

Modern Slavery Statement





Modern Slavery Act 2018 (Cth)

This statement discloses the actions taken by the Endeavour Energy Group to address modern slavery in our business and supply chain, during the year ending 30 June 2023.

This statement has been prepared to align with the requirements of the Modern Slavery Act 2018 (Cth) and has been approved by the Boards of:

- Endeavour Energy Network Asset Partnership
- Endeavour Energy Network Operator Partnership
- Endeavour Energy Network Unregulated Partnership
- Network Finance Company Pty Ltd
- Endeavour Energy Network Management Pty Ltd

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1. Foreword

Endeavour Energy Group believes everyone, everywhere has the right to a life free from slavery.

Modern slavery is the severe exploitation of people for personal or commercial gain. Modern slavery targets some of the world's most vulnerable people and is often just out of sight, and often in supply chains.

For this reason, we have committed to upholding human rights across our operations and supply chains and will not tolerate any form of forced labour, slavery and human trafficking.

Taking action to combat modern slavery respects the most basic of human rights.

Endeavour Energy's approach to eradicating modern slavery involves proactive risk assessment, working collaboratively with stakeholders, industry and suppliers; and public disclosing our performance against commitments.

As we manage the ongoing disruptions to global supply chains caused by COVID-19, we recognise that strong due diligence regarding human rights and other business integrity issues are more important than ever. We are committed to continually improving our approach to reduce slavery-related risks in all our operations and supply chain in accordance with the Australian Modern Slavery Act 2018 (Cth).

Endeavour Energy's Board has reviewed and approved our fourth Modern Slavery statement and report for FY23 period.



Cheryl Bart AO
Independent Chair
Endeavour Energy



Guy Chalkley
Chief Executive Officer
Endeavour Energy

2. Who we are

Endeavour Energy

Endeavour Energy distributes affordable, safe and reliable electricity to 2.7 million people, or one million connected customers, in homes and businesses across Sydney's Greater West, the Blue Mountains, Southern Highlands, the Illawarra and the South Coast. Our area includes Sydney's second airport, its surrounding Aerotropolis, and the NSW Government's priority land release areas in Sydney's North West and South West.

Due to rapid industry changes, we are working with customers, stakeholders and regulators to help deliver a clean energy future where smart meters, batteries and solar will enable customers to generate, store and sell back electricity into the grid.

We are also partnering with energy innovators to help customers take advantage of new technologies like electric vehicles, community batteries, microgrids, and artificial intelligence.

Ausconnex

Ausconnex is a wholly owned subsidiary of the Endeavour Energy Group which is 50.4% owned by a consortium of private investors including Macquarie Asset Management. The remaining 49.6% is owned by the Government of NSW.

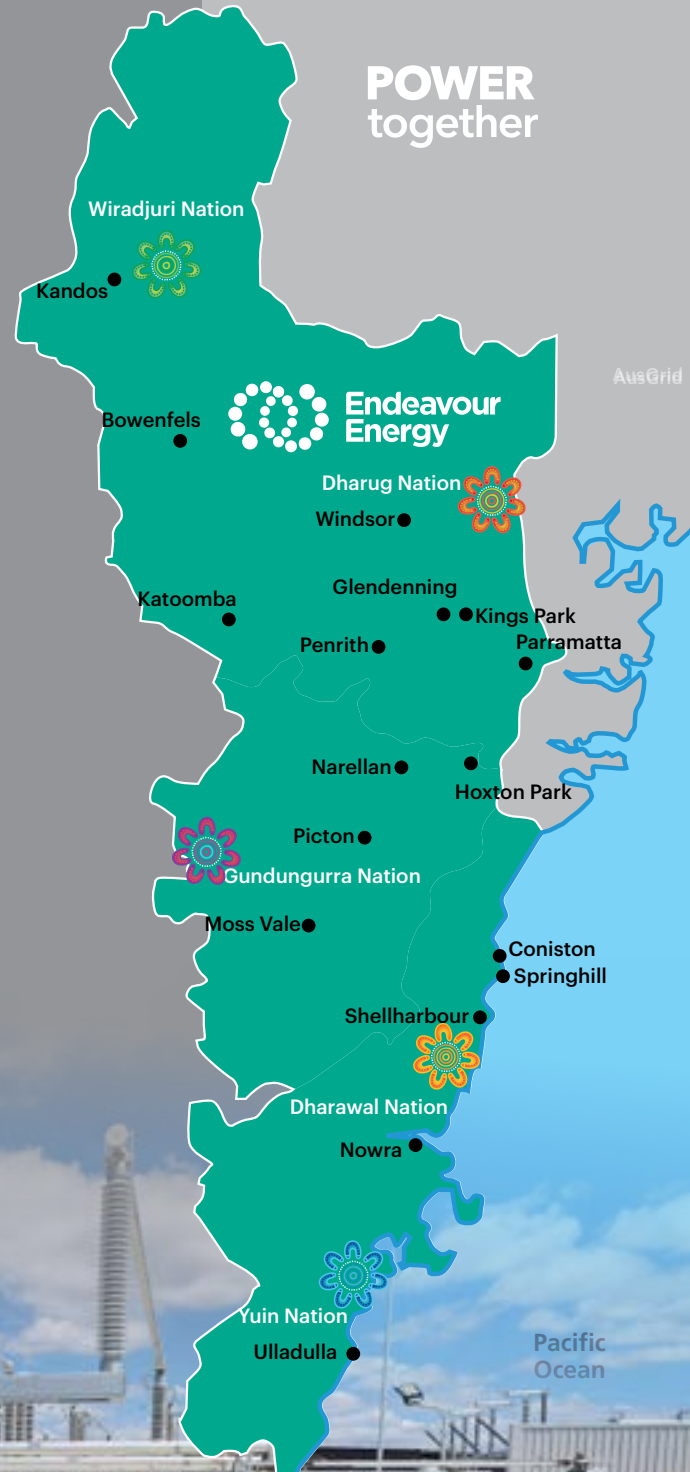
With the support of the partnership structure, Ausconnex has the ability to plan and deliver large scale energy connections to distribution networks nationwide.

Ausconnex can rapidly "right size" to suit its customers unique requirements. This means it can deliver the results its customers want via our three unique yet complimentary divisions – Ausconnex Project Delivery, Ausconnex Network Equipment, and Ausconnex Consulting Services.



Where we operate

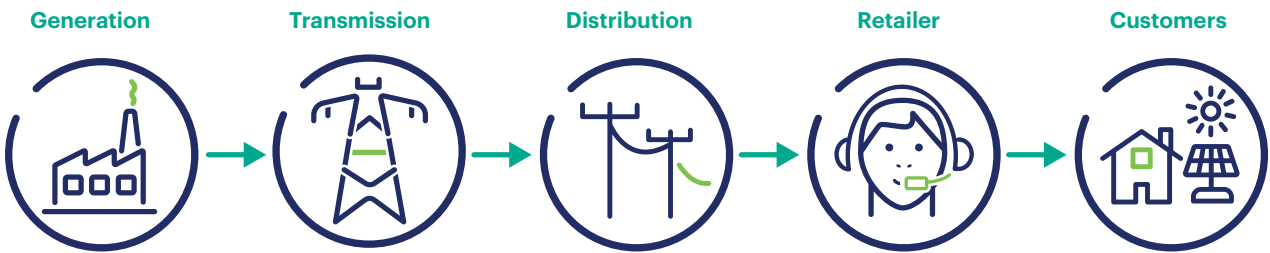
We build, own, operate and maintain an electricity distribution network that powers some of Australia's fastest growing regions, including Sydney's Greater West, the third largest economy in Australia across an area totalling 25,000 square kilometres,



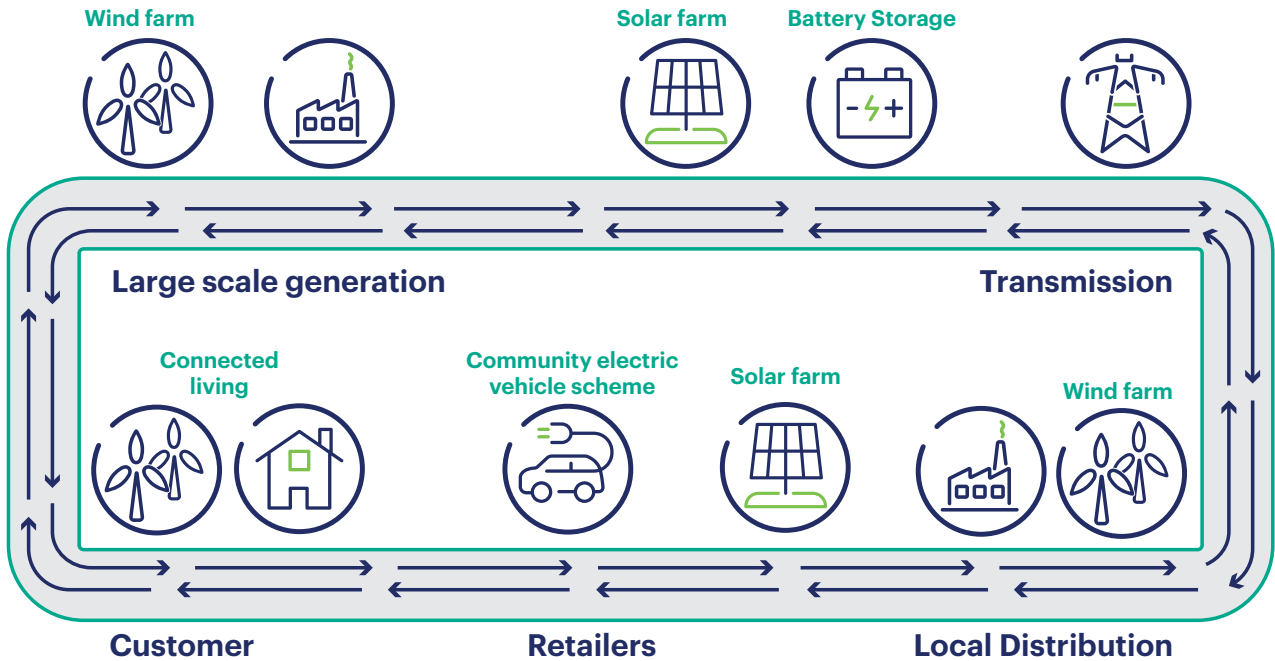
3. Our operating model

Endeavour Energy’s distribution network comprises both large and small substations connected via high and low voltage overhead powerlines and underground cables. It increasingly includes distributed energy resources such as solar and micro grids. Most of Endeavour Energy’s supply of electricity is taken from the generation source through TransGrid’s transmission network at 132kV and 66kV. Our role in the provision of electricity to our customers is outlined in below.

Traditional supply chain



The supply chain today



4. Our position on modern slavery

Endeavour Energy Group is committed to ensuring there is no modern slavery in our supply chain or in any part of our business and is taking appropriate steps to ensure that any suppliers we work with have a similar commitment.

Our Statement of Business Ethics sets out the mandatory requirements for all our suppliers to:

- Not engage in any conduct or omission which may contravene any modern slavery laws.
- Do all things required or necessary to mitigate or reduce modern slavery risks in their operations and supply chains.
- Implement due diligence procedures for their own suppliers to ensure that there is no slavery, human trafficking or similar types of conduct in their supply chains.
- Notify Endeavour Energy Group as soon as they become aware of a potential, suspected or actual breach by a supplier or its representatives of any modern slavery laws in connection with their engagement with the Endeavour Energy Group.

- Cooperate in good faith with Endeavour Energy Group in investigating circumstances relevant to any potential, suspected or actual breach of any modern slavery laws, whether or not notification has been given under the paragraph above.
- We acknowledge the challenges of respecting human rights throughout our value chain and are committed to working with our suppliers and business partners to adopt principles and standards similar to ours.

Our Code of Conduct sets out the minimum standards we expect from everyone, so that our business can be a place of Inclusion and Diversity and where everyone has a voice to raise any concerns.

5. Our governance framework

Endeavour Energy Group operates under a robust framework of corporate governance. This framework includes the processes by which the business is directed, controlled, and held to account; and is a key element in maintaining the integrity of the business and its culture of compliance.

Key elements of Endeavour Energy's corporate governance framework include our values, Code of Conduct, Statement of Business Ethics and supporting company policies and procedures.

6. Our employee and contractor rights

Endeavour Energy Group operates in a highly regulated environment. Its recruitment and engagement of employees and contractors is aligned with applicable legislation and governed by internal policies and procedures to comply with applicable legislative obligations and provides relevant frameworks to manage any concerns raised.

7. Our supplier governance framework

Endeavour Energy Group has an existing supplier governance framework to assess suppliers against specific risk categories prior to contract award. The pre-qualification process is completed for all strategic sourcing Engagements.

Since August 2020, modern slavery provisions have been included in standard contracts and Purchase Order Terms and Conditions and provided to all new and existing suppliers. We continue to monitor and work with suppliers to further reduce these risks through our Supplier Relationship Framework.

8. Our supply chain

In FY23 Endeavour Energy engaged with approximately 1,700 direct suppliers over 11 countries (including Australia). 97% of Endeavour Energy's total direct procurement spend is within Australia, with the greatest spend relating to vegetation management, civil and construction services, ICT and equipment, Field Services and inventory.

The remaining 3% of total procurement spend is spread across ten countries with the top three countries being Canada (0.67%), Singapore (0.52%) and France (0.37%). Goods and services from these countries relate to power transformers, software licenses, and professional services.

Our profile has remained consistent with this pattern of spend.

9. Risk management

Endeavour Energy's risk appetite is set by the Board and articulates our risk appetite about modern slavery as follows:

The Endeavour Energy Group has no appetite for modern slavery, as defined in the Modern Slavery Act 2018 (Cth), within its operations and supply chain.

Risk assessment

Modern slavery risks are considered and assessed in line with and as part of Endeavour Energy Group's overall corporate risk framework. Where these risks are considered significant, they are outlined in Endeavour Energy's Corporate Risk Management Plan and mitigating actions discussed with Endeavour Energy's Audit and Risk Committee (a Board sub-committee).

Identified risks of modern slavery in our supply chain

Areas of risk identified include:



Construction and Facilities Management

(e.g. transient/seasonal workforce)



Textiles Suppliers

(e.g. personal protective equipment)



Office Supplies

(e.g. tea/coffee, paper and other consumables)

10. Actions taken to address risks of modern slavery

The following actions have been undertaken by Endeavour Energy Group to address the risks of modern slavery practices in its operations and supply chains:

- A review of the Group Board policies and key constituent documents was conducted to assess if any required updating to reflect modern slavery requirements.
- The revision of Endeavour Energy's Board-approved risk appetite statement.
- The Endeavour Energy Group updated its internal procurement practices to expressly require compliance with modern slavery requirements. This includes updating the pre-qualification questionnaire which requires prospective suppliers to confirm their compliance with modern slavery as a prerequisite to selection as a prospective supplier to the Endeavour Energy Group.
- The Statement of Business Ethics was updated and distributed via the Endeavour Energy webpage.
- In 2021 we updated our standard supplier contract templates and Purchase order Terms & Conditions to include relevant clauses on modern slavery requirements.
- Endeavour Energy Group always strives to include relevant clauses on modern slavery requirements in all our supply arrangements. Where in limited instances that has not always been possible, Endeavour Energy seeks to find alternative suppliers or implements plans to transition away from those non-conforming suppliers.
- Modern slavery training was delivered by Ashurst Lawyers in July 2019 to key internal stakeholders across the business, including Procurement, Logistics, People & Culture, Asset Management, Governance Risk & Compliance and Legal teams.
- Internal awareness session for key stakeholders was delivered via our internal Legal team in August 2022.

- A mandatory Modern Slavery e-learning module was deployed across the Organisation from 2022 with over 1910 people completing the training since deployment through onboarding or refresher training.
- The adoption of a revised Whistleblowing Policy which provides a mechanism for any person to confidentially and anonymously report concerns about reportable conduct, which includes modern slavery matters.

We continue to work with industry bodies and our peers to improve modern slavery awareness.

As a member of Energy Procurement and Supply Association (EPSA) Endeavour Energy connects across industry via monthly collaborative sessions to build out a roadmap through the EPSA I365 consortium which includes:

- The establishment of a continuous improvement program for all suppliers through the EPSA Supplier Portal and an associated questionnaire to allow us to see enhancements each year.
- Continuing to work with approximately 1000 out of the 2072 suppliers that were engaged to complete the questionnaire that have either not started or are part way through their response. Our overall risk rating across these suppliers is sitting at moderate.
- Obtaining full visibility of the supply chain.
- Improving the quality and quantity of the suppliers completing our Modern Slavery questionnaires and enhancing our overall reporting and management of risk.
- Understanding the changing global environments and frameworks being considered to manage new risks.

We intend to implement additional tool sets to our Contract and Supplier Management framework inclusive of risk management tools that can assist and support not only modern slavery, but also managing emerging risks associated with the Security of Critical Infrastructure (SOCI) legislation and other risks factors within the Supply Chain.

