

Modern Slavery Statement 2021-2022

This Modern Slavery Statement ('Statement') provides an overview of Aurora Energy's approach to modern slavery, and the risks associated with its operations and supply chain for the financial year FY 2021-22.

Aurora Energy demonstrates an ongoing commitment to operating ethically and transparently. In 2021-22 Aurora Energy has taken additional steps to mature its policies and procedures by introducing a Supplier Code of Conduct to reduce potential modern slavery risks in its operations and supply chain.

This Statement is made by Aurora Energy Pty Ltd pursuant to the *Modern Slavery Act 2018* (Cth) ('*Modern Slavery Act*'). This Statement was approved on 15 December 2022 by the Aurora Energy Board as required by the Modern Slavery Act.

A handwritten signature in grey ink, appearing to read "Mary O'Kane".

Mary O'Kane, Chair of the Board

Who we are

Aurora Energy is Tasmania's leading energy retailer, committed to delivering high quality energy solutions for Tasmanians and supporting its local community. Our purpose is "Energising Tasmania. Our community, Our future".

A key commitment is to be "Customer Obsessed: Our customers come first. They drive our decisions. We give them our all." With this in mind, Aurora Energy has progressed a number of initiatives in 2021-22 aimed at improving customer experience and supporting customers struggling with hardship, particularly in light of the ongoing economic impacts of COVID-19 and the price of electricity across the National Electricity Market. This includes the business customer support fund of \$400,000 specifically to help our local business customers impacted by the pandemic. We also provided \$200,000 to top up the Tasmanian Government's energy hardship fund, administered by the Salvation Army, to directly support customers experiencing financial vulnerability.

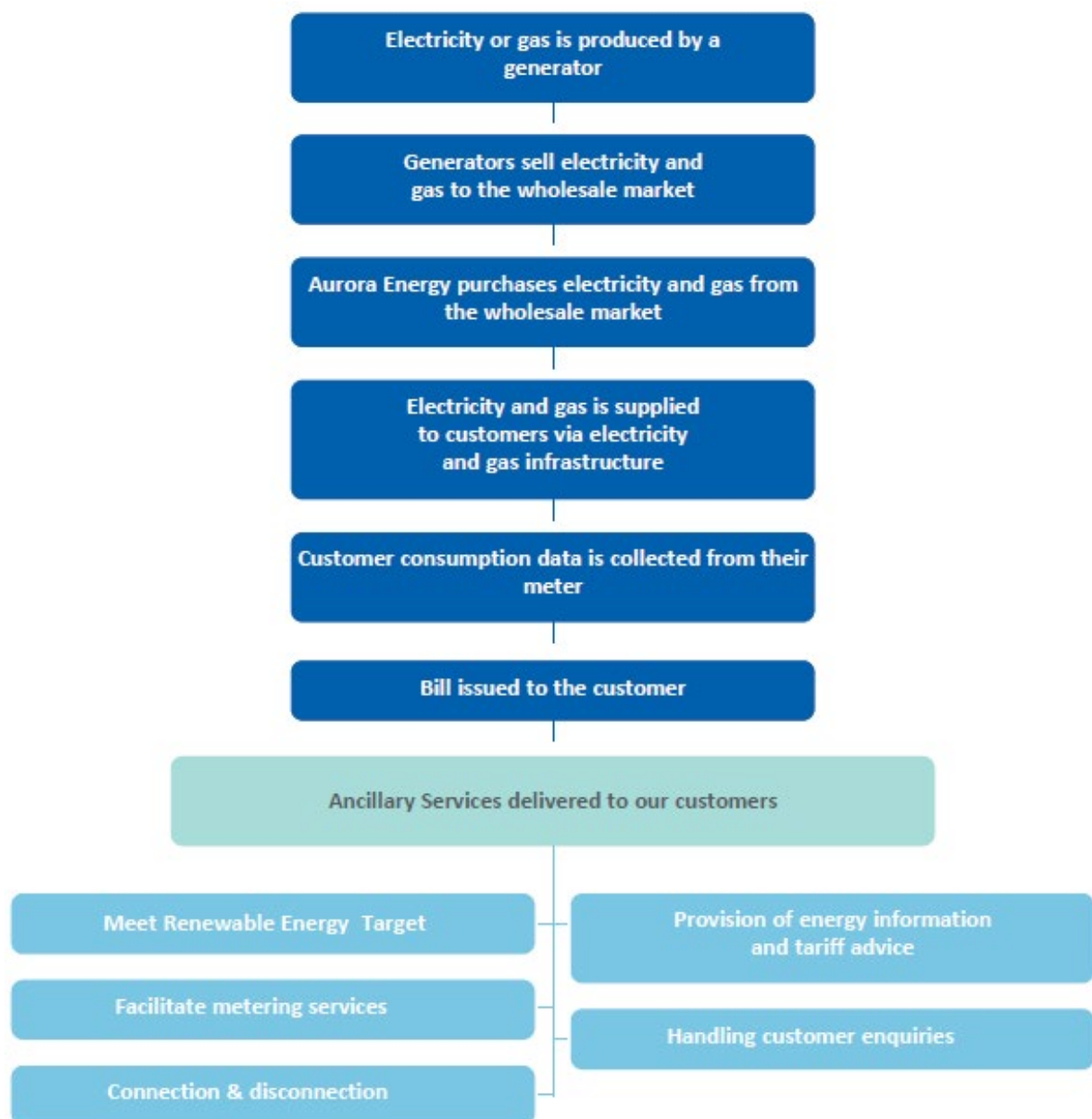
Aurora Energy's key business activities include retailing electricity and gas to residential and business customers, providing access to additional services, arranging for the provision of metering services and wholesale energy purchasing through the National Electricity Market. As of 30 June 2022, Aurora Energy had 225 employees.

Aurora Energy was established in 1998 and is wholly owned by the Tasmanian Government. Its shareholders are the Minister for Energy and Treasurer. Aurora Energy was incorporated under the *Corporations Act 2001* (Cth) and is enabled by the *Electricity Companies Act 1997* (Tas). Aurora Energy is not part of a larger corporate group of entities, nor does Aurora Energy own or control other entities or subsidiaries and is not party to any joint venture.

Aurora Energy at a glance

Key operations

As well as retailing gas and electricity, Aurora Energy's operational supply chain includes purchasing energy from the wholesale market, meeting its Renewable Energy Target and supplying other key services to customers, including but not limited to entering into partnerships with aligned organisations to offer products. The suppliers involved in generation, wholesale, transmission, distribution and metering form an important part of Aurora Energy's supply chain and have not changed since the 2020-21 reporting period.

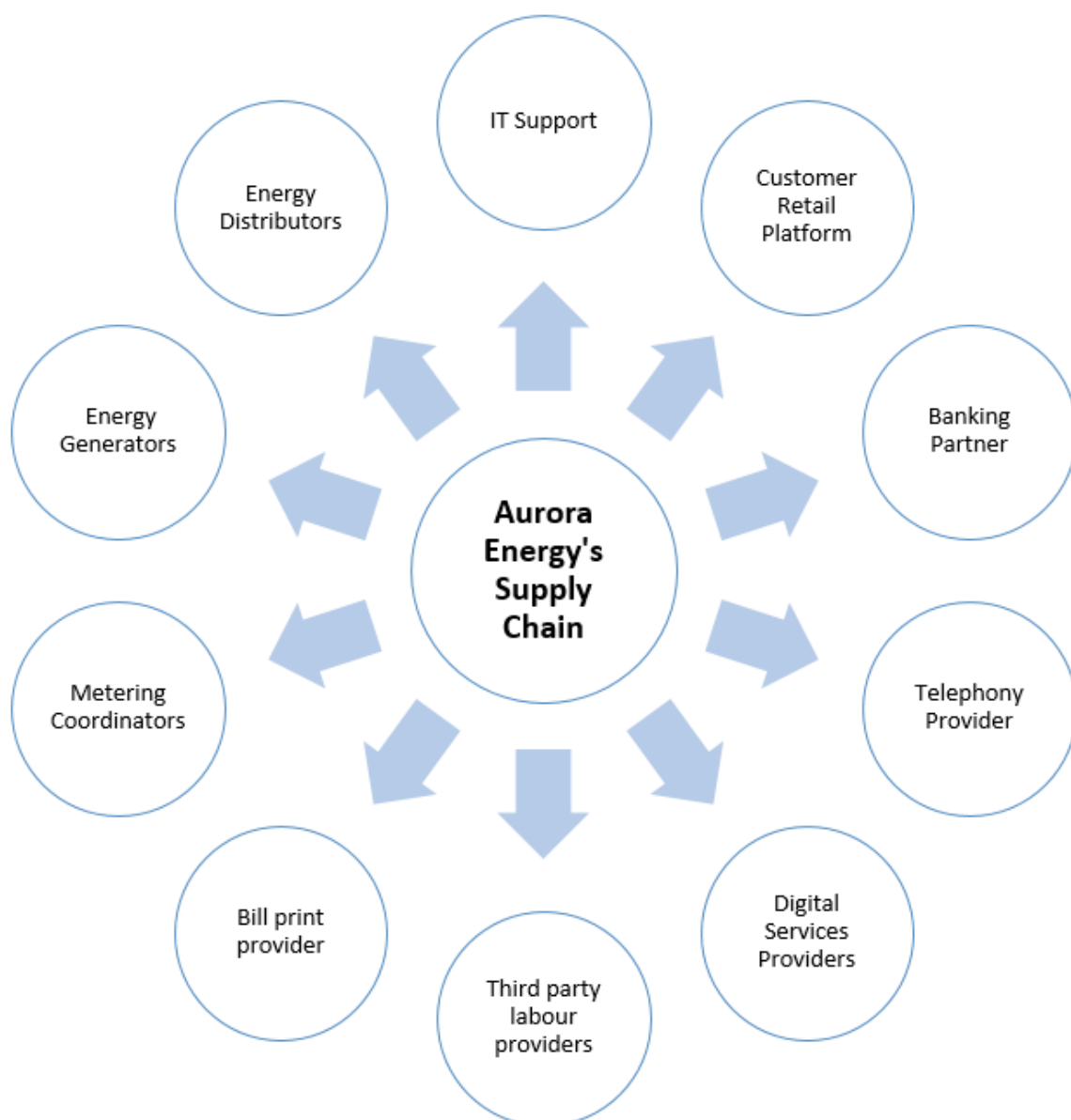


Supply chain

In order to conduct operations and deliver services to customers, Aurora Energy's direct suppliers include the wholesale energy products suppliers and suppliers for ancillary services as Aurora Energy outsources some functions to third parties.

The vast majority of Aurora Energy's suppliers are based in Australia. Arrangements with third parties range from short to long term engagements. In line with Aurora Energy's Delegation Policy, significant engagements must be approved by the Board.

A summary of Aurora Energy's supply chain is below, which has not materially changed since the 2020-21 reporting period.



Modern Slavery Risks

Overall Assessment

After undertaking appropriate risk assessments and examining its operations in light of industry and geographic risks, Aurora Energy has determined that its overall risk of causing, contributing or being directly linked to modern slavery through its operations and supply chains remains low.

Given the consistent and narrow nature of Aurora Energy's operations its modern slavery risks are expected to be constant and remain low year on year.

Industry Risks

As an energy retailer, Aurora Energy operates in a service-based industry, with direct operations and most suppliers based in Australia. Aurora Energy does contract with a small number of technology entities based outside of Australia, however these are in countries with a low risk of modern slavery. Aurora Energy does not operate in high risk sectors such as domestic work, construction, manufacturing and agriculture. Additionally, Aurora Energy does not manufacture or sell batteries as part of its operations, both identified as being key risks to the energy industry.

Geographic Risks

Aurora Energy does not source goods or services in countries considered to be high risk by the Walk Free Foundation in their 2018 Global Slavery Index. As the majority of Aurora Energy's suppliers are based in Australia, goods and services are mostly sourced from within Australia.

On some occasions, Aurora Energy's metering suppliers may source goods or services for Aurora Energy from their direct suppliers or sub-suppliers who are located outside of Australia. Aurora Energy has identified that some sourcing countries are recognised in the Global Slavery Index as having a higher risk of modern slavery. These are for suppliers who provide specialised goods and parts required for meters. Aurora Energy's key risk of causing, contributing or being directly linked to modern slavery is further down our supply chain with entities we do not have direct contractual relationships with however Aurora Energy expects its suppliers and subcontractors to aim for ethical standards and to operate in an ethical, legally compliant and professional manner.

Third Party Risks

Several of Aurora Energy's key business activities are outsourced to third parties. Given outsourcing can increase the likelihood of causing, contributing or being directly linked to modern slavery, Aurora Energy ensures proper oversight and controls are in place to manage these arrangements.

Aurora Energy's key third party outsourcing arrangements which could include a risk of modern slavery are:

- Installation of electricity meters by Aurora Energy's Metering Coordinators. There is a risk that modern slavery is present in the sourcing and/or manufacturing of meters. As the Metering Coordinator function is provided by third parties, Aurora Energy has less oversight over their operations and supply chain (including the procurement of meters).
- There are some suppliers that Aurora Energy must engage with, despite having no oversight over their appointment (for example, some customers have the ability to appoint their own Metering Coordinator). Aurora Energy's ability to undertake due diligence prior to their appointment or to terminate these engagements is lessened.

- Aurora Energy utilises third party labour providers to provide contractors to fill temporary or project roles. Aurora Energy has less direct visibility over these workers and their employment terms, however all are based in Australia and subject to local laws and regulations, with the majority located within or close to Tasmania.
- The cleaning industry is considered to be a high risk industry for modern slavery. Aurora Energy uses Tasmanian based third party cleaning companies to service its Tasmanian offices and both companies employ staff located within Tasmania.

Indirect Supplier Risks

Several of Aurora Energy's suppliers have identified key indirect suppliers and subcontractors in the supply chain. The majority are related to IT software and support, cleaning, catering, office supplies and professional services. Suppliers are primarily located in Australia, which is not a high risk geography for modern slavery risks. The majority of suppliers based outside of Australia operate in countries with a low risk of modern slavery. Aurora Energy's visibility over key indirect suppliers and subcontractors is increasing each year. Aurora Energy expects indirect suppliers and subcontractors to aim for ethical standards and to operate in an ethical, legally compliant and professional manner.

The actions to address the risks of modern slavery

Aurora Energy is committed to operating ethically and taking action to assess and address the risks of modern slavery in its supply chain and operations. The actions Aurora Energy took in 2021-22 include:

- Aurora Energy continued to scope and map its supply chain.
- Procurement of goods and services was conducted in a way that ensured Aurora Energy undertook appropriate due diligence before engaging a supplier. For example, potential suppliers were asked to provide details on how they manage and address risks of modern slavery in their operations and supply chain, which were assessed as part of their overall response.
- Training on modern slavery and the *Modern Slavery Act* was provided to relevant employees across the organisation.
- Aurora Energy's modern slavery obligations are included in its Compliance Framework and form part of an annual attestation process. The Board has visibility over the results of the attestation process (including any non-compliances).
- All key supplier contracts contain provisions covering compliance with key legislative requirements including workplace health and safety and modern slavery.
- Aurora Energy required an expanded list of key suppliers to answer the modern slavery annual supplier questionnaire to better understand their risks of modern slavery, their sub-suppliers' risks of modern slavery and actions taken to address these risks. The suppliers selected to complete the questionnaires were those considered to be high risk based on the industry they operate in or based on other modern slavery risk factors Aurora Energy identified. Aurora Energy's Metering Coordinators, third party labour providers, cleaning companies and IT and software partners were included as part of the questionnaire. Overall Aurora Energy found that its suppliers are taking appropriate actions to reduce the risks in their supply chain.
- As part of Aurora Energy's ongoing response to modern slavery risks, Aurora Energy developed and implemented a Supplier Code of Conduct ([available here](#)) during the 2021-22 reporting period. The Supplier Code of Conduct outlines the expectations for ethical business practices that Aurora Energy has for its suppliers. The Supplier Code of Conduct was issued to Aurora Energy's key suppliers.

- Aurora Energy has a robust policy framework to support its response to modern slavery. A Modern Slavery Policy was introduced in 2019 to demonstrate Aurora Energy's commitment to complying with the *Modern Slavery Act*. During the current reporting period, Aurora Energy updated the Policy to include its Supplier Code of Conduct.
- In addition, Aurora Energy has a Public Interest Disclosures Policy ([available here](#)) to outline how Aurora Energy complies with whistleblowing legislation. Current and past employees, family members and contractors are able to make disclosures about improper conduct or detrimental action (including modern slavery practices) by Aurora Energy.
- Aurora Energy has recruitment practices, policies and procedures in place to ensure fair treatment of its workforce. A large portion of Aurora Energy's workforce is employed under permanent, fixed term or part time arrangements and are engaged under written contracts of employment on terms and conditions that are in accordance with Australian legislation and applicable enterprise agreement.

Where remediation is required, Aurora Energy will work with the relevant supplier to develop actionable solutions. Where it is apparent that the supplier will not take reasonable steps to prevent or prohibit modern slavery in their business, Aurora Energy will consider alternative arrangements.

The effectiveness of these actions and future directions

Aurora Energy believes that the actions it is taking continue to be effective in mitigating the risks of modern slavery. The effectiveness of these actions has been determined by measuring the actions taken against the key risks that Aurora Energy identified. Aurora Energy considers that the risks that were identified have been mitigated by the actions taken.

Aurora Energy will continue to monitor these actions to ensure its response remains effective into the future.

Aurora Energy is also confident that its modern slavery risks are appropriately mitigated with the actions suppliers have in place and the strong worker protections and entitlements under Australian law. Aurora Energy will continue to monitor and liaise with its suppliers in future reporting periods to ensure these commitments to addressing modern slavery risks continue.

In the 2022-23 financial year, Aurora Energy's key objectives as part of its ongoing response to modern slavery risks include:

- Assessing the maturity of Aurora Energy's approach to managing modern slavery risks related to our operations and supply chain;
- Continuing and improving on the questionnaire process with key suppliers as necessary;
- Further assess potential modern slavery risks in Aurora Energy's direct and indirect supply chain;
- Providing modern slavery refresher training to key staff and develop an online modern slavery training course for all employees to complete during the next reporting period; and
- Reviewing and updating the policy framework on a regular basis as required.