

Modern Slavery Statement

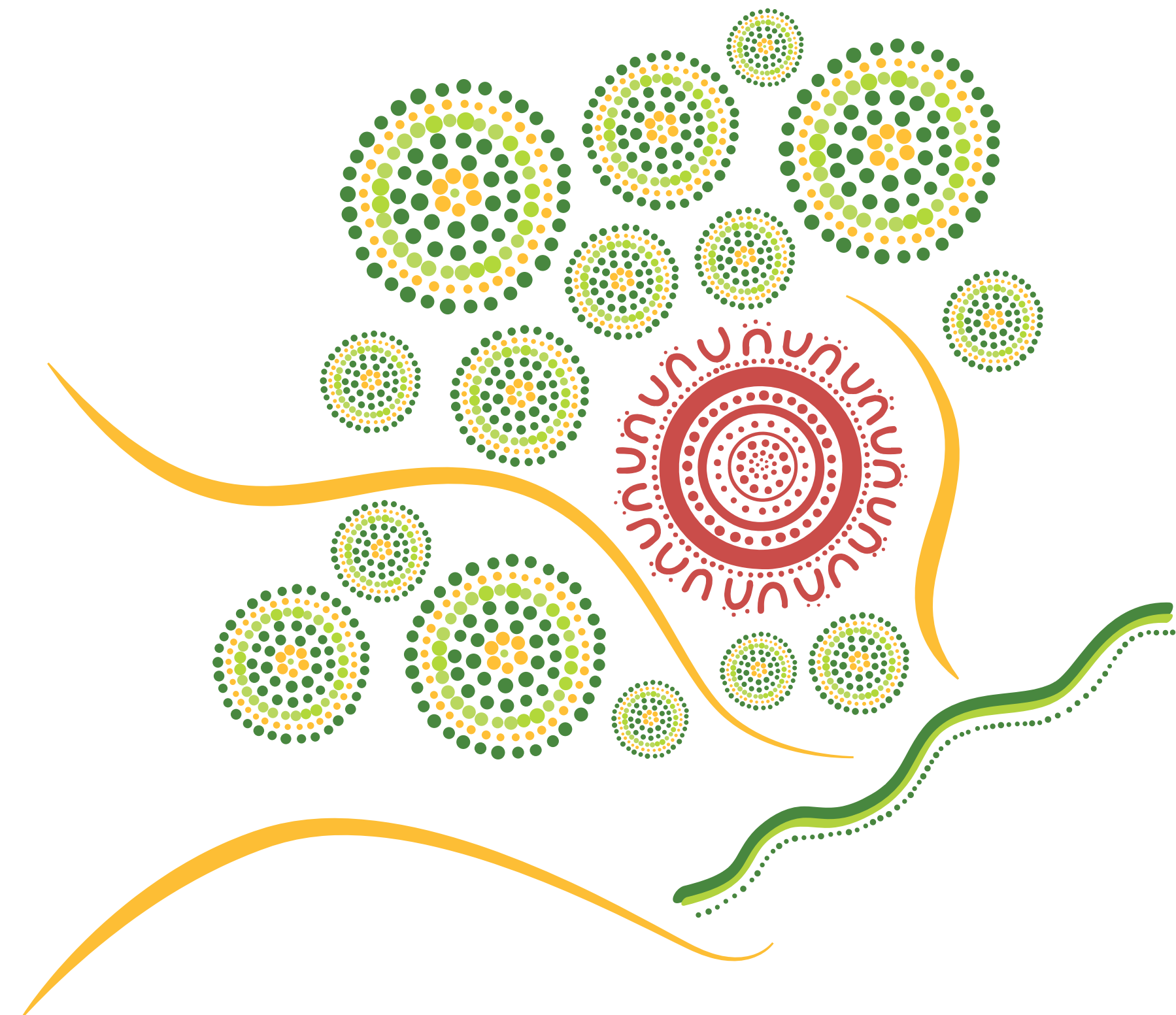
2023/2024

People. Power. Possibilities.

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Acknowledgement of Country



In the spirit of reconciliation, Transgrid Group acknowledges the Traditional Custodians of the lands where we work, the lands we travel through and the places in which we live. We pay respects to the people and the Elders past, present and emerging, and celebrate the diversity of Aboriginal and Torres Strait Islander peoples and their ongoing cultures and connections to the lands and waters of NSW and the ACT.

Statement from the Chairs and CEO

At Transgrid Group, we remain committed to the identification, prevention and remediation of modern slavery risks and issues across our supply chain, in alignment with the United Nations Guiding Principles on Business and Human Rights. Modern Slavery is a serious human rights violation and crime against international law. We do not tolerate modern slavery in our operations or supply chain. We are pleased to share Transgrid Group's 2024 Modern Slavery Statement, which demonstrates our ongoing commitment. Transgrid Group embraces the standards set out in the Universal Declaration of Human Rights and we recognise that infringements on human rights can take many forms and occur across various countries and industries. Transgrid Group also considers its work and measures to address modern slavery in the context of the Sustainable Development Goals (SDG), with our primary focus on SDG 8, which directly calls for the end of trafficking and modern slavery.

Addressing modern slavery risks aligns with our core values, which are Safety – We put safety first; Achievement – We make a difference; Integrity – We act with integrity; Service – We deliver for our customers and communities.

We have pursued opportunities year-on-year to continuously improve our approach to identifying and responding to modern slavery risks. This Statement highlights Transgrid Group's journey to date in managing modern slavery risks and details the actions that Transgrid Group has taken to address potential modern slavery risks within its operations and supply chain.

At Transgrid Group, we are mindful of the influence we have in combatting modern slavery in our supply chain, and we seek opportunities to drive continuous positive change. We remain dedicated to taking action to address and mitigate modern slavery risks within our operations and supply chains. We are also committed to transparency and report annually on our progress.

This annual Statement has been approved by the Boards of Directors of NSW Electricity Networks Operations Pty Limited and NSW Electricity Networks Assets Pty Limited in their capacity as principal governing bodies of Transgrid Group.



Brett Redman



Grant King



Julie Stanley

Brett Redman
Chief Executive Officer
Transgrid Group

Grant King
Chair of the Board
NSW Electricity Networks
Operations Pty Ltd as trustee of
the NSW Electricity Networks

Julie Stanley
Chair of the Board
NSW Electricity Networks Assets Pty
Ltd as trustee of the NSW Electricity
Networks Assets Trust

Reporting Criteria 1: Reporting entities

This joint statement has been prepared in relation to the mandatory reporting requirements of the Modern Slavery Act 2018 (the Act) for the period 1 July 2023 to 30 June 2024. It covers NSW Electricity Networks Operations Pty Limited (ACN 609 169 959) and NSW Electricity Networks Assets Pty Limited (ACN 609 169 922) (together referred to as we, us, our or Transgrid Group). No other entities in the Transgrid Group of companies met the reporting entity criteria under the Act during this period.



Reporting Criteria 2: Structure, operations and supply chain

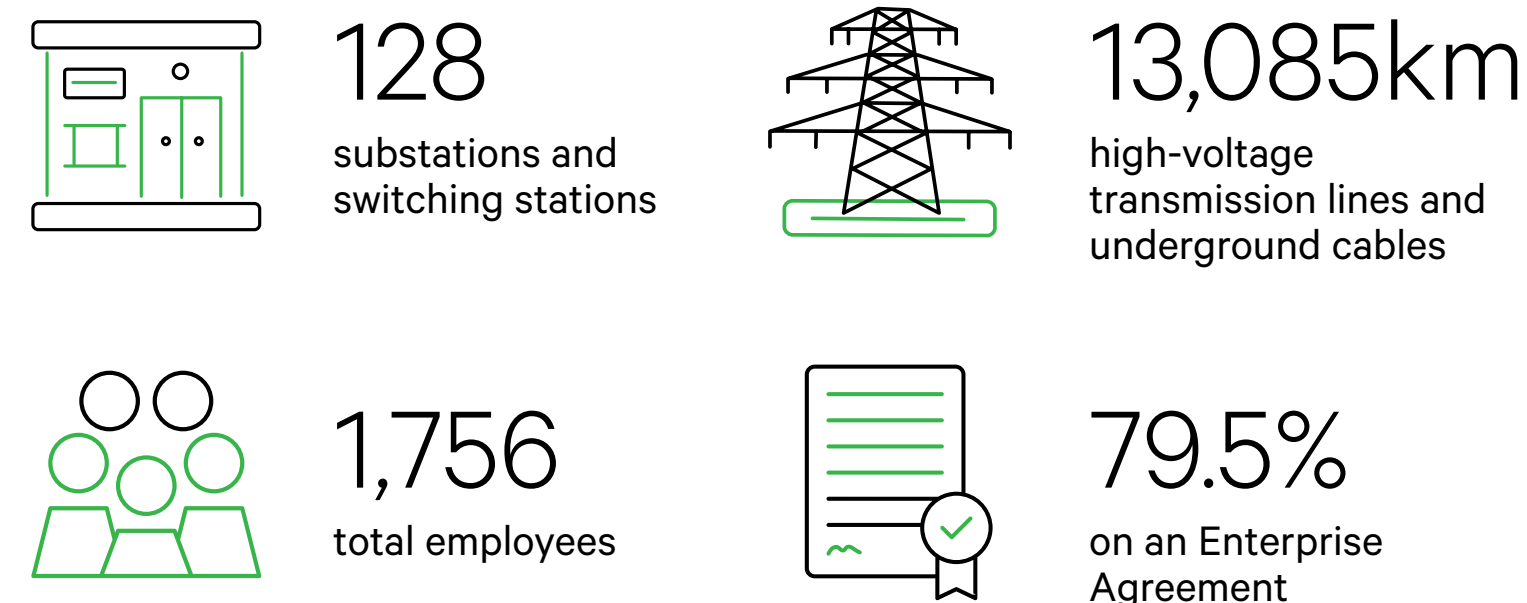
2.1. About Transgrid Group: our structure and operations

The Transgrid Group consists of two businesses: Transgrid and Lumea.

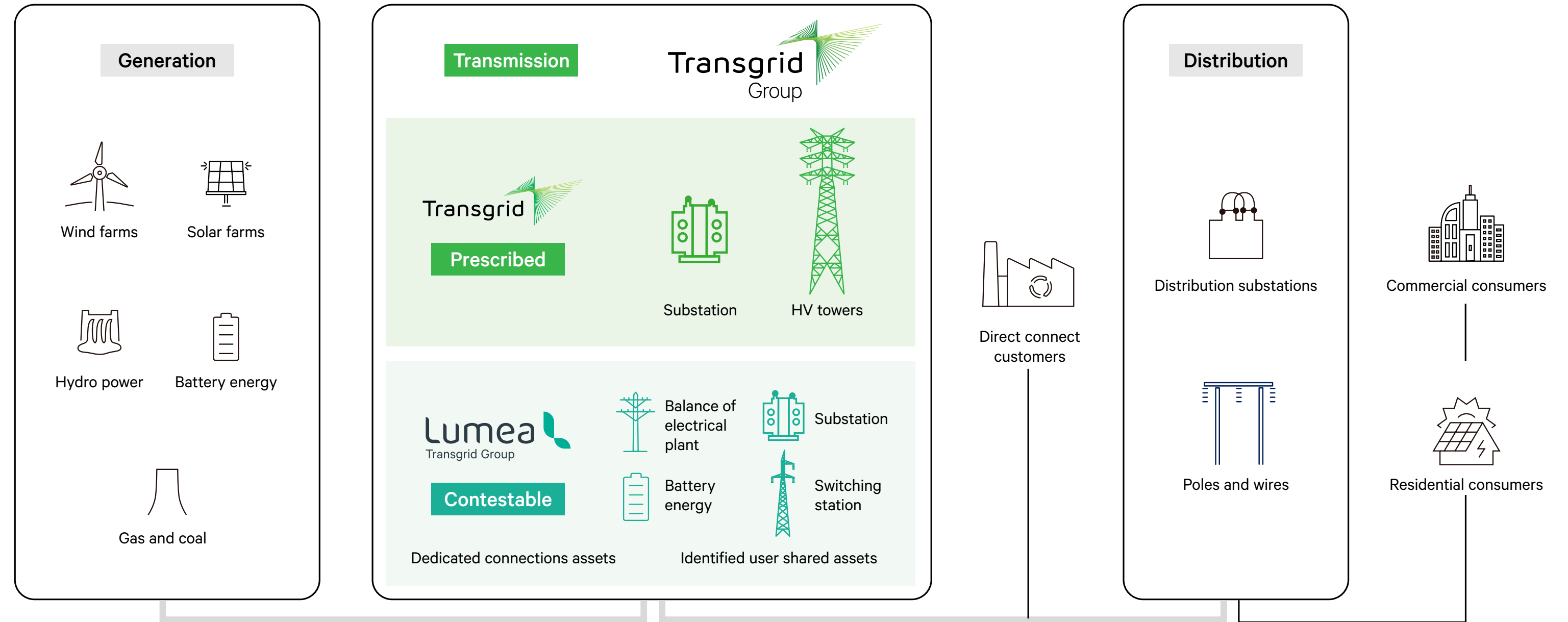
Transgrid operates and manages the high-voltage electricity transmission network in NSW and the ACT. The network transports electricity from generation sources, such as wind, solar, hydro, gas and coal power plants, to large directly connected industrial customers and the distribution networks that deliver it to more than three million homes and businesses. This is the largest part of our business, which owns and operates the assets acquired from the NSW State Government in 2015 by way of a 99-year lease. The Australian Energy Regulator (AER) is responsible for the economic regulation of Transgrid's prescribed¹ services business under the National Electricity Rules. Transgrid is headquartered in Sydney, with regional offices in Western Sydney, Orange, Newcastle, Tamworth, Wagga Wagga and Yass.

Our non-prescribed² business arm, Lumea, is an essential energy infrastructure provider helping to accelerate Australia's energy transition by connecting renewable energy generators to the transmission grid. Lumea is also one of the leading telecommunication providers to renewable projects in Australia with a focus on regional areas, data transmission and emergency broadcast services.

The Transgrid Group's operations consist of:



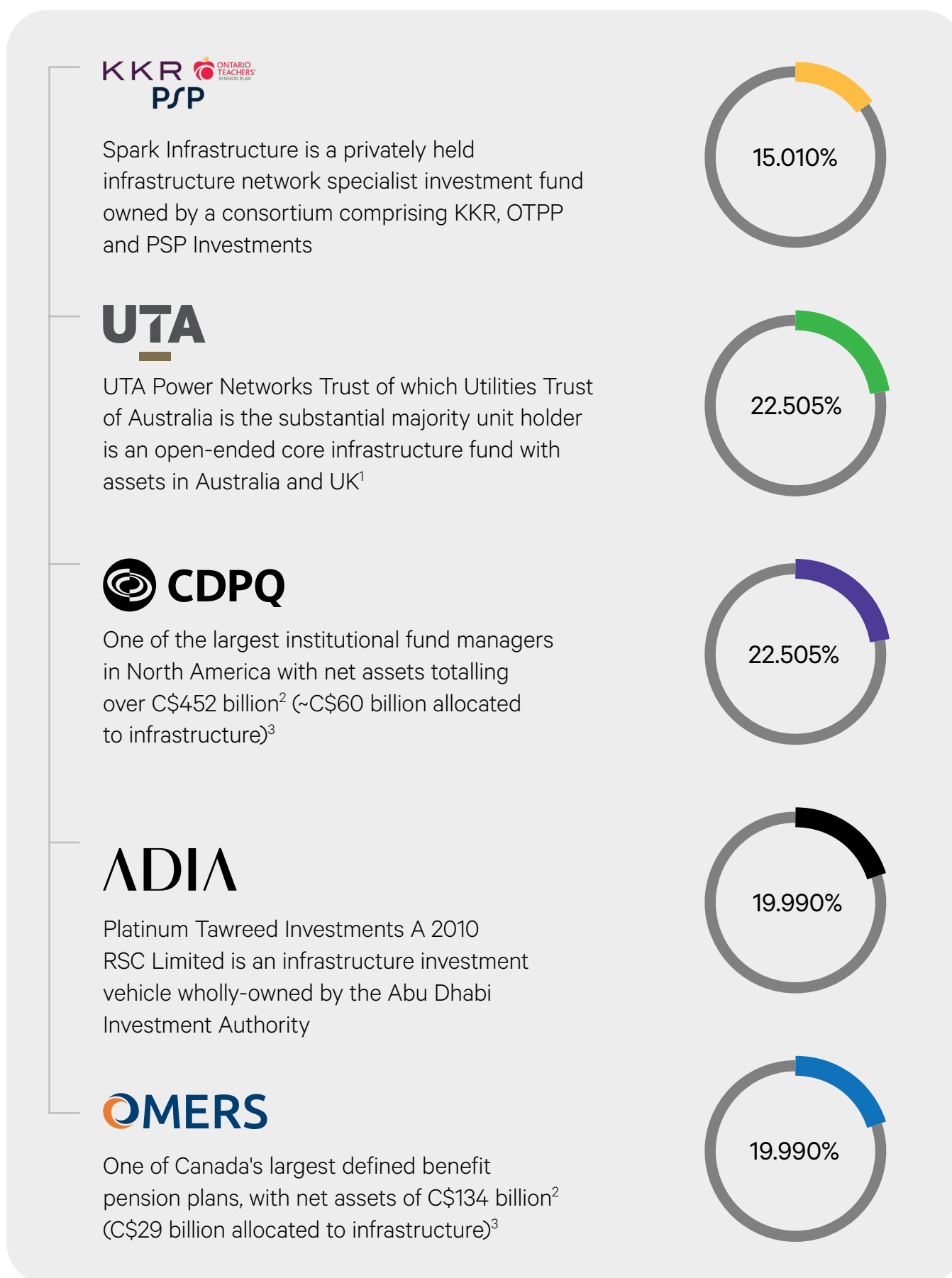
Transgrid Group and Lumea's operations



1. Prescribed services are those that only Transgrid as primary Transmission Network Service Provider can provide in NSW and the ACT
 2. Non-prescribed business includes all negotiated or contestable transmission or energy services.

Our ownership

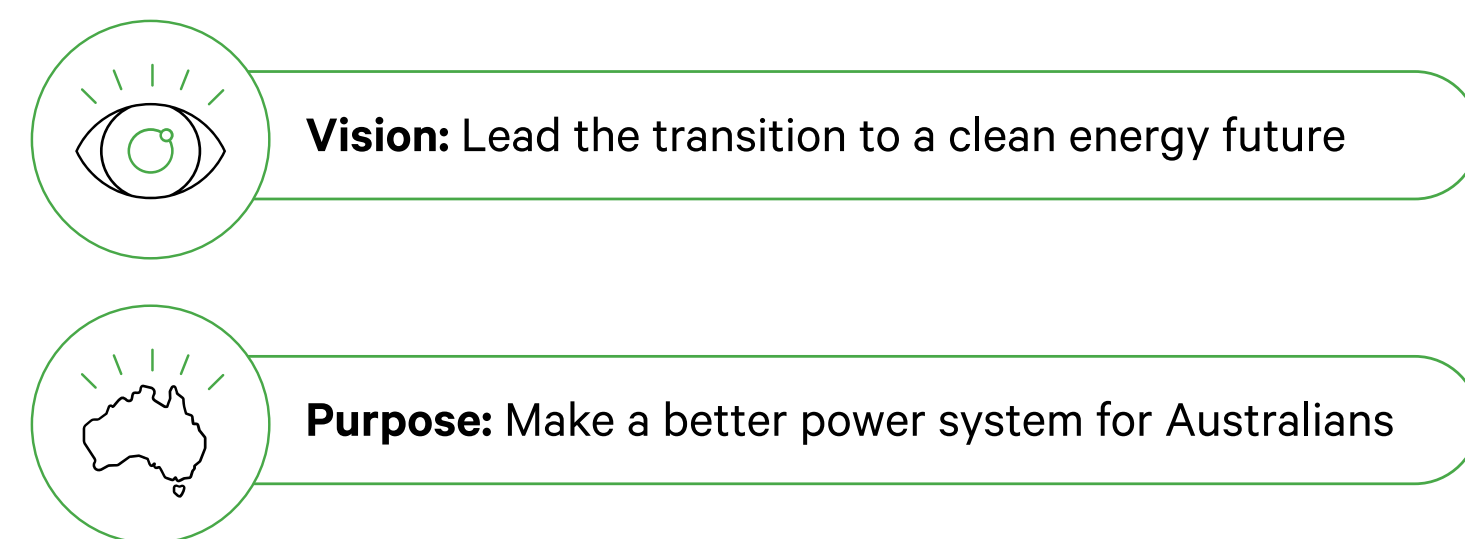
Our current security holders are leading global financial and strategic investors with ownership stakes in the Group as shown below:



Our strategy

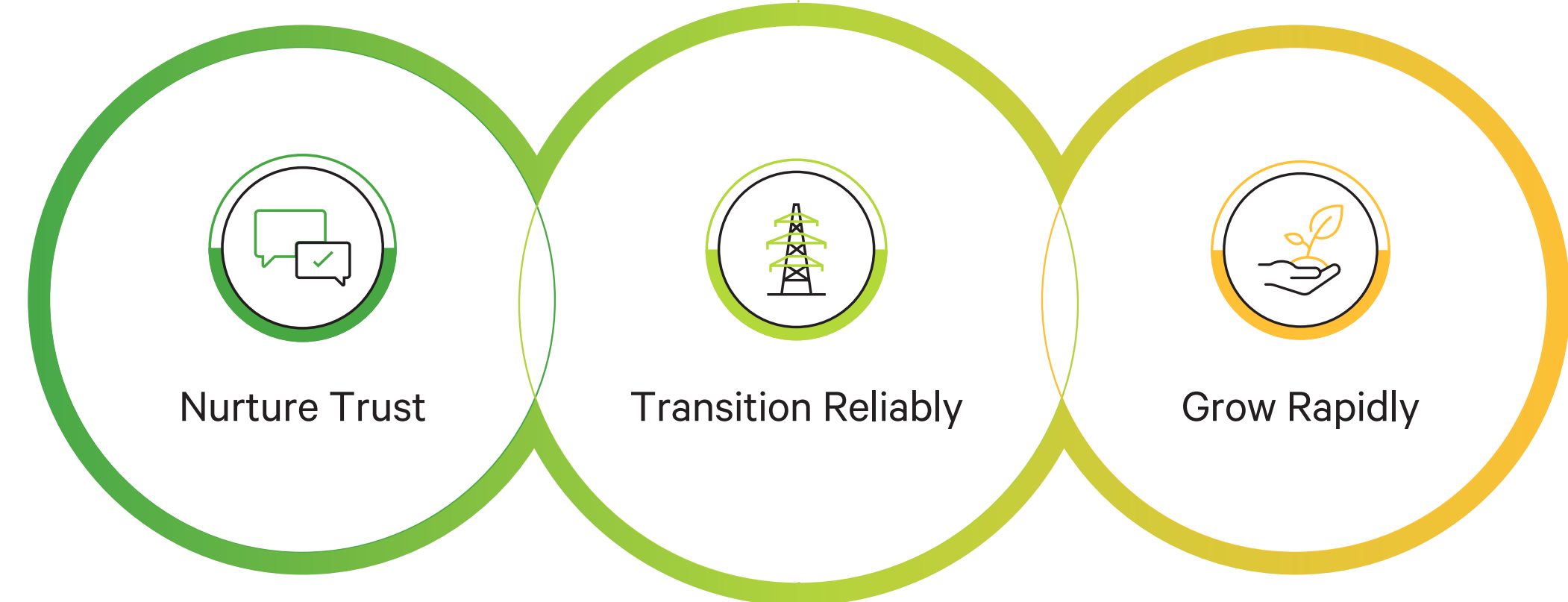
Transgrid Group's corporate strategy focuses on three key pillars: nurturing trust, transitioning reliably, and growing rapidly. By nurturing trust, we aim to be recognised as an employer of choice while building strong relationships with stakeholders as a trusted partner. In leading the reliable transition of the transmission system, we are committed to meeting the renewable energy demands of the future, ensuring the ongoing reliability, safety, and cost efficiency. By growing rapidly, we are dedicated to building a better power system that benefits consumers and supports the evolving energy landscape.

Transgrid Group is working with a broad range of stakeholders to build Australia the energy system we need to thrive in a clean energy future. Our partners in this important work include State and Federal Governments, the Australian Energy Market Operator (AEMO) and other transmission and distribution network service providers



1. Utilities Trust of Australia is managed by Morrison
2. As at 30 June 2024
3. As at 31 December 2023

Our Three Pillars are:



Consumers:
Enable energy prices to reduce in line with NSW Government targets.

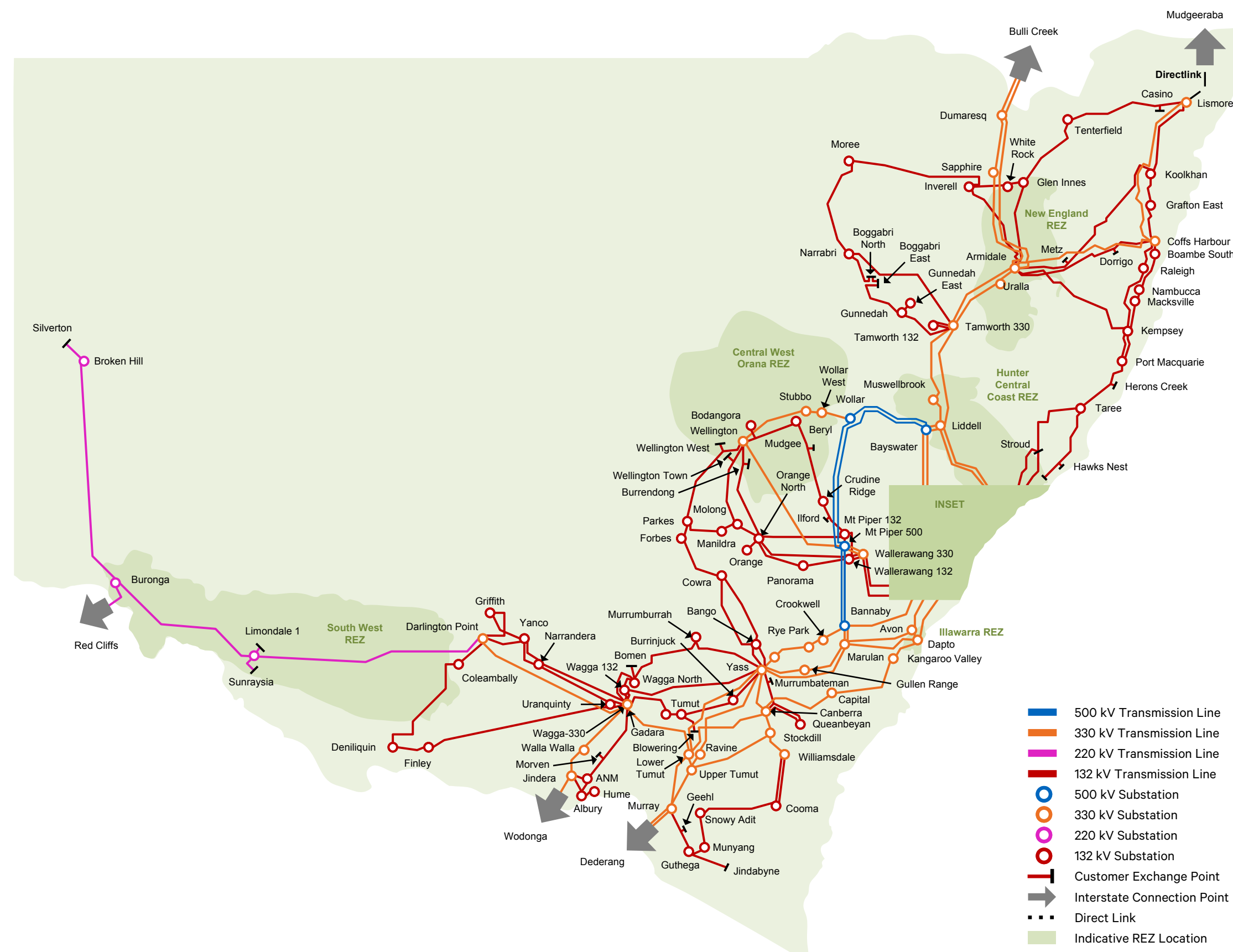
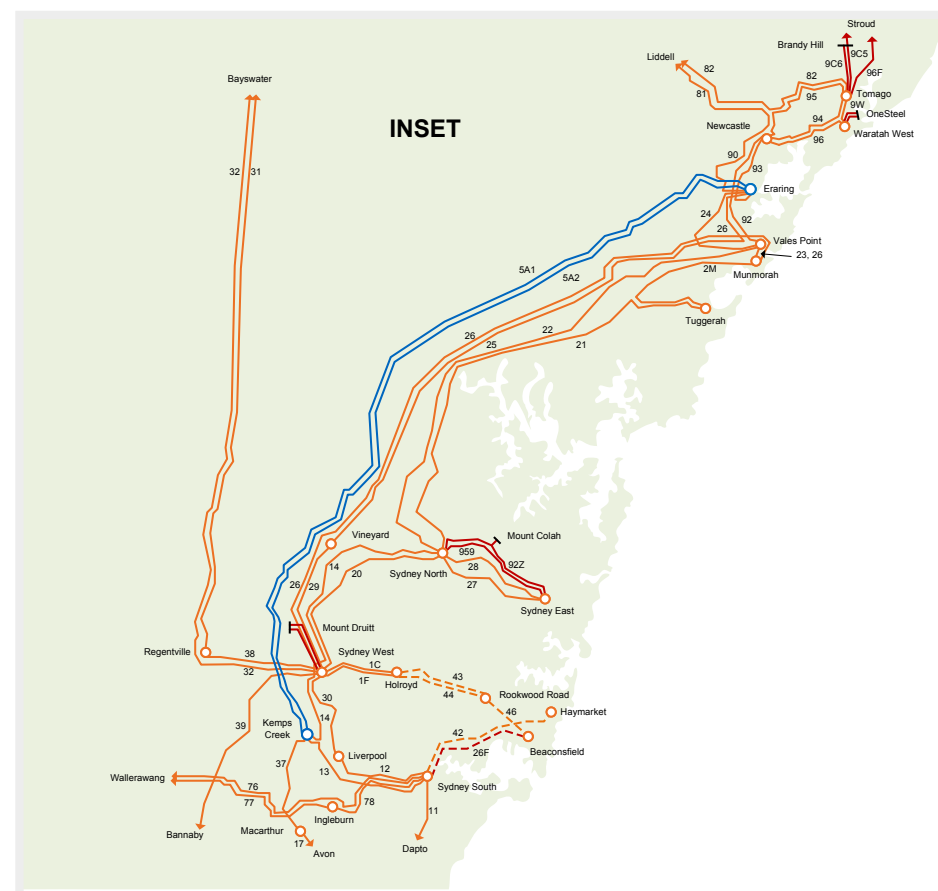


Transgrid's network linking NSW and the ACT is instrumental to the electricity system and economy, facilitating energy trading between Australia's largest states.

The network is made up of 128 substations and switching stations, high-voltage transmission lines, 109 km of underground cables and five interconnections to Queensland, Victoria and soon to be South Australia.

At Transgrid, we are working hard to make the grid fit for renewables, prioritising the planning and construction of critical transmission projects. We are working closely with NSW statutory body EnergyCo to plan, develop and deliver state Renewable Energy Zones and their transmission connections as well as other Priority Transmission Infrastructure Projects in NSW.

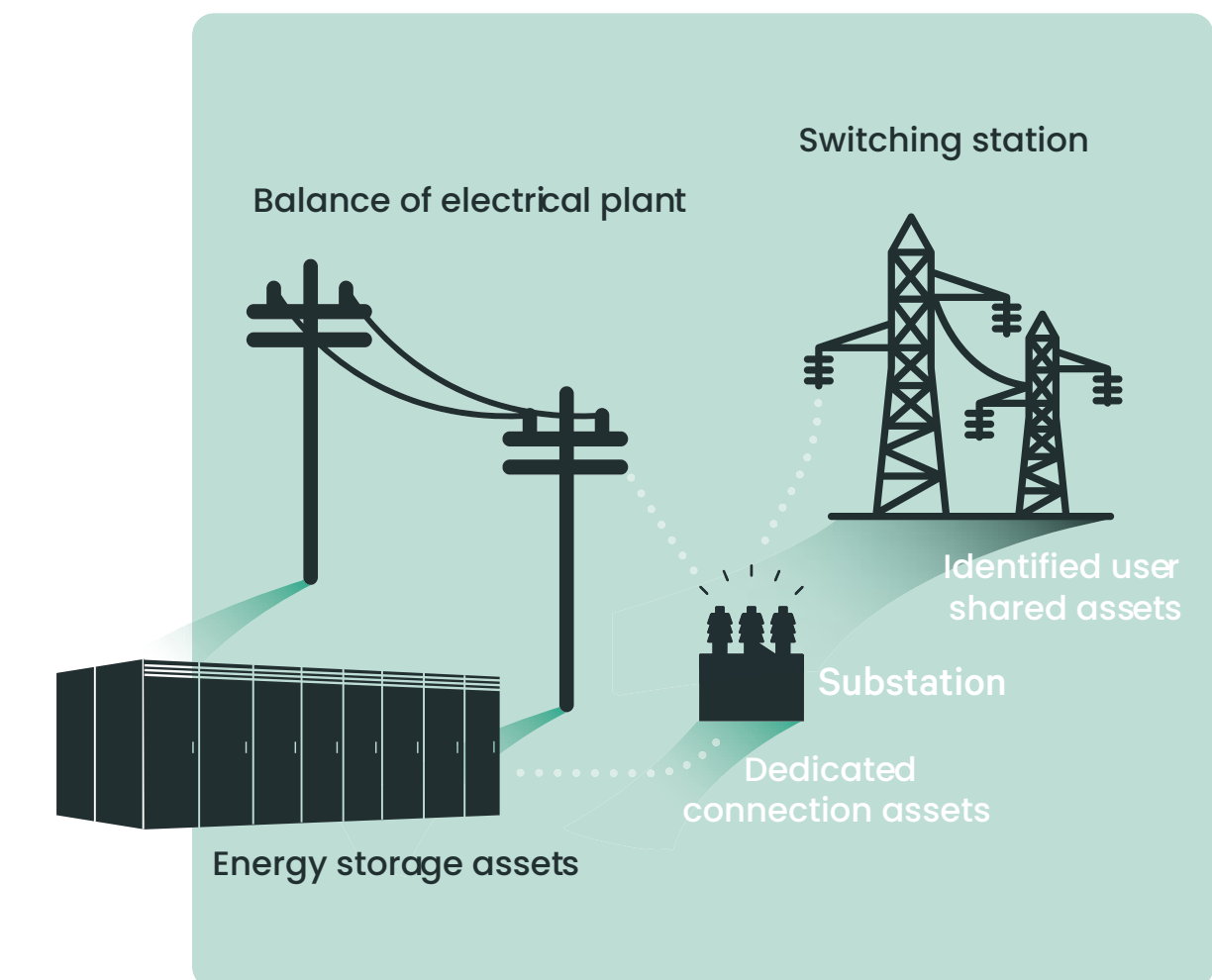
Where possible, Transgrid is actively exploring fast, innovative, lower cost 'non-network solutions', such as battery energy storage systems or compressed air energy storage, to address constraints and transmission system needs.



- 500 kV Transmission Line
- 330 kV Transmission Line
- 220 kV Transmission Line
- 132 kV Transmission Line
- 500 kV Substation
- 330 kV Substation
- 220 kV Substation
- 132 kV Substation
- T Customer Exchange Point
- ↔ Interstate Connection Point
- ⋯ Direct Link
- Indicative REZ Location



Lumea is the leading connector of renewables to the NEM, providing customers with new transmission and connection infrastructure and energy storage solutions as well as portfolio and asset management services. Lumea also connects renewable energy, wholesale, government and enterprise customers to a wide range of data services. Its independent 'fibre in the sky' Optical Ground Wire network benefits from being built atop Transgrid's transmission infrastructure, providing assurances on physical as well as cyber security. Lumea also partners with the nbn™, offering access to customers located beyond its network. Lumea owns and operates a network of transmission and communications towers available for colocation across NSW and ACT, offering backhaul at high levels of security.

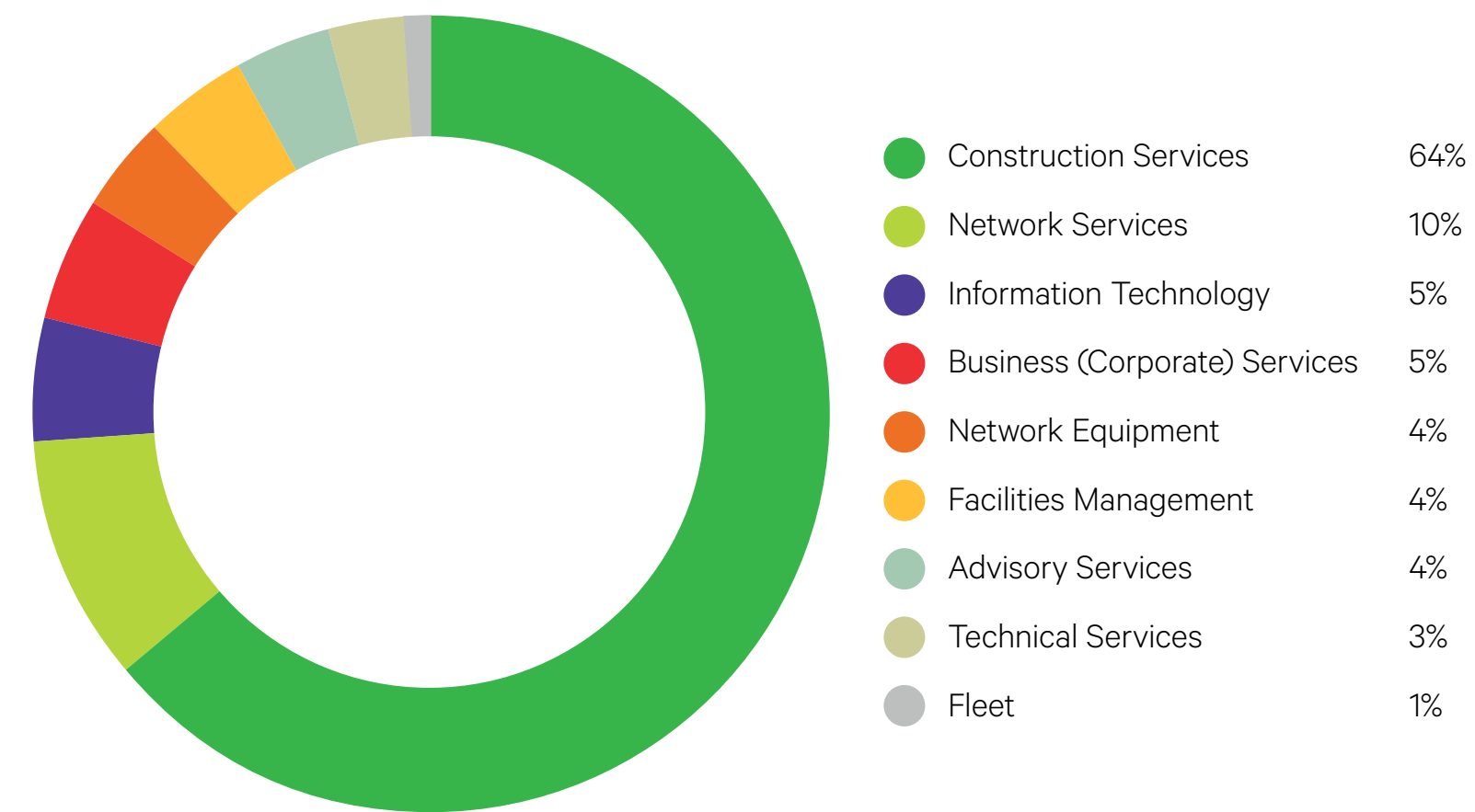


2.2. Our supply chain

Transgrid Group's direct supply chain consists of primarily construction, network equipment, facilities management, advisory and corporate services companies, most of which are based in Australia. We maintain a network of more than 1,200 active suppliers within our domestic and international supply chains.

During FY24, Transgrid Group's combined capital and operating spend was approximately \$1.68 billion across a diverse range of goods and services. The majority of Transgrid Group's expenditure was with Australian based suppliers, with the remainder of suppliers based in Canada, China, Germany, Ireland, New Zealand, Poland, South Africa, South Korea, United Kingdom and the United States of America.

Transgrid Group expenditure by category



Reporting Criteria 3: Risks of modern slavery in operations and supply chain

3.1. In our operations

Safe and reliable operations remain Transgrid Group's highest priority. Despite our growing workforce, which increased from 1,506 in FY23 to 1,756 at the end of FY24, we consider modern slavery risk in our operations to be low as all our employees are based in Australia. Approximately 79% of the employees are covered by the Transgrid Enterprise Agreement 2020, an instrument collectively negotiated with Transgrid Group employees and their employee representatives. All other employees are on employment contracts underpinned by Australian workplace laws.

Transgrid Group has a suite of comprehensive employment policies and procedures in place, to identify, prevent, mitigate and remedy actual or potential adverse human rights risks. Policies and procedures include Code of Conduct, Anti-discrimination, Harassment and Bullying Policy, Fatigue Management Procedure, Grievance Management Procedure, Whistleblower Policy and our Business Ethics.

3.2. In our supply chain

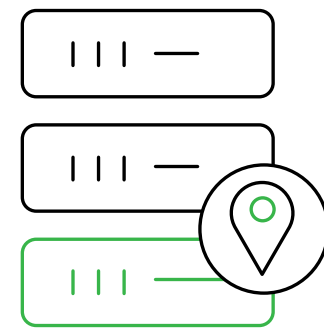
Transgrid Group continues to take a risk-based approach to identifying potential high-risk areas of modern slavery in its supply chain. Transgrid Group used the following risk criteria to assess modern slavery risks and identify potential high-risk areas in its supply chain:

- vulnerable populations;
- high risk geographies;
- high risk industries; and
- complex supply chain.

Transgrid Group maintains assurance so that modern slavery risks in our supply chain are minimised. This includes that:

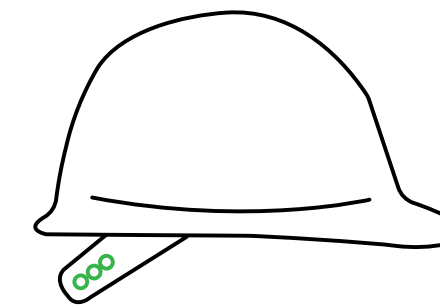
- We require our suppliers to comply with all applicable regulations and legislations;
- We have modern slavery clauses in our standard contracts;
- We use due diligence tools and processes to gain visibility to our supply chain; and
- We collaborate with suppliers to promote ethical standards and responsible sourcing.

As a result, our key focus remains on the following categories, which are prone to modern slavery risk in Transgrid Group's complex supply chain.



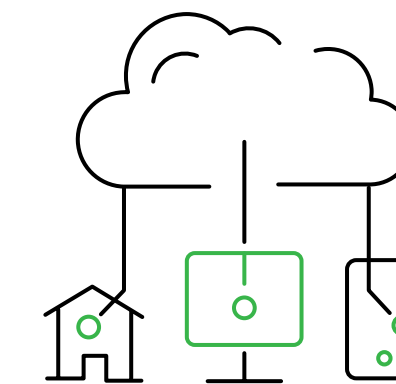
Network equipment

Transformers, static volt-ampere reactive (VAR) compensators, synchronous condensers, capacity banks and HV components are primarily sourced from Asia.



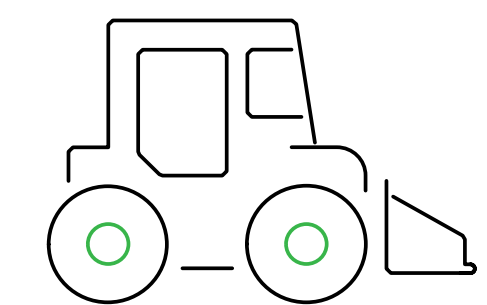
Personal Protective Equipment (PPE)

We have identified garments that have been manufactured offshore.



Electronics

Hardware components and services are primarily manufactured and provided by organisations with support services based in developing 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.

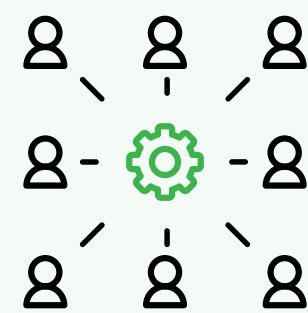
Reporting Criteria 4: Actions taken to address risks, including due diligence and remediations

4.1. FY24 highlights



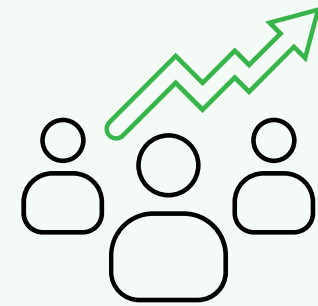
Desktop modern slavery assessments

Transgrid Group conducted periodic desktop modern slavery assessments on suppliers in our high-risk categories (listed in Section 3.2).



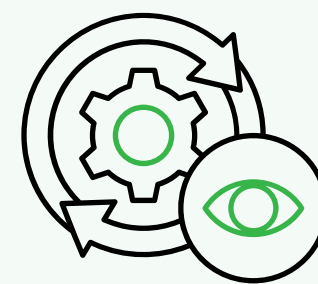
Organisational capacity

Transgrid Group continued building organisational capacity to mitigate modern slavery risks as detailed further below.



Internal and external collaboration

The procurement team engaged regularly with internal and external stakeholders to enhance modern slavery awareness and governance.



Risk assessment for HumeLink

The procurement team evaluated modern slavery risks for the HumeLink major project and subsequently collaborated with delivery partners to strengthen ongoing understanding, awareness and governance of modern slavery risks and issues.

4.2. Desktop modern slavery assessments

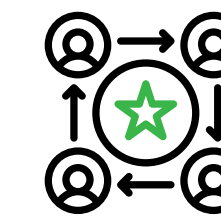
Transgrid Group benchmarked its high-risk spend categories against the global slavery industry risk rating in our Fair Supply™ assessment tool. By analysing these categories, we gained insights into further potential opportunities within our supply chain related to modern slavery practices. These insights informed the development of strategies to mitigate risks, improve transparency, and strengthen governance across the supply chain.

4.3. Internal and external collaboration

Transgrid Group acknowledges the critical role of collaboration in addressing modern slavery and human rights risks and issues. We actively engage with both internal and external stakeholders, including forums such as the Energy Procurement Supply Association and the Sustainability Professionals Association. Through these collaborations, we benchmarked our internal initiatives with evolving industry standards and are satisfied that Transgrid Group benchmarks well.

4.4. Organisational capacity

During FY24, Transgrid Group has furthered its capacity to identify and address modern slavery risks. Our key initiatives and updates are outlined below:



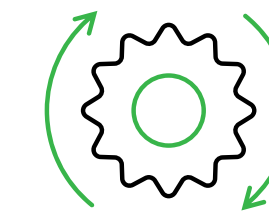
Resource allocation and capability enhancement

- Allocated additional resources for social procurement
- Strengthened Transgrid Group's expectations of its suppliers and contractors by reiterating modern slavery requirements in Transgrid Group's Procurement Policy and Framework



Training and awareness

- Facilitated and delivered training to procurement team, selected major projects and bid teams
- Conducted training needs analysis to assess and address knowledge gaps



Process improvement

- Continued reviewing and improving modern slavery processes and assessments drawing from sector best practice



Culture of accountability and reporting

- Supported ongoing discussion between Transgrid Group and our delivery partners, and promoted ethical and responsible behaviour in sourcing
- Continued to encourage reporting of unethical practices via our multiple reporting channels

4.5. Detailed risk assessment for HumeLink major project

HumeLink is one of Australia's largest energy infrastructure projects, designed to connect renewable energy sources to the grid through a 365km route, constructed in two sections (east and west). As part of this project, Transgrid Group identified an opportunity to address potential modern slavery risks associated with the steel manufacturing and key offshore suppliers located in China and India.

To mitigate these risks, we conducted initial risk assessments, which revealed a potential risk of forced labour in our supply chain. This underscored the need for further due diligence to gain deeper insights into each supplier's governance, risk, and compliance frameworks, and to evaluate each Delivery Partner's commitment to, and ongoing identification and management of modern slavery risks throughout their supply chain.

Transgrid Group and our Delivery Partners jointly identified key risk suppliers and required them to respond to a detailed modern slavery questionnaire. The responses were collected, analysed and discussed with all relevant parties associated with the HumeLink project, and informed actions to be implemented by the Delivery Partners to mitigate modern slavery risks.



Reporting Criteria 5: How the reporting entities assess the effectiveness of these actions

We assess and benchmark, against external metrics, the effectiveness of our modern slavery risk management systems and processes to identify opportunities for continuous improvement. We consider an effective response to modern slavery risks to be one that is fit for purpose, tailored to our operations and risk profile, and implemented throughout our business.

Key actions taken	How we measure the effectiveness of our actions	Outcomes
Desktop modern slavery assessments	Identify critical suppliers based on modern slavery risks and require them to perform further due diligence as needed and take appropriate steps.	<p>Visibility and ongoing tracking of critical suppliers' approach to modern slavery risks within their supply chains - 11 major suppliers across 4 high-risk categories participated in 2024.</p> <p>Issues identified have been discussed and closed out with suppliers, and/or a plan of actions has been agreed. Transgrid Group will conduct rolling six-monthly assessments to monitor progress, utilising Fair Supply™.</p>
Internal and external collaboration		
Modern slavery working group meetings	Hold bi-monthly meetings chaired by Procurement to track initiatives and progress against commitments.	Regular active participation by members representing key business units.
Industry collaboration	Participation and attendance at external energy sector regular meetings.	Cross collaboration with Energy Procurement and Supply Association (EPSA) to facilitate benchmarking and identify best practices.
Organisational capacity		
Training requirements of employees	Identify key business units, functions and different groups of employees with varying capability requirements to modern slavery.	Training needs analysis has been conducted and tailored for different levels of training.
Increasing modern slavery awareness	The number of training sessions delivered.	5 training sessions were delivered across the organisation.
	Update the responsible sourcing page on our intranet news hub, The Wire.	Updated responsible sourcing page.
Risk assessment for HumeLink		
Risk evaluation support for Major Projects – HumeLink	Conduct detailed risk analysis on key strategic packages for HumeLink, in particular steel manufacturing, to support tender evaluations and propose mitigation plans where required.	Modern slavery risks, including steel manufacturing, are understood and mitigated for HumeLink East and West project.

Reporting Criteria 6: Process of consultation

This Statement has been prepared by subject matter experts and overseen by our Modern Slavery Working Group, which engaged with Transgrid Group's key stakeholders on the reporting requirements under the Modern Slavery Act 2018 (Cth). Throughout the reporting period, the Working Group consulted Legal, Compliance, Risk, Business Resilience & Protective Security, Corporate & Stakeholder Affairs, Sustainability, People & Culture, Community & Policy and Procurement. Transgrid Group consulted its Owned and Controlled Entities in developing this Statement.



Reporting Criteria 7: Other information

In FY24, Transgrid Group made significant progress towards our key target actions aimed at identifying, mitigating and ultimately combatting modern slavery. We are continuously reviewing and updating our initiatives to ensure they align with leading practices in our energy sector through engagement with EPSA and use our influence in domestic and international supply chains to play our role in opposing modern slavery in all its forms. In terms of the year ahead, some key initiatives include the following:

Target action	Activity	Year	Status
Strategy	Include modern slavery in strategic supplier meetings	FY25	
	Develop modern slavery roadmap	FY25	
Research and engaging	Continue sector collaboration	FY24	Completed and ongoing
	Continue Modern Slavery Working Group	FY24	Completed and ongoing
Implementing and embedding	Embed modern slavery process into overarching procurement process	FY25	
	Review effectiveness of grievance mechanism	FY25	
	Roll out a fit-for-purpose structured training program that is tailored towards the needs of participants across the Transgrid Group business units	FY25	
	Review effectiveness of Modern Slavery Policy	FY24	Completed
	Embed modern slavery mitigation within procurement process and supplier onboarding	FY24	Completed
	Include modern slavery in supplier forums and training FY24	FY24	Completed
	Prepare operations to implement recommended changes including policy setting, due diligence tooling (Fair Supply™) and process	FY24	Completed
	Perform further deep dives into key suppliers	FY24	Completed
Monitoring and evaluation	Audit high risk suppliers	FY24	Completed
	Investigate additional platform that provides predictive supply chain data	FY24	Completed
	Integrate Human Rights Due Diligence Framework into the Procurement Policy and Framework	FY24	Completed



Contact details

Telephone: 1800 222 537
Email: community@Transgrid.com.au
www.Transgrid.com.au

Whistleblower details

Telephone Toll Free | 1800 826 109
Email: transgridwhistleblow@deloitte.com.au

You can send a letter to:

Transgrid Group
Reply paid 12628 A'Beckett Street, Victoria 8006

We welcome feedback on our modern slavery statement. Please send your comments to: community@Transgrid.com.au