

MODERN SLAVERY POLICY

PREPARED BY: Risk Compliance and Audit
DOCUMENT REF: Gov: 2020
VERSION: 1.0
EFFECTIVE DATE: 04 FEBRUARY 2021
STATUS: Final

FOR INTERNAL USE ONLY

Approved for distribution and use by:

APPROVED BY: AEMO Board
TITLE: -

DATE: 04 FEBRUARY 2021

CONTENTS

1.	INTRODUCTION	3
1.1.	Context	3
1.2.	Purpose and scope	3
1.3.	Application	3
1.4.	Ownership and Responsibility	3
1.5.	Breaches of this Policy	4
1.6.	Review and Update	4
2.	DEFINITION	4
3.	LIMITING THE RISK OF MODERN DAY SLAVERY	4
4.	REPORTING	5
5.	APPENDIX	6
5.1.	Glossary	6
5.2.	Related AEMO Policies and Procedures	6
5.3.	Minimum standards expected of suppliers	6
5.4.	Modern Day Slavery Statement Criteria	8
5.5.	Version Release History	8

1. INTRODUCTION

1.1. Context

Modern slavery describes situations where coercion, threats or deception are used to exploit individuals and undermine or deprive them of their freedom. There are an estimated 40.3 million victims of modern slavery globally. Women and girls are over-represented, comprising 71 per cent of victims and nearly two-thirds of modern slavery victims are in the Asia-Pacific region¹.

The Modern Day Slavery Act (Cth) 2018 (Act) was enacted in January 2019. The Act requires companies with an annual revenue of greater than \$100 million to comply with requirements of the act in managing and mitigating the risk of modern slavery practices followed by the submission of a Modern Slavery Statement annually to the Australian Border Force (ABF) within the Department of Home Affairs. Modern Slavery Statements are public documents and will be published in an online register maintained and administered by the ABF. In addition a Modern Slavery Act for New South Wales has been drafted and is likely to commence on or before 1 January 2021.

1.2. Purpose and scope

This policy establishes the framework for managing modern day slavery and affirms our commitment to contribute to ending all forms of modern slavery, both in Australia and overseas and outlines our approach to reducing the risk of modern slavery practices within our supply chains and operations. This Policy also supports the intent of international conventions, treaties and protocols relevant to combatting modern slavery and the Modern Slavery Act² (Cth) 2018.

1.3. Application

The policy applies to all persons working for or on behalf of AEMO, in any capacity, including directors, employees, contractors / consultants and suppliers.

AEMO expects all who have, or seek to have, a business relationship to familiarise themselves with this policy and to act in a way that is consistent with its values.

This policy will be used to underpin and inform any statement on slavery and human trafficking that AEMO is required to produce under the Modern Slavery Act (Cth) 2018.

This policy should be read in conjunction with AEMO's Code of Conduct and Fraud and Corruption Prevention Policy.

1.4. Ownership and Responsibility

AEMO's Board has the accountability for this policy and in ensuring that AEMO complies with all its legal and ethical obligations. The Managing Director and Chief Executive Officer (MD & CEO) has the responsibility for the implementation of this policy, monitoring its use and ensuring that the appropriate processes and control systems are in place, and amended as appropriate, to ensure it can operate effectively.

All staff are responsible for ensuring that they comply with the provision of this policy in the day to day performance of their roles.

¹ 2017 Global Estimates of Modern Slavery (ILO and Walk Free, 2017). Available from: https://www.ilo.org/global/publications/books/WCMS_575479/lang--en/index.htm

² Modern Slavery Act (Cth) 2018. Available from: <https://www.legislation.gov.au/Details/C2018A00153>

1.5. Breaches of this Policy

The breach of this policy by a director, officer or employee of AEMO may lead to disciplinary action being taken in accordance with the AEMO Code of Conduct policy. Serious breaches may be regarded as gross misconduct and can lead to immediate dismissal.

All staff and suppliers will be expected to co-operate in any investigation into suspected breaches of this policy or any related processes or procedures.

If any part of this policy is unclear, clarification should be sought from the Legal Department, Risk Compliance and Audit Team and/or the Chief Governance Officer and Legal Counsel.

1.6. Review and Update

The policy will be reviewed at a minimum every two years or whenever there is a change to the legislation on modern slavery.

2. DEFINITION

2.1.1. Modern Slavery

Modern slavery is defined by the Modern Slavery Act (Cth) 2018 to include eight types of serious exploitation and which can be understood as:

- trafficking in persons, which is the recruitment, harbouring and movement of a person for the purposes of exploitation through modern slavery;
- slavery, which is where the offender exercises powers of ownership over the victim;
- servitude which is where the victim's personal freedom is significantly restricted and they are not free to stop working or leave their place of work;
- forced labour, which is where the victim is either not free to stop working or not free to leave their place of work;
- forced marriage, which is where coercion, threats or deception are used to make a victim marry or where the victim does not understand or is incapable of understanding the nature and effect of the marriage ceremony;
- debt bondage, which is where the victim's services are pledged as security for a debt and the debt is manifestly excessive or the victim's services are not applied to liquidate the debt, or the length and nature of the services are not limited and defined;
- the worst forms of child labour, which involves situations where children are: exploited through slavery or similar practices, including for sexual exploitation; or engaged in hazardous work which may harm their health or safety, or used to produce or traffic drugs; and
- deceptive recruiting for labour or services which is where the victim is deceived about whether they will be exploited through a type of modern slavery.

3. LIMITING THE RISK OF MODERN DAY SLAVERY

To enable AEMO comply with the requirements of Modern day slavery act, the following will be undertaken as a minimum:

- Have clear accountability and nominate a role for co-ordination of the risks involved in modern day slavery;

- **Training:** All personnel with relevant roles in relation to this policy will receive adequate training on this policy and any other supporting processes applicable to their roles.
Complaints Mechanism: We will have an accessible and publicised reporting mechanism (including whistleblower) for concerns or disclosure in relation to modern slavery which allows for confidential and anonymous reporting and provides protection from reprisal.
- **Remediation:** We will be committed to working with our suppliers to remediate any breaches to this policy.
- **Continuous improvement:** We are committed to applying a continuous improvement approach to how we reduce the risk of modern slavery practices within our supply chains and operations. We will seek feedback from our staff, suppliers and other parties in regard to the success or otherwise of the actions we have taken to reduce the risk of modern slavery.

In addition a minimum standard would be expected from all our suppliers as detailed in Appendix 5.3 of this policy and these would be embedded into the contract with each supplier.

4. REPORTING

4.1.1. Reporting Obligation

The Modern Slavery Act 2018 commenced operation on 1 January 2019, creating reporting obligations for entities that have:

- consolidated revenue of at least \$100 million for the relevant reporting period (a financial year)¹, and which:
 - are Australian entities, or
 - undertake business in Australia in that financial year.

Modern slavery encompasses criminal offences relating to deprivation of civil liberties, human trafficking, forced marriage and child labour.

4.1.2. Reporting process

By 31st December each year, we will submit a Modern Slavery Statement to the Australian Border Force within the Department of Home Affairs and publish this statement on the AEMO website, that outlines the steps we have taken over the financial year to identify where our supply chains and operations may be contributing to modern slavery practices, and the actions we have taken to minimise these risks. The statement will be approved by AEMO's Board, signed off by the Chief Executive Officer, and include the minimum requirements per the Act (detailed in appendix 4.4).

5. APPENDIX

5.1. Glossary

Table 1 Defined terms

Term	Definition
Employee	Any person who is employed by AEMO through a Common Law Contract (CLC), Enterprise Agreement (EA), or Fixed Term Contract (FTC)
Supplier	Supplier is defined as any organisation or person who provides us with goods or services, including their subcontractors, agents, related entities and consultants.
Supply chains	Supply chains are defined as the products and services (including labour) that contribute to AEMO and services. This includes products and services sourced in Australia or overseas and extends beyond direct suppliers.
Modern slavery	For the purposes of this policy is defined as including eight types of serious exploitation and outlined in Section 2.1.1

5.2. Related AEMO Policies and Procedures

Table 2 Related policies, procedures, instructions, and forms

Title
Code of Conduct Policy
Whistleblower Protection Policy
Purchasing Policy
Recruitment and Selection Policy

5.3. Minimum standards expected of suppliers

5.3.1. No forced or Bonded labour

Employment shall be freely chosen. Suppliers shall:

- not use any type of forced labour (any work or service extracted from any person under the menace of any penalty, which work has not been freely chosen by the person), bonded labour (work which is not for compensation received by the worker, but to repay a debt, which is often incurred by another person offering the worker’s labour in exchange) or indentured labour (in which an employer forbids workers from leaving employment at the worker’s discretion);
- respect the freedom of movement of their workers and not restrict their movement by controlling identity papers, holding money deposits or taking any other action to prevent workers from terminating their employment; and
- ensure that workers are free to leave their employer after reasonable notice.

5.3.2. No child labour

Suppliers shall comply with the minimum legal working age in the country or state in question or in the absence of such law, by the International Labour Organisation (ILO) Convention 138. Suppliers must be able to verify the age of all employees to ensure compliance. Suppliers must accept the principles of remediation of child and under age workers, and where such labour is

discovered suppliers must establish and implement appropriate remediation for such workers and introduce effective systems to prevent the use of child labour in the future.

5.3.3. Wages, benefits, and transparent record keeping

Suppliers must comply at a minimum with all laws regulating local wages, overtime compensation and legally mandated benefits. Record keeping must be accurate and transparent. Workers must be provided with written and understandable information about their employment conditions before they enter employment and about their wages for each pay period. Deductions from wages for disciplinary measures or any deductions from wages not provided for by law shall not occur without the express permission of the worker concerned. All disciplinary measures should be recorded.

5.3.4. Working hours

Working hours must comply with applicable local laws. Workers should not be required to work more than the maximum hours per week as stipulated by local laws or in the absence of such law by the applicable ILO convention. Overtime shall be agreed, shall not be excessive, shall not be requested on a regular basis and shall be compensated as prescribed by applicable local laws.

5.3.5. No discrimination

All conditions of employment must be based on an individual's ability to do the job, not on the basis of personal characteristics, such as gender, ethnic origin, religion, age, disability, personal beliefs, marital status, sexual orientation, union membership or political affiliation. Suppliers must ensure that they provide an environment where their employees can work without distress or interference caused by harassment, discrimination or any other inappropriate workplace behaviour.

5.3.6. No harassment or abuse

Workers shall be treated with dignity and respect. In particular, suppliers will provide a workplace free from harassment, including physical, sexual, verbal or visual behaviour that creates an offensive, hostile or intimidating environment.

5.3.7. Grievance mechanisms

Suppliers shall respect the rights of workers to lawfully associate or not to associate with groups of their choosing, as long as such groups are legal in the country of operation. Workers should have the right to join or form trade unions of their choosing. Suppliers should not interfere with, obstruct or prevent legitimate related activities, such as collective bargaining. Workers are allowed to select worker representatives. Representatives should not be discriminated against and should have regular access to company management or appropriate process in order to address grievances and other issues.

Suppliers must have a policy in place for workers to approach management on issues of concern, on their own or through worker representatives, confidentially.

5.3.8. Sub-contracting

Where sub-contracting is permitted, suppliers must have adequate processes in place for properly managing sub-contracting to ensure that subcontractors operate in accordance with this and any applicable divisional/business unit policy, and is undertaken strictly in accordance with the contract.

5.3.9. Migrant workers

Migrant workers shall have the same entitlements as local workers as stipulated by local law. Any commissions and other fees in connection with employment of migrant workers must be covered by the employer. The employer must not require the worker to surrender identification documents. Workers employed through a third party agent or contractors are the responsibility of the suppliers, and are thus covered by these Minimum Standards.

5.4. Modern Day Slavery Statement Criteria

Modern Slavery statement will address the following mandatory criteria:

- The reporting entity’s structure, operations and supply chains;
- Modern slavery risks in the reporting entity’s operations and supply chains (including those of subsidiary entities);
- Actions taken (including by subsidiary entities) to assess and address those modern slavery risks, including due diligence and remediation processes;
- How the reporting entity assesses the effectiveness of actions taken; and
- The process of consultation with subsidiary entities in preparing the modern slavery statement.

5.5. Version Release History

Version	Date	Author	Review	Approved	Changes
1	04/02/2021	Avinash Gulwadi	Chief Governance Officer, Executive Leadership Team & Risk and Audit Committee	AEMO Board	New Policy