

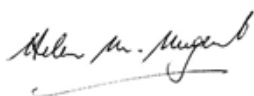
FY2020 Modern Slavery Statement



Introduction

Board approval

This Modern Slavery Statement (**Statement**) is made by PLUS ES pursuant to the Modern Slavery Act 2018 (Cth) (the **Act**) enacted on 1 January 2019. This Statement is for the financial year 1 July 2019 to 30 June 2020 (the **reporting period**), and is approved and endorsed by our Board, which is the principal governing body of PLUS ES.



Dr Helen Nugent AO
Chairman PLUS ES

ABN 30 179 420 673

4 December 2020



Chairman of the Board Message



The Board of PLUS ES has approved and endorsed PLUS ES's Statement as required by the Act. This Statement outlines how PLUS ES is managing its modern slavery risks.

We strongly support efforts to help eliminate modern slavery in all areas of business.

We consider the measures highlighted in this document, combined with PLUS ES's strong values, ethics and proactive engagement with our business partners, are helping to reduce the risks of modern slavery across the organisation and in our supply chains.

A handwritten signature in black ink, reading "Helen M. Nugent".

Dr Helen Nugent AO

Chairman
PLUS ES

CEO Message



In this modern and interconnected world, our business impacts reach far beyond our operational areas - a result of sourcing goods and services from broad geographical locations. As a responsible and sustainable organisation, I believe that PLUS ES has a social responsibility to ensure that modern slavery is not a by-product of the goods and services that we procure.

The leadership team of PLUS ES has been briefed on the Act and strongly opposes the use of modern slavery in business. I believe that the spirit and requirements of this Act align with our organisation's values. The measures detailed in this document combined with PLUS ES's vision, purpose and values, provide a strong framework for reducing the risk of modern slavery in our supply chain and operations.

A handwritten signature in black ink, reading "Richard Gross".
Richard Gross

CEO
PLUS ES

About this Modern Slavery Statement

PLUS ES is committed to human and labour rights and to opposed to modern slavery.

PLUS ES (including its subsidiaries) is a reporting entity pursuant to the Act.

The Statement has been prepared by addressing the mandatory criteria for content set out in the Act.

In general terms, this captures situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom and includes the following categories of serious exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.

We welcome the measures implemented by the Act and are pleased to communicate our response to tackling this serious and important issue in this Statement.

This Statement records our areas of risk, the actions we have taken and are taking, and how we measure the effectiveness of these actions in eliminating the risk of modern slavery in connection with our business and supply chain.

We will continue to work with our business partners to raise awareness of this issue, communicate our expectations and take actions to eliminate modern slavery risks in our business.

Our Purpose

enable businesses to build our future communities

Our Vision

be a leading energy solutions provider, recognised both locally and globally

Our Values

- Work safe, live safe
- Customer-focused
- Commercially minded
- Collaborative
- Agile
- One team
- Honest and accountable
- Respect



About PLUS ES

Our identity and structure

PLUS ES (ABN 30 179 420 673), trading as PLUS ES, is a partnership carried on under that name by:

- a. Blue PES Partner Pty Ltd (ACN 622 175 428) as trustee for the Blue PES Partner Trust;
- b. ERIC Alpha AUP Corporation 1 Pty Ltd (ACN 621 524 374) as trustee for ERIC Alpha AUP Trust 1;
- c. ERIC Alpha AUP Corporation 2 Pty Ltd (ACN 621 524 454) as trustee for ERIC Alpha AUP Trust 2;
- d. ERIC Alpha AUP Corporation 3 Pty Ltd (ACN 621 524 525) as trustee for ERIC Alpha AUP Trust 3; and
- e. ERIC Alpha AUP Corporation 4 Pty Ltd (ACN 621 524 605) as trustee for ERIC Alpha AUP Trust 4.

PLUS ES is indirectly majority owned by AustralianSuper and IFM Investors through these trusts. The New South Wales Government also holds a 49.6% indirect interest through these trusts and its special purpose vehicle, which is independent from the Government.

PLUS ES directly and through its subsidiaries has 316 employees and contractors who are all based in New South Wales and Victoria Australia. Our head office is located in Sydney.

78% of our staff working under the PLUS ES brand (excluding labour hire and contractors) are covered by an enterprise agreement and our employees are free to associate with the unions that represent their sector.

More details about the group structure of PLUS ES are set out at the end of this Statement.

Our operations

PLUS ES is dedicated to helping Australian businesses optimise their energy consumption through advanced data delivery and end-to-end energy infrastructure solutions.

We are a one-stop shop and the go-to-experts in the end-to-end delivery of contestable metering and infrastructure services.

PLUS ES was launched in late 2017. As a separate legal entity, PLUS ES is an independent affiliate of the broader Ausgrid Group and is ring-fenced from the regulated Ausgrid network (electricity distribution) business.

In response to the Australian Energy Regulator's (AER) Ring-fencing Guideline – Electricity Distribution dated October 2017 which required electricity networks to separate regulated distribution services from other services that they provide, the former Ausgrid TCA Metering, Infrastructure

Services team, and Lane Cove Testing Station were transferred to the new entity PLUS ES. In late 2017, PLUS ES also acquired the metering services company Active Stream Pty Ltd.

The amalgamation of these businesses mean that PLUS ES is a strong market participant which combines 20+ years of experience from these entities.

We offer a range of services across Australia in the following areas:

Metering and data

We provide metering services for large and small markets and are a registered Metering Coordinator, Meter Provider and Meter Data Provider. In 2017 we acquired Active Stream and combined it with our metering business that had been ring-fenced from Ausgrid.

Infrastructure services

We provide services in building, owning or operating, high voltage and telecommunications infrastructure. This includes end-to-end wireless and cable networks, from design, construction and commissioning, to ongoing maintenance and support.

Testing and calibration

Our laboratory at Lane Cove in Sydney is an internationally accredited high-power testing station which provides testing and certification services to Australian and international standards for electricity network equipment.

In addition, we have a calibration laboratory at Silverwater in Sydney, that is a state-of-the-art facility that holds high level primary metrology standards that are traceable to the National Measurement Institute.

Adjacent to the calibration facility is a chemical laboratory that is experienced in the testing of oil samples and analysing results of oil taken from transformers, cables, current transformers, voltage transformers and switchgear.

Embedded networks

We provide complete turnkey solutions from meter installation and set-up, to ongoing meter data management.

Our supply chain

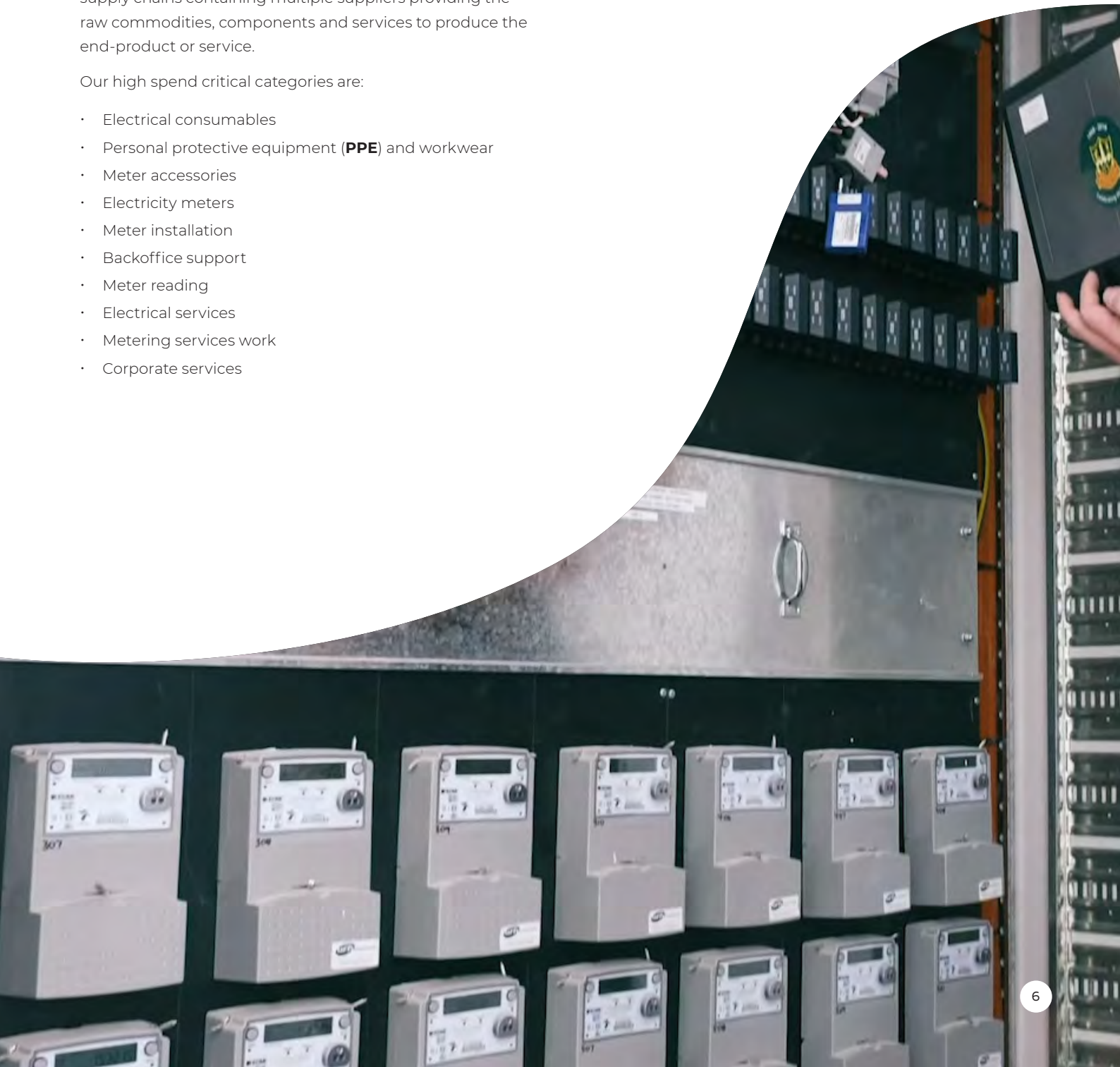
PLUS ES engages its affiliate, Ausgrid, as its procurement service provider and benefits from the governance, policies, procedures and expertise it has in providing the goods and services PLUS ES needs. This excludes procurement activities relating to electricity services.

The diverse nature of our business means that we need to access an extensive global supply chain to provide the range of components and services we need from domestic and international suppliers. Our international supply chain is mostly limited to goods and services from Asia.

Many of the goods and services we procure have complex supply chains containing multiple suppliers providing the raw commodities, components and services to produce the end-product or service.

Our high spend critical categories are:

- Electrical consumables
- Personal protective equipment (**PPE**) and workwear
- Meter accessories
- Electricity meters
- Meter installation
- Backoffice support
- Meter reading
- Electrical services
- Metering services work
- Corporate services



Our supply chain risks

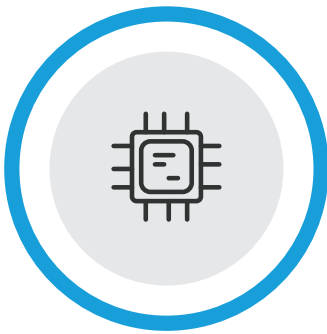
The complex nature of our supply chain means there are risks that PLUS ES is linked to modern slavery practices. PLUS ES has 10 key categories of types of goods and services that it procures. We assessed each of these categories to determine their level of risk for modern slavery practices.

From our risk-based assessment we identified four of these 10 categories as higher risk and one as high risk. These are higher and high risk due either to their country of origin and or as a result of the internationally recognised modern slavery risks associated with the relevant category of goods or services either domestically or overseas. Sources used to

inform our assessment include the: Global Slavery Index; Responsible Investment Association Australasia; and Minderoo Foundation.

Identifying our higher risk areas allows us to prioritise and focus on these areas of material risk.

Our higher risk categories are identified as: electrical consumables, PPE and workwear, meter accessories and electricity meters. Meter installation is high risk.



Electrical consumables

high volume, low value goods
manufactured in Asia



PPE & workwear

clothing - garment sector



Meter installation

contractor labour
domestic



Meter accessories

goods manufactured in
multiple countries
including Asia



Electricity meters

manufactured in Asia

Actions to actively manage our risks

We understand that modern slavery can be an invisible risk with its presence either not fully understood by all stakeholders or it occurs at arm's length in our business transactions.

We believe that to tackle modern slavery risks, we need to actively manage these in multiple ways to increase awareness and have meaningful protections.

Our approach is to target actions across the following areas:

Policies and procedures

Having frameworks, policies and procedures across the Ausgrid Group that communicate our intent, expectations and assist in managing our modern slavery risks.

These frameworks, policies and procedures will continue to evolve to capture our progression and developing maturity.

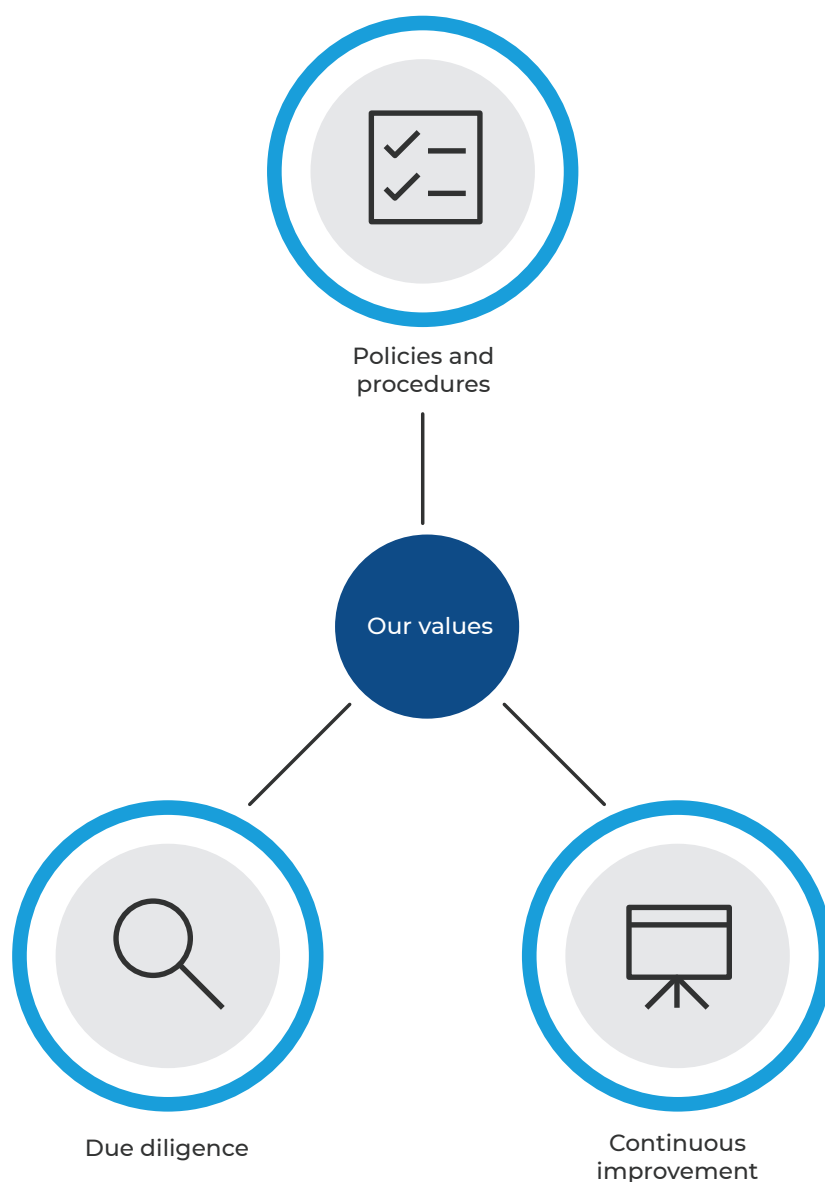
Due diligence

Conducting regular risk-based assessments to identify our risk areas to inform our mitigation approach and next steps for improvement.

Proactively engaging with our suppliers and business partners, collaborating with our industry peers, and actively investigating areas of concern.

Continuous improvement

Identifying ways we can improve our performance, implementing these into our business practices, and providing relevant information and awareness to our employees and external partners.



Policies and procedures

We believe we have good foundations for managing modern slavery. Our policies and procedures provide us with a platform for continual improvement and engagement with our supply chain.

Procurement procedures

Our process for assessing tenders is mature and follows a rigorous process. We provide clear information on our requirements and expectations for our external partners. Our assessments are made on the cost and quality of suppliers' goods and services and on other important metrics such as health and safety, environmental and social performance, and how they address and manage modern slavery risks.

To demonstrate that our suppliers have awareness of modern slavery risks, and are taking action to address these risks, we require suppliers to:

- agree to be bound by our External Partner Code of Conduct which explicitly requires them to identify and mitigate risks, and eliminate any forms of modern slavery;
- comply with our policies and procedures which address modern slavery; and
- respond to surveys regarding modern slavery as part of our tender processes.

Sustainable Procurement Policy

In recent years we have been working to make our organisation more sustainable. With procurement having such a large environmental, social and governance impact, we have developed our own *Sustainable Procurement Policy* that includes our commitments and considerations on social issues such as responsible labour practices of our suppliers.

External Partner Code of Conduct

Our *External Partner Code of Conduct* communicates our expectations to our suppliers and their supply chain. It outlines our expectations, encourages positive behaviours and mitigates negative practices that impact on environmental, economic, social and governance performance. Our contracts with suppliers typically compel them to comply with our *External Partner Code of Conduct*.

Labour rights are also important to our organisation. It is our expectation that external partners will comply with all applicable laws related to wages, employment conditions, working hours and legally mandated benefits. This includes allowing employees the freedom to associate, to collectively bargain and to be represented by a union.

As part of our engagement with our suppliers, we require them to be familiar with our *External Partner Code of Conduct* so they can undertake actions that are consistent with the outlined expectations.

UN SDG 8 Decent work and economic growth

We have aligned our organisation with five of the 17 UN Sustainable Development Goals (**SDGs**). One of these is UN SDG 8 – Decent work and economic growth. It addresses the health and safety of our workforce and communities, and the need to eradicate forced labour and end modern slavery. By aligning with these SDGs, we are striving to do our part to promote and contribute to the achievement of these global goals and make the world a better place. It is our intent to further link our business activities and goals to these SDGs so we can better communicate our performance and alignment with these in future years.

Legal Agreement Templates

Each of our standard legally approved template agreements that form the basis of our contractual relationships with our suppliers, contain a requirement that the counterparty comply with any domestic or foreign statutes, regulations, rules or instruments which relate to modern slavery.



Due diligence

Risk-based assessment

We have conducted a risk-based assessment of our modern slavery risks to identify our higher risk, high risk and lower risk categories of goods and services we procure internationally and domestically. Our risk-based assessment reviewed the risks associated with the industries and countries from which those goods or services are procured.

This information allows us to prioritise our efforts to first address higher risk areas. Where appropriate, we will also take actions in respect of our high and lower risk areas, although it is our intent due to the size of our procurement activities to primarily focus on our higher risk areas in the coming year.

We will regularly review our risk-based assessment to maintain our awareness of any changes in our operations that may affect our risks.

Industry collaboration

A key element of our modern slavery approach is our engaging with our suppliers to communicate our expectations and requirements.

As PLUS ES shares its procurement activities with its affiliate, Ausgrid, we adopt equivalent governance practices and use many of the same suppliers that are unique to Ausgrid. This valuable corporate arrangement and engagement within the industry has allowed the sharing of learnings to build capacity in managing modern slavery risks.

One of the very early activities we conducted was to engage with our industry peers. This has been successful in increasing shared understanding of the issues, identifying where we have common risks and help develop an industry approach to surveying our shared suppliers. We believe this approach has provided a rigorous outcome that meets industry needs without overwhelming our suppliers with different requirements.

Supplier engagement

Working with our industry peers does not abrogate our own responsibilities in managing this important issue. Any of our goods or services that have a tender process, require the tendering organisation to complete a modern slavery survey to assist us in assessing their performance and risk.

Modern slavery is a complex issue and we wish to encourage honest reporting by our supply chain partners. If modern slavery is identified in our external partner's business or supply chain, our approach is to encourage

efforts for them to have this addressed before any other action is taken by us. Where modern slavery is in their supply chain, we ask they work with their subcontractors and suppliers to rectify the issue and retain employment for those affected.

With modern slavery recognised as being endemic in the lower parts of supply chains, we wish to encourage open dialogue about its existence and efforts to change behaviour for the better, rather than create an environment where information may be withheld.

Through our surveys, *External Partner Code of Conduct*, *Sustainable Procurement Policy*, and our alignment with UN SDG 8 – Decent work and economic growth, we believe we are sending clear signals on our expectations on how we believe our external partners and employees should ethically conduct their business.

Every year we hold at least one supplier forum where key suppliers attend. These forums provide an excellent opportunity for us to communicate issues that are important to us and what we are planning to achieve in the future so they can work with us on that journey. This includes communicating our sustainability and modern slavery issues, our actions, and our developing expectations.

Suspected slavery in our supply chain

In 2020, PLUS ES became aware that one of its subcontractors was sanctioned for modern slavery in their workforce. This was proactively investigated with the supplier to bring this to the attention of the subcontractor and find out what action was being taken.

No products from this supplier were provided to us at any time and we were satisfied that the other parties in this supply chain were aware of this matter and were taking appropriate actions to work with the subcontractor to improve the working conditions of their labour force.

In this case, the subcontractor was sanctioned for bonded labour where recruitment fees were paid, and for withholding passports to entrap migrant labour. PLUS ES finds this method for recruitment abhorrent and we will be increasing the communication to our suppliers that its use is not satisfactory. This case also highlights the depth in our supply chains that modern slavery can occur and that only effort by all responsible parties in that chain will be effective in eliminating these practices.

Continuous improvement

We are committed to continuous improvement in all areas of our business including our modern slavery response.

Key areas for additional focus and for further development include:

- continued engagement with our employees, external partners and service providers on modern slavery risks and our expectations;
- further review of our higher and high risk categories;
- examining industry codes of conduct and how these might apply;
- continuing our industry collaboration to help deliver a wider industry response; and
- measuring our progress and performance.

Our procurement team has already received many briefings on modern slavery, and we have incorporated considerations into our supplier selection process. Our communication will be extended to all employees to improve awareness and alert them to what they should be aware of in their work and how to respond if they have concerns.

We believe it is important for everyone to recognise that slavery is still a modern and real issue and an important consideration domestically, as well as in overseas supply chains.



Measuring effectiveness and other information

Measuring effectiveness

We are committed to continuous improvement and measuring the effectiveness of our risk mitigation actions.

We measure the effectiveness of our modern slavery response based on the following:

- the quality of the responses we receive from our external partners on how they are managing modern slavery;
- the number of reported incidents;
- self-reporting from our external partners of an identified or suspect modern slavery issue; and
- the quality of responses from our external partners if and when a suspect or actual modern slavery incident is identified.

Actions that we plan to commence to measure effectiveness include:

- at least annually reviewing the actions we have taken to check their effectiveness; and
- reviewing our existing higher risk suppliers to ascertain if any circumstances have changed.

Consultation with PLUS ES Group entities

PLUS ES has the following wholly-owned subsidiaries and this Statement is made on behalf of each of them:

- PLUS ES Management 1 Pty Ltd (ABN 33 622 269 907) (**PEM 1**),
- PLUS ES Management 2 Pty Ltd (ABN 39 622 269 934) (**PEM 2**); and
- Active Stream Pty Ltd (ABN 32 603 459 267) (**Active Stream**),

(together, the PLUS ES Group).

Within the PLUS ES group, these subsidiaries hold the following responsibilities:

- PEM 1 is the employing entity within the PLUS ES Group; and
- Active Stream provides digital metering services to third parties.

With the exception of procurement activities relating to electricity services, PLUS ES uses its affiliate, Ausgrid, as its procurement service provider and benefits from the relating governance, policies, procedures to ensure PLUS ES Group collective business needs are met.

Other consultation

PLUS ES consulted with members of Ausgrid's Procurement team in the preparation of this Statement.

Other information about this Statement

For the purposes of the Act and this Statement, modern slavery means conduct which would constitute:

- an offence under Division 270 or 271 of the Criminal Code; or
- an offence under either of those Divisions if the conduct took place in Australia; or
- trafficking in persons, as defined in Article 3 of the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime, done at New York on 15 November 2000 ([2005] ATS 27); or
- the worst forms of child labour, as defined in Article 3 of the ILO Convention (No. 182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, done at Geneva on 17 June 1999 ([2007] ATS 38).



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