incorporated the risk of Modern Slavery into our Enterprise Risk Framework

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2. Developed a Supplier Code of Conduct to ensure its suppliers are aware of their labour and human rights obligations

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3. Conducted supplier surveys to understand how its suppliers are performing on Modern Slavery, and the challenges they are facing

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4. Developed a company-wide Modern Slavery training program, initially completed by the procurement team

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5. Continued to add Modern Slavery clauses to all new and varied contracts

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6. Continued industry collaboration on Modern Slavery with its peers in the Energy Procurement Supply Association

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## AT-RISK SECTORS



### Construction and engineering

#### WHY IS THIS SECTOR AT RISK OF MODERN SLAVERY?

Sector characterised by large and complex international supply chains as well as local and overseas manual labour.

Sector sources goods and materials from countries or geographic regions with the potential of weaker working conditions and regulations.



### Electrical components and equipment

Similar to construction, the electronics industry typically has long international supply chains for its raw materials manufacture and product assembly.



### Human resources and employment services

Typically lower risk because procured in Australia, however labour hire is a known Modern Slavery risk even within developed economies.

## IMPACT OF COVID

COVID-19 has increased economic and social uncertainty, with profound disruption to supply chains through changed demand, forced border closures and changed production conditions. VPN acknowledges the effects of COVID-19 have potentially heightened the risks of Modern Slavery, particularly where its products originate in developing countries. Its approach to managing this has involved maintaining its supplier relationships through open communication and collaborating with its people, peers and peak bodies with respect to the risks of Modern Slavery.

## IN FUTURE

VPN will continue to pursue actions to strengthen its efforts against Modern Slavery, including to:

Deploy Modern Slavery training to all employees over 2022

Implement its new sustainability procurement statement, describing a procurement approach for future engagements

Continue to assess supply chain risks by category and implement its plan to understand and validate inherent supply chain risks

Continue to monitor any Modern Slavery risks raised for remediation (none were raised in 2021)



For more detail on VPN's approach to Modern Slavery, including how it assesses the effectiveness of its actions, please see its most recent Modern Slavery Statement [available here](#).



# TRANSGRID

**During its 2021 financial year (July 2020 – June 2021), Transgrid (comprising NSW Electricity Networks Operations Pty Limited and NSW Electricity Networks Assets Pty Limited) developed a 3-year Modern Slavery Roadmap which prioritises continual improvement in Modern Slavery risk management. The Roadmap will help Transgrid to steadily improve transparency in deeper and deeper layers of its supply chain.**

## OPERATIONS AND SUPPLY CHAIN

Transgrid has 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 its people are protected by Transgrid's Enterprise Agreement, which is renegotiated periodically. As such, Transgrid considers the Modern Slavery risks in its workforce to be low.

Within Transgrid's operations, its employment practices minimise the risk of Modern Slavery. These practices and commitment are underpinned by its Code of Ethics and Conduct, recruitment and workplace grievance policies and practices, and its health and safety policies.

With all operations based in Australia, Transgrid's greatest exposure to Modern Slavery exists in its supply chain. Transgrid is taking a robust, phased approach to improving transparency across its direct and extended supply chain. As an electricity transmission company, Transgrid needs to procure a wide range of products and services. Its 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. Many of Transgrid's key suppliers are multinationals who work with it to identify and address Modern Slavery risk, including sharing their own Modern Slavery compliance actions and progress. Transgrid draws on these learnings and its ongoing consultation with external experts to continually improve its management of Modern Slavery risks.

## KEY TRANSGRID RISK MITIGATION MEASURES IN ITS FY2021 (JULY-JUNE)

1. Developed a 3 year Modern Slavery Roadmap, with actions out until FY2024
2. Reviewed its risk assessment of tier 1 suppliers
3. Included Modern Slavery in strategic supplier meetings
4. Updated and communicated to suppliers its new Terms and Conditions
5. Included Business Guide to Ethics in its supplier onboarding process

## TRANSGRID'S MODERN SLAVERY RISKS

After an independent review of its risk management systems, Transgrid began the first phase of a deep dive into its supply base. In FY21, it focused on a refreshed risk assessment approach, prioritising: agreed energy sector risk priorities; high-risk categories and geographies based on current research; and high-spend, high-impact Tier 1 suppliers with whom it has direct relationships (and therefore the most influence). Transgrid's assessment also considered the Modern Slavery risk indicators noted in the Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities. Based on this approach, Transgrid identified and prioritised its Modern Slavery risks and created its three-year Roadmap of mitigating works.

### AT-RISK SECTORS

### WHY IS THIS SECTOR AT RISK OF MODERN SLAVERY?



#### 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



#### 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



### IN FUTURE

Transgrid's Modern Slavery Roadmap over the next three years includes the following actions (among others):

Launching an internal Modern Slavery working group and continue sector collaboration (FY22-23)

Progressively training the supply chain team, then senior leaders, then all relevant staff (FY22-24)

Conducting a deep dive into high risk categories (progressively, cleaning and PPE, then offshore network equipment, then security and construction labour) (FY22-24)

Including Modern Slavery in supplier forums and training (FY24)

For more detail on Transgrid's approach to Modern Slavery, including how it assesses the effectiveness of its actions, please see its most recent Modern Slavery Statement [available here](#).

# ASSESSING EFFECTIVENESS

Spark Infrastructure is committed to regular evaluation of our Modern Slavery approach and taking action to continuously improve our practices over time. We implement a range of activities designed to understand the effectiveness of our Modern Slavery risk management, such as:

- Regular review of policies and procedures
- Reviews of supplier responses to due diligence activities and supplier questionnaires
- Complete twice-yearly reviews of our risk profile, led by the Audit, Risk and Compliance Committee
- Attend externally-led seminars to assess how our response compares to industry standards
- Engage industry experts to review and recommend improvements to our Modern Slavery and supply chain management practices
- Review our assets' Modern Slavery risks, mitigation actions and Modern Slavery Statements

# AN UPDATE ON OUR PREVIOUSLY ANNOUNCED FY21 ACTIONS

Below is an update on actions we stated would take place in FY21 to enhance our understanding and management of Modern Slavery risk in our operations and supply chain:

- **Continuing the rollout of Modern Slavery training for our people**

External subject matter experts were engaged to provide mandatory training for all Spark Infrastructure employees. Training focused on understanding the prevalence of Modern Slavery in modern supply chains, how to identify scenarios which may promote higher risks of Modern Slavery and actions that could be undertaken should those scenarios arise.

- **Formalising our approach to supplier engagement based on information received from Modern Slavery questionnaires**

Our approach to supplier engagement continues to be refined. In FY21 we reworked many of our policies to strengthen our approach to risk management internally.

- **Requiring key suppliers to report to us on Modern Slavery risk management as part of existing compliance reporting**

This year we engaged directly with suppliers where our annual spend eclipsed \$0.1m, which collectively accounted for 93% of our total spend. This included administering questionnaires which were thoroughly reviewed and where practical, compared to previous responses to gauge the progress of our suppliers' own efforts.

# LOOKING FORWARD

Spark Infrastructure recognises the management of Modern Slavery Risks is a process requiring continual refinement. We have identified the following items as the key priorities looking forward:

- **Continue to improve engagement levels with our supply chain** – Ongoing refinement of our approach to supplier engagement, including to enhance our understanding of our supply chain beyond the first tier.
- **Update policies and procedures** – update policies, procedures and supply contracts with existing and new partners to address potential Modern Slavery risks.
- **Employee training** – ongoing mandatory training sessions to ensure Modern Slavery risks remain front of mind for our employees and that best practices are routinely communicated throughout the organisation.
- **Leverage industry relationships and experience** – engage with peers and leverage our collective knowledge to improve the management of supply chain risks across the industry.
- **Supply chain analytics** – Create a framework to allow for data driven analysis of our supply chain to better identify potential problem areas.

# PROCESS OF CONSULTATION WITH MINORITY OWNED OR CONTROLLED ENTITIES

The content of this statement applies to all entities within Spark Infrastructure Group, which taken together form the consolidated entity required to provide this statement under the Act. Internal and external subject matter experts were involved in preparing and reviewing this statement. Although our investment portfolio businesses are not wholly owned or controlled by us, we collaborated with them in the preparation of their Modern Slavery statements through our membership on their respective boards and through ongoing dialogue between our businesses.

# ADDITIONAL INFORMATION

The COVID-19 pandemic has caused profound disruption to companies and their supply chains across the globe. We are aware the pandemic has disproportionately impacted society's most vulnerable individuals and has created uncertainty that could increase Modern Slavery risks. Our focus on Modern Slavery risks in our operations and supply chains has remained strong during the pandemic, as we sought to support the health and safety of our people, our suppliers, and those within our investment businesses.

We note that ongoing impacts from COVID, including labour shortages and supply chain disruptions, have been a contributing factor to delay in development or enhancement of several projects by both Spark Renewables and our investment businesses. We are committed to ensuring the utmost diligence to monitoring for Modern Slavery risks as the frequency and magnitude of higher risk activities increases (such as procurement of equipment developed in higher risk countries).

