

An aerial photograph of a large concrete dam and a deep blue reservoir. The dam is on the right side, with a spillway visible. The reservoir is on the left, with rocky shores and some green vegetation. A small building is visible near the bottom of the dam.

snowyhydro

Modern Slavery Statement

FY2022



Introduction

This is our Modern Slavery Statement for the financial year ending 30 June 2022, which is made pursuant to the Modern Slavery Act 2018 (Cth) (MSA). This Modern Slavery Statement is made on behalf of Snowy Hydro Limited (ACN 090 574 431) and each of its wholly owned subsidiaries, including Red Energy Pty Limited, Lumo Energy Australia Pty Ltd and Direct Connect Australia Pty Ltd (collectively “Snowy Hydro”, “we”, “our”).

A cross-functional group consisting of management representatives on behalf of each operating company within Snowy Hydro oversees the implementation of our modern slavery actions. This Statement was prepared in consultation with this cross-functional group and was reviewed by the Executive Committee and the Audit and Compliance Committee. The Board of Snowy Hydro Limited, which has governance over all group companies, has approved this Statement

Snowy Hydro has a strong corporate culture based on our company values:

Safety	Teamwork	Ownership	Agility	Decency	Courage
Safety is always our number one priority	We help each other succeed through support and trust	We take pride in our work and own our choices	We are adaptable and embrace change	We treat others the way we'd like to be treated	We speak up and act for what's important

Snowy Hydro is an Australian-owned, dynamic, integrated energy business. Our purpose is to “deliver Australia’s renewable future”. This reflects the leading role that Snowy Hydro is playing in underpinning the reliability and stability of east coast Australia’s electricity system as it undergoes a clean energy transformation, from predominantly coal fired generation to renewable forms of generation.

Our Values are the heart of who we are at Snowy Hydro. Our corporate Values of Safety, Decency, Ownership, Agility, Courage and Teamwork underpin our success and guide our behaviour, choices, decisions and interactions with each other, our customers, contractors and communities.

We demonstrate our Values in how we support our communities, customers and our people. Consistent with our Values, Snowy Hydro remains committed to ensuring that human rights abuses play no part in our business or our supply chain. We remain focused on the duty and opportunity that we have to play a part in the elimination of modern slavery.

This Statement sets out our progress on combatting modern slavery during FY2022. It sets out an overview of - our structure, operations, supply chains and governance; an assessment of the risks of modern slavery in our operations and supply chains; the control measures we have implemented to manage those risks; and the effectiveness of those controls.



Snowy Hydro's supply chain largely comprises well known, long term suppliers, with no evidence of modern slavery. Snowy Hydro undertakes limited procurement in industries, regions, or for products and services with known risks of modern slavery.

Snowy Hydro's operations are undertaken almost entirely in Australia by employees on individual agreements or under enterprise agreements.

In our previous Modern Slavery Statements, we noted the sectors/suppliers within our supply chain with a higher potential inherent risk of modern slavery practices, and outlined the additional due diligence and controls in place to manage this risk. We continue to undertake these control measures to confirm that there are no actual or suspected modern slavery practices in those parts of our supply chain.

In addition to this sector specific due diligence and control measures, Snowy Hydro has standard controls in place to control the risk of modern slavery practices in our supply chain. These controls include robust supplier due diligence practices, standard contract terms supplemented by a mandatory Supplier Code of Conduct, and ongoing modern slavery training.

Since our last Modern Slavery Statement, the key changes to our supply chain relate to the ongoing development of our Snowy 2.0 and Hunter Power Projects.

In relation to our Snowy 2.0 Project, component manufacturing by local and international suppliers continues at pace. Snowy Hydro's contractor, which has been engaged to deliver this project, Future

Generation Joint Venture, has a modern slavery management framework in place to ensure that all modern slavery risks are controlled. Snowy Hydro is supplementing these measures with our own in-person assurance activities at key manufacturing facilities. To date, no modern slavery concerns have been identified.

Snowy Hydro is currently delivering our Hunter Power Project, which is a new 660MW gas-fired open cycle power station located at Kurri Kurri in New South Wales. The main contracts for engineering, procurement and construction of this project have been awarded, and in each case, an Australian based entity with a commitment to adherence with modern slavery principles has been selected. As with our Snowy 2.0 Project, Snowy Hydro is undertaking in-person assurance activities at key manufacturing facilities. As site works commence, Snowy Hydro will maintain an active on-site presence to ensure that all working conditions are appropriate. To date, no modern slavery concerns have been identified in relation to this project.

We continue to review our modern slavery risk management practices against industry-best practice. We will enhance those practices, if required, to ensure their ongoing effectiveness in FY22-23 and beyond.

Roger Whitby
Managing Director and Acting CEO

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Our structure, operations and supply chains

Our Structure

Snowy Hydro Limited is the ultimate holding company of the group, and is a producer, supplier, trader and retailer of energy in the National Electricity Market (NEM) and a leading provider of risk management financial hedge contracts. In addition, we are a water manager operating under a stringent water licence. Snowy Hydro captures, stores, diverts water and

releases it for the use of irrigators, town water supplies and the environment.

Snowy Hydro has two wholly-owned energy retail businesses, Red Energy Pty Limited and Lumo Energy Australia Pty Ltd. Snowy Hydro also has a wholly-owned moving services company, Direct Connect Australia Pty Ltd.



Our Operations

Generation

Snowy Hydro has more than 5500 megawatts (MW) of generating capacity across New South Wales, Victoria and South Australia including the iconic 4,100MW Snowy Mountains Hydro-electric Scheme, the 300MW Valley Power gas-fired power station, the 320MW Laverton North gas-fired power station in Victoria; the 667MW gas-fired power station at Colongra in New South Wales and 136MW of diesel generation at Port Stanvac and Angaston in South Australia. Since 2017, Snowy Hydro has entered into energy purchase agreements with 1,349MW of solar and wind generators.

Snowy 2.0

The Snowy 2.0 project will underpin Australia's transition to a renewable energy future, and is bringing significant investment and thousands of jobs to the Snowy Mountains region. This huge pumped-hydro expansion of the Snowy Scheme will link two existing dams, Tantangara and Talbingo, through 27km of tunnels and a new underground power station. Work on the Snowy 2.0 project has been underway since 2019, with major worksites established at Lobs Hole, Tantangara and Marica. The current workforce is 2,200, there are three tunnel boring machines in operation and excavation of the Main Access

Tunnel is complete. The Cooma precast factory, which employs about 200 people, has produced 50,000 of the 130,000 concrete tunnel lining segments.

The Snowy 2.0 project continues to inject significant economic benefits into the Snowy region through local procurement and job opportunities. To date, more than 150 local businesses have been involved in the project and there has been about \$100 million injected into the local economy.

Hunter Power Project

Snowy Hydro is currently developing a 600 megawatt capacity power station at Kurri Kurri in the Hunter Region. The power station will comprise two hydrogen-ready, heavy-duty, open cycle gas turbines. The new plant will provide necessary dispatchable 'firmed' energy, ensuring security and stability to support volatility that arises from intermittent renewables.

A focus of this project is to invest in the Hunter region, creating as many as 600 jobs during construction and injecting up to \$800 million into the local economy.

16 Power Stations and **5,500MW** total generation

1.1 million customers

One-third of renewable energy to the National Electricity Market

Snowy Scheme Map



Our Supply Chain

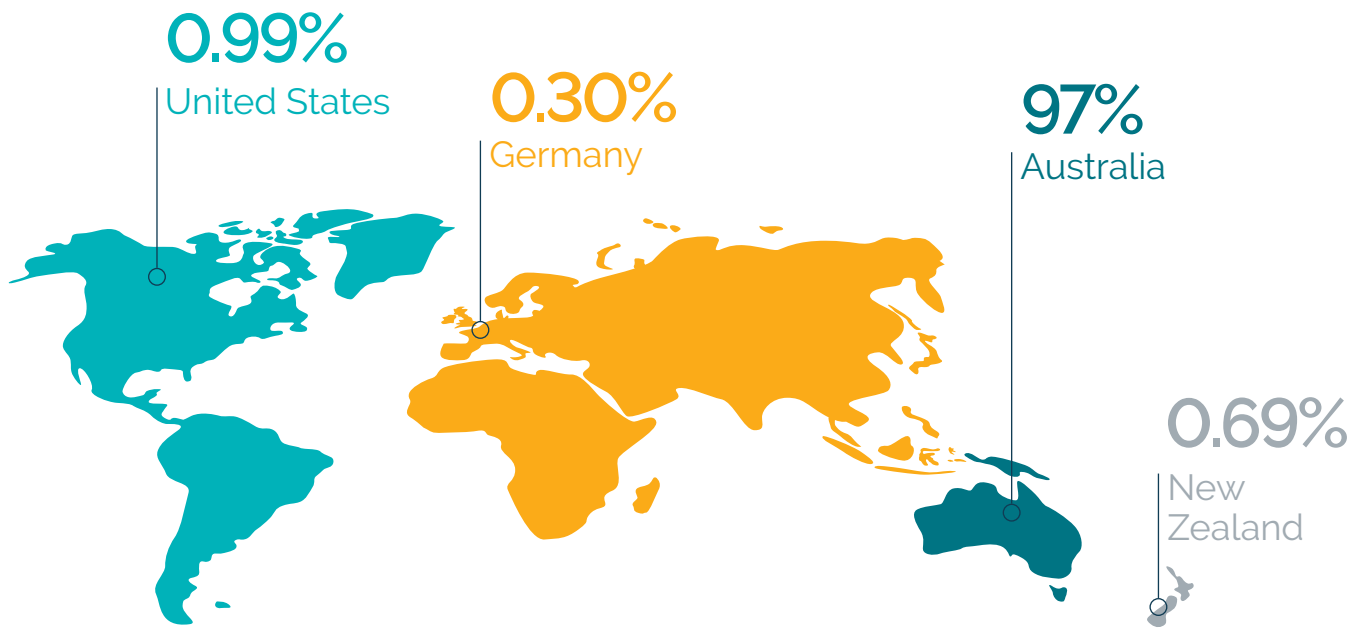
The majority of Snowy Hydro's supply chain for its existing generation assets and retail business is within Australia, and generally involves the engagement of skilled labour for the provision of both goods and services, or the acquisition of large items of equipment.

In FY2022, Snowy Hydro directly engaged more than 2,400 suppliers. Excluding the Snowy 2.0 Project, approximately 97% of our contracted suppliers were located in Australia, followed by the United States (0.99%), New Zealand (0.69%) and Germany (0.30%).

Snowy Hydro has appointed a joint venture of world class, experienced, construction contractors to deliver our Snowy 2.0 project in Australia. While the suppliers engaged by Snowy Hydro for that project are local and the work is being undertaken in the Snowy region, the contractors have their own international supply chains. Snowy Hydro has taken the proactive steps outlined in this Statement to assure itself that modern slavery risks are being controlled within that supply chain.

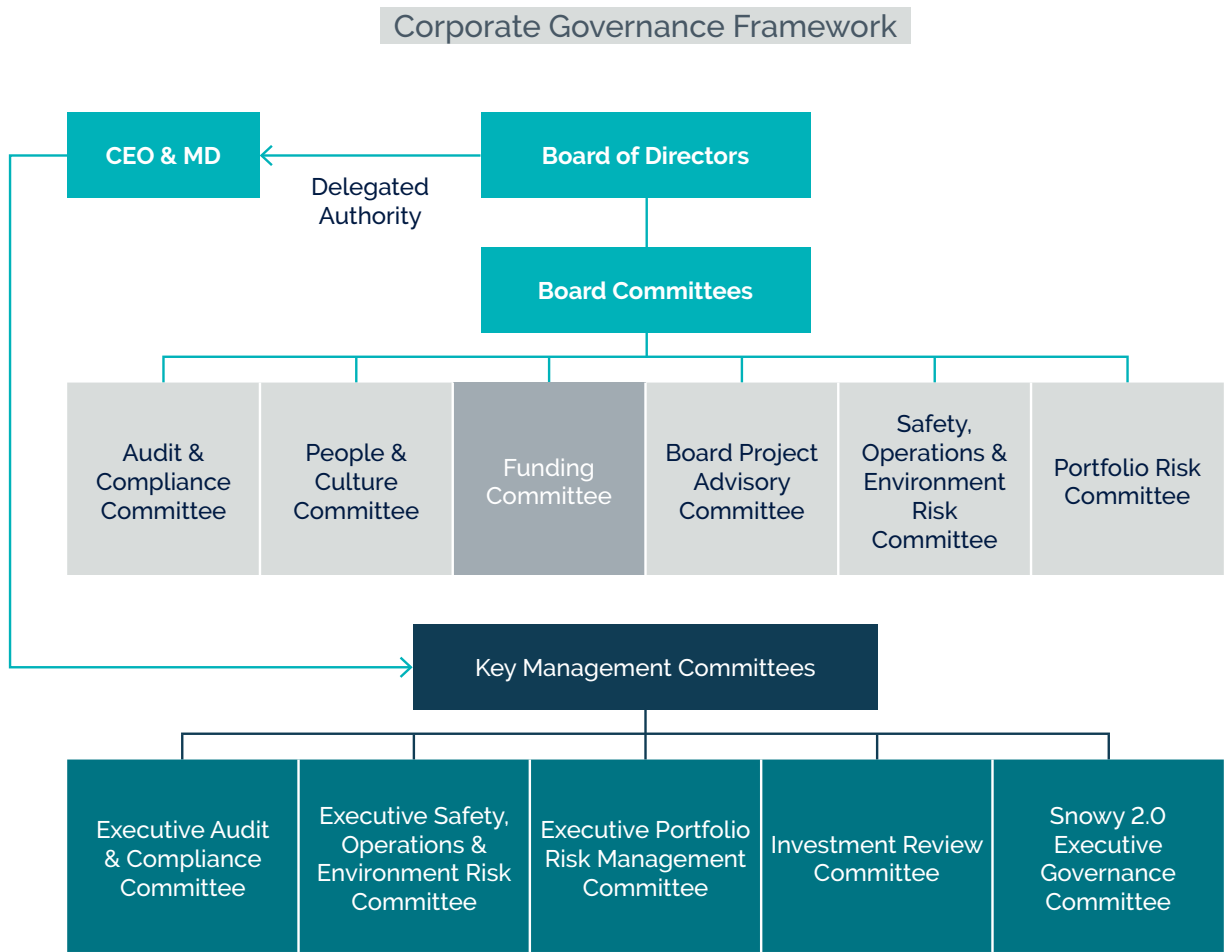
Equipment and contractor procurement is advanced for our Hunter Power Project, with all main contracts for engineering, procurement and construction executed with Australian based entities. Where this project involves the procurement of equipment from international suppliers, that equipment is largely bespoke, requiring specialised, skilled manufacture.

Location of contracted suppliers (excluding Snowy 2.0 project)



Our Governance

Corporate governance at Snowy Hydro is led by an independent, experienced, skills-based Board. The Board is principally responsible for strategic oversight and review of the principal risks facing Snowy Hydro, including ensuring that appropriate standards of accountability, risk management and corporate governance are in place for all companies within the group. The Board maintains, and requires that Snowy Hydro management maintains, the highest level of corporate ethics.



The Board is supported by dedicated Committees which assist the Board in discharging their governance responsibilities. The Audit and Compliance Committee assists the Board through its oversight and review of financial reporting, financial management, frameworks for risk management, compliance and corporate management, and auditor independence and performance. The role and responsibilities of the Audit and Compliance Committee include overseeing the adequacy of the systems in place to identify and manage human rights risks and are documented in its Board-approved Charter.

Snowy Hydro's assessment and ongoing management of modern slavery risks is reported through the Audit and Compliance Committee, in accordance with its Charter. The Audit and Compliance Committee provides regular reports to the Board through its minutes and through verbal updates from the Committee Chair following each meeting.

Our corporate governance documentation, including the Corporate Governance Statement and the associated charters are available on our website.

Modern Slavery Risk Assessment

Snowy Hydro's modern slavery risk is managed through controls and processes and supported by a cross functional group of senior management. Our Modern Slavery Management Framework outlines our risk based approach with a focus on:

Harm - Most severe risks that cause the most harm to people or where delayed response would make them irremediable;

Contribution - Risks that are caused or contributed to by Snowy Hydro; and

Influence - Risks that are not caused or contributed to by Snowy Hydro, but Snowy Hydro has the ability to influence the level of risk and/or whether that risk materialises.

Snowy Hydro implements appropriate control measures with consideration given to the materiality of the relevant risk. This is then followed by ongoing assurance measures to assess the effectiveness of those controls.

This process particularly focuses on areas of higher risk such as supplier operations with increased geographic risk, or industries where there is base-skilled labour. Snowy Hydro considers country and industry risk indicators provided by the Global Slavery Index, the International Labour Organisation and other organisations to gain further insight to this risk.

We have a defined set of criteria for detection of modern slavery risks, which focuses on the following areas:

Geographies - Where a product is manufactured or processed, or where service delivery occurs.

Product and service categories - The sectors from which we procure goods and services.

Vulnerable populations - For example, migrant workers and base-skilled workers.

Work practices - For example, third party labour arrangements.

Company-specific - The practices of individual suppliers.

Operations

Snowy Hydro's operations are located almost entirely in Australia, with our retail business having a small office in New Zealand and a single employee in Mumbai.

As at 30 June 2022, Snowy Hydro directly employed 1,726 people, with 93.4% of them working on an ongoing basis. 89.3% are full time employees and 10.7% work part time. 42.5% are

female, 57.4% are male and 0.1% are non-binary, intersex or unspecified.

Most of our people are based in Victoria (59.6%) and NSW (38.6%). 1.5% are based in South Australia. 34.4% of employees are based in the Snowy Mountains and other regional locations across NSW, SA and Victoria, with the remaining 65.6% in Melbourne, Sydney and other cities.

Snowy Hydro has a robust payroll system, strong policies and mechanisms for employees to raise concerns. Our employees are engaged directly on either individual agreements or applicable Enterprise Agreements.

Snowy's employees

34.4%

based in Snowy Mountains and other regional locations across NSW, SA and Victoria

65.6%

based in Melbourne, Sydney and other cities.

89.3%

are full time employees

10.7%

work part-time

Supply Chains

Snowy Hydro consistently assesses modern slavery risk in our supply chains based on workforce profile, the location of supplier manufacturing, the nature of the work to be performed and resultant labour requirements associated with the purchasing of goods or services.

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associated with the purchasing of goods or services.

This review process particularly focuses on areas of higher risk such as industries where there is base-skilled labour, or supplier operations within higher risk regions/countries.

Snowy Hydro's supply chain is typically comprised of well known domestic suppliers, with no demonstrated evidence of modern slavery. We identified a number of key areas for focus in FY2022:

- The international supply chain for the Snowy 2.0 Project, which includes a significant program of works in Electrical & Mechanical goods supply from countries including China, Germany and other parts of Europe;
- The international supply chain for the Hunter Power Project, which includes sourcing of equipment from countries including Japan, Vietnam and parts of Europe; and
- Our retail business' call centre operations in Mumbai.



Actions to address Modern Slavery Risk and Measuring Effectiveness of these Actions

Specific sector / supplier risk controls

Snowy Hydro has undertaken the following actions in relation to the key sectors/suppliers in our supply chain which have a higher potential inherent risk of modern slavery:

Snowy 2.0 & Hunter Power Projects

For both the Snowy 2.0 and Hunter Power projects, contractors which are engaged in the delivery of the works are responsible for all aspects of the international supply chain. For these projects, supplier appointments include contractual requirements to comply with all modern slavery laws, to not engage in modern slavery and to develop and maintain effective policies and procedures to manage modern slavery risks.

In line with their contractual obligations, the supplier parties that form the Snowy 2.0 Main Works Contractor (Future Generation Joint Venture) both submit their own Modern Slavery Statements and continue to undertake independent assurance activities accordingly.

The following suppliers are responsible for provision of the main contracts for engineering, procurement and construction of the Hunter Power Project and are also subject to the reporting requirements under the MSA:

- Lead Designer, AECOM Australia Pty Ltd;
- Main Works Contractor, UGL Engineering Pty Ltd;
- Power Island Design and Supply: Mitsubishi Power Australia Pty Ltd; and
- Switching Station Design and Construct, UGL Engineering Pty Ltd.

These key suppliers engaged in the delivery of the Snowy 2.0 and Hunter Power Projects have robust modern slavery management frameworks in place, which include:

Comprehensive vendor qualification processes to identify upfront any modern slavery concerns prior to engagement;

Undertaking targeted assurance activities; and

Delivery of modern slavery training and awareness activities for key personnel.

In addition to these activities, Snowy Hydro undertakes targeted in-person assurance activities at key manufacturing locations for these projects. An example of this is the continuous in-person presence Snowy Hydro has in place at key manufacturing sites in China for the Snowy 2.0 Project. Such additional assurance activities have not identified any modern slavery concerns to date.

Call centre operations in Mumbai

Snowy Hydro has extensive experience with outsourced call centre operations, with its retail subsidiary, Lumo, having utilised its Mumbai call centre for approximately 12 years. A global provider of services has been appointed to manage the Mumbai call centre.

Our first Modern Slavery Statement outlined the detailed assessment of the service provider's processes and policies and the adequacy of the internal controls in place to manage the risks of modern slavery practices. Snowy Hydro continues to monitor the arrangements in place in Mumbai to ensure that they remain effective.

The service provider continued its proactive support of its employees in Mumbai during FY2022 in relation to COVID-19 assistance. The Mumbai call centre has at various times during the pandemic moved from the office location to all staff required to work from home. Throughout the pandemic Snowy Hydro has worked with the service provider to ensure that it continues to support all staff impacted (directly or indirectly) by COVID-19, that necessary hardware and equipment is provided to staff who are working from home and that regular wellbeing checks are undertaken.

The Snowy Hydro Group Companies' contractors in higher risk industries

In FY2022, Snowy Hydro continued to build on the existing assurance framework for suppliers in higher inherent risk industries, being our catering, cleaning and clothing suppliers. For our cleaning and catering suppliers, six-monthly reviews were conducted to review the contracted rates of pay against relevant industrial award rates, and the ongoing effectiveness of their supply chain assurance measures. We are satisfied that these controls continue to be effective in mitigating the risk of modern slavery.

Standard Modern Slavery Risk Controls

Supplier due diligence

Snowy Hydro will only engage contractors where we are satisfied that they are appropriately managing any modern slavery risks.

Our Supplier Prequalification Procedure includes as one of its standard processes proactive due diligence into sectors/suppliers we engage with that have a higher inherent risk of modern slavery. This involves detailed assessments of the supplier's relevant policies, procedures and practices along with discussions with relevant suppliers to enable Snowy Hydro to better understand potential modern slavery risk areas and the measures those suppliers are undertaking in order to manage those risks.

Excluding the Snowy 2.0 and Hunter Power Projects, Snowy Hydro worked with a total of 2,644 suppliers in FY2022 across the Generation and Retail businesses, operating across 17 countries. 6% of those suppliers were identified as having a higher inherent risk of modern slavery based on our modern slavery risk criteria.

In addition to sector/supplier specific due diligence, all suppliers are required to answer a standard set of modern slavery questions. Responses to those questions are analysed to determine if there are any modern slavery risks in sectors/suppliers that do not have a higher inherent risk of modern slavery. Should any modern slavery risks be identified with suppliers, Snowy Hydro will undertake ongoing due diligence for that supplier to ensure those risks are satisfactorily controlled.

Supplier contracts

We continue to convey our expectations to suppliers through our Supplier Code of Conduct, which is published on the websites of the Snowy Hydro Group companies and sets out the minimum standards that Snowy Hydro requires of its suppliers in respect of legal compliance, ethical business, risk management, human rights and social sustainability and governance. Our contracting process with our suppliers includes a requirement to comply with our Supplier Code of Conduct.

Our stringent requirements for the control of modern slavery risks through our modern contracting process includes specific modern slavery provisions in our standard form contracts.

Remediation processes

Snowy Hydro raises any areas of concern or improvement opportunities we identify with the relevant supplier and assist them to develop plans which provide for corrective actions with agreed timeframes. Snowy Hydro tracks the timely implementation of those plans as part of the formal performance reviews with that supplier under the relevant contracts.



Reportable Conduct

Snowy Hydro has an effective whistleblower reporting and investigation framework, providing mechanisms to raise genuine concerns regarding actual, unethical, unlawful or undesirable conduct, without fear of reprisal and with the support and protection of Snowy Hydro. Using multiple technologies, employees, contractors and their family members are able to report grievances or issues anonymously, and Snowy Hydro will take all practicable steps to protect their identity. The whistleblower reporting and investigation framework includes an independently operated Whistleblower Hotline service to allow for anonymous reporting. All reports pertaining to any breach of law, regulation or policy are thoroughly assessed and investigated.

Training

In FY2022, we improved upon our understanding of the risks and legislative requirements associated with modern slavery and enhanced our management and escalation of such risks through the ongoing development of our training program. This included the development of additional content to support on-site personnel to identify potential red flags of modern slavery and escalate those concerns appropriately.

We continued to broaden our training program in FY2022, which included senior employees involved in the engagement of suppliers, procurement personnel, project managers, site supervisors, and inspectors at key supplier manufacturing facilities.

Measuring effectiveness

Snowy Hydro measures the effectiveness of our actions to assess and address modern slavery risks in the following ways:

Benchmarking

Snowy Hydro regularly benchmarks our practices against globally reputable organisations which have more extensive exposure to the sectors/suppliers we engage with that have a higher inherent risk of modern slavery. We have implemented measures which relevant organisations have identified as being key to successfully managing modern slavery risks. These measures include having a continuous on-site presence at relevant offshore supplier facilities; engaging independent inspectors to undertake regular audits; and regularly conducting interviews with supplier personnel without the presence of their management.

Assurance

We have in place an internal Audit and Assurance Program and engage independent experts to undertake regular reviews of our modern slavery risk management practices, as well as the practices of relevant suppliers. An assurance review of the design and effectiveness of our modern slavery framework was completed in July 2022. Findings and recommendations are incorporated into the continuous improvement of the modern slavery controls - enhancements arising from the review that will be implemented in FY2023 are included in the 'Looking Forward' section below.

Consultation

The implementation of our modern slavery actions is formally overseen by a cross-functional group consisting of senior management with representatives from each operating company within Snowy Hydro, who undertake ongoing verification measures to ensure they remain effective. The results of these reviews, including identified improvements and timely implementation of those improvements, are reported to and reviewed by our Executive Team and Board. The cross-functional group thoroughly investigates any new modern slavery risks, which are identified with the relevant control measures, reassessed and enhanced if required. The group also monitors regulatory developments, including the Commonwealth Government's review of the MSA.



Looking ahead

We recognise that the effectiveness of our actions in addressing modern slavery requires our sustained effort through continuous improvement. We are committed to furthering our efforts to identify and remedy modern slavery risks in our operations and supply chains.

In FY2023 and beyond, we will focus on:

- Deepening our close partnerships with our equipment suppliers and construction contractors on the Snowy 2.0 and Hunter Power projects to obtain assurance of the effectiveness of their processes to address modern slavery;
- Progressing the delivery of training to continue to develop the knowledge and skills of functional leads and on-site personnel to identify modern slavery risks and escalate appropriately;
- Ensuring representatives across all business functions are involved in the continuous review of our Modern Slavery Framework;
- Continuing the in person assurance activities at key manufacturing locations on the Snowy 2.0 and Hunter Power projects, including continuous in-person quality inspections at key manufacturing sites in China; and
- Refining the management of suppliers with a higher modern slavery risk, including more frequent assessments of supplier practices where appropriate and prioritising a review of international suppliers where Covid-19 has impacted our ability to undertake on-site assessments.



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