



2022

Modern Slavery Statement

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people of WA*

HORIZON
POWER

Our approach to modern slavery

This is the third Modern Slavery Statement published by Horizon Power in accordance with the reporting requirements of the *Modern Slavery Act 2018* (Cth).

Our purpose in sharing this statement is to outline our efforts during the financial year ending 30 June 2022 to identify and address modern slavery risks across our organisation and supply chains, and to identify plans for improvement.

We are committed to operating ethically, transparently, responsibly and sustainably, including establishing and enhancing ways to detect modern slavery in our supply chain. We believe firmly in the value of educating our

employees and stakeholders about the negative impacts that modern slavery has on the lives and wellbeing of global citizens. As such, a key focus this year was on educating our staff and helping to embed and reinforce this with our employees.

Our ongoing commitment to thorough reporting equips us to recognise, mitigate and manage the risk of modern slavery within our supply chains. As outlined in our previous Modern Slavery Statements, we expect our suppliers to ensure all

employees and contractors are legally entitled to work and that they comply with guidelines set out in the UN Guiding Principles on Business and Human Rights. We formalised this expectation this year in our Supplier Code of Conduct, and we expect all of our suppliers to comply with this as a standard requirement when engaging with Horizon Power.

Our primary focus for the 2023 reporting period is to prioritise and honour our commitment to the Clean Energy Council Pledge against Modern Slavery.

About Horizon Power

Horizon Power is Western Australia's (WA) regional and remote energy provider, powered by an engaged local workforce committed to a shared purpose to deliver energy solutions for regional growth and vibrant communities. As a vertically integrated electricity utility, we operate across the full supply chain: generation, transmission, distribution and retail services.

Our service area is vast, covering approximately 2.3 million square kilometres. We operate in the Pilbara, Kimberley, Gascoyne, Mid West and the southern region of WA, including the

Southern Goldfields, Esperance, Hopetoun and Norsemen. We have regional depots based in Karratha, Broome, Kununurra, Carnarvon, Esperance and Port Hedland, with our corporate office based in Perth.

Horizon Power operates 38 systems delivering power to 46,844 customer connections to residents, businesses and pre-payment meters. Our service area includes the North West Interconnected System (NWIS) in the Pilbara; the connected network covering three interconnected systems in Kununurra, Wyndham and Lake Argyle; and 34 microgrids to

meet the unique needs of some of the most isolated and remote communities in the world.

We focus on connecting deeply with our regional communities through an on-the-ground presence, fostering a culture which inspires and unites people, demonstrating a commitment to Aboriginal peoples and protecting our shared environment.

Our structure, operations and supply chain

Horizon Power was established and operates under the *Electricity Corporations Act 2005 (WA) (Act)*, trading as Horizon Power (ABN 57 955 011 697).

The Act sets out Horizon Power's functions, powers and duties with Horizon Power's principle function being the supply of electricity to regional and remote WA.

Under the Act, Horizon Power is governed by a Board of Directors appointed by the Governor on the nomination of the Minister for Energy. The Board reports to the Minister for Energy, the Hon. Bill Johnston MLA, and is responsible for ensuring Horizon Power performs its functions. It does this by overseeing the corporation's policies and delegating the day-to-day management of Horizon Power to the Chief Executive Officer and executive management team.

Horizon Power employs approximately 510 people throughout regional WA, and its capital, Perth. We engage our direct employees through either individual agreements or under Enterprise Agreements which are approved by the Fair Work Commission, significantly lowering the modern slavery risk.

We aim to create opportunities, where possible, for local suppliers in our regional areas by procuring local products and services. We work closely with small businesses and community groups to create opportunities for economic development and investment in regional towns. Sourcing local

goods and services provides us with insight into our modern slavery risk, should any modern slavery conditions be identified in these areas.

Our global supply chain includes approximately 1,500 direct suppliers. Many of our suppliers also subcontract part of their work to sub-suppliers. We procure and source a wide range of products and services, including mining, cleaning, clothing and office supplies in Australia and internationally. We recognise that some of these international jurisdictions have a heightened risk of modern slavery conditions existing in their supply chains.

Horizon Power has a global supply chain of approximately 1,500 direct suppliers.

We engage with suppliers through a variety of methods, including one-time transactional purchase orders, strategic operational and category contracts and high value one-off projects. We also continue to operate a centred procurement model which was refined this year in our new Procurement Policy, aligning with internal procurement guidelines and applicable government legislation. We appointed a Social Procurement & Policy Manager to further strengthen our commitment to the Modern Slavery Strategy. The procurement team reports to the Chief Financial Officer who is a member of Horizon Power's executive, ensuring that modern slavery has visibility at the highest levels of the organisation.

COVID-19 continued to present global supply chain challenges this year, resulting in significant delays and challenges in sourcing some supplies required to carry out our business. We also recognise that current and emerging geo-political tensions further contributed to supply chain constraints and challenges, which could worsen conditions for those already affected by modern slavery.

In our last Modern Slavery Statement, we provided details about our non-controlling interest in Boundary Power, our new joint venture with Ampcontrol Limited. We are working with Boundary Power to adopt systems which will assist it in assessing and managing modern slavery risks in its supply chain.

As we learn more about modern slavery and the ways it exists, we understand that the diversity of products and services we procure and the variety of locations from which these goods and services originate may increase our difficulty in identifying the risks of modern slavery within our supply chain. We are committed to eradicating modern slavery from our supply chain, and are undertaking a continuous process of reform in relation to our policies and governance. We are adopting a systematic review process in several areas, including procurement, to strengthen our ability to eradicate modern slavery from our supply chain.



Policy framework and governance

Strong governance procedures are essential for us to deliver energy solutions to regional WA.

Our work supports our four guiding principles:

- community involvement
- Aboriginal and Torres Strait Islander commitment
- cleaner, greener
- regions first

Horizon Power's corporate policies provide the framework for key aspects of our operations. They provide direction for employees, directors, consultants and contractors, as well as insights into our philosophies and values. Our current policy framework includes the following policies and codes:

- **Procurement Policy** — outlines our approach to procurement including implementing practices to identify modern slavery in our supply chain. We adopted a new Procurement Policy this reporting period, to support our commitment to continuous improvement

- **Anti-Bribery and Corruption** — ensures we conduct our business with integrity, free from bribery and corruption
- **Code of Conduct** — sets standards of ethical and professional behaviour applicable to our employees and contractors
- **Supplier Code of Conduct** — provides our suppliers with Horizon Power's position on issues such as modern slavery.

During this reporting period we reviewed and updated our policy framework to establish clear commitments to social impact through procurement

and to ensure consistency in our approach throughout the organisation. This included implementing our Modern Slavery Strategy which will guide our employees to identify and address modern slavery in our supply chain. Our Modern Slavery Strategy influences and complements our procurement process, how we train and educate our people and the information we provide to our suppliers.

The Act requires that Horizon Power has a Code of Conduct establishing the minimum standards of conduct and integrity to be observed by our

employees. By agreeing to our Code of Conduct, our employees and contractors agree to comply with Horizon Power's policies and procedures.

In addition to our policies, the contracts and purchase orders we use with our suppliers include specific modern slavery provisions requiring suppliers to comply with all applicable anti-slavery and human trafficking laws. We also conduct due diligence with regard to modern slavery conditions before accrediting any supplier. As part of our Modern Slavery Strategy, we plan to explore additional checks and balances

which can be included during supplier on-boarding.

To strengthen our existing policies and conduct codes, this year we developed and implemented the Supplier Code of Conduct, which includes our position on modern slavery. The next step is for all suppliers to adopt and agree to the Supplier Code of Conduct as a pre-requisite to working with Horizon Power as a supplier.



Assessment and mitigation of modern slavery risk

Our supply chain continues to be the area with the greatest potential modern slavery risk, and we prioritise our assessment of our suppliers' human rights performance based on risk. In the recent reporting period, we continued to deepen our understanding of the human rights risks associated with different product categories, source countries and sectors.

We are an active member of the Energy Procurement Supply Association (EPSA), an Asia Pacific not-for-profit association of energy industry procurement and supply professionals. We contributed to the development of a detailed white paper titled

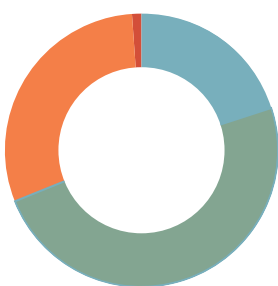
"Procurement and Supply Chain in a Changing World" (White Paper). The White Paper focuses on energy industry procurement and broader supply chain management issues, including changing consumer and investor expectations such as compliance with the Modern Slavery Act.

Our EPSA membership allows us to engage with Informed 365, which uses analytics technology to develop real-time digital platforms to assist with digital mapping and surveying an entity's supply chain. In the last reporting period, we committed to using the Informed 365 platform and its self-assessment survey to better understand our supply chain. We

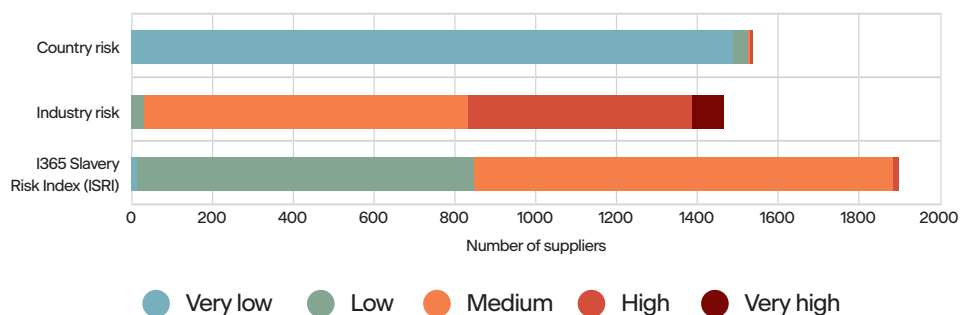
increased the number of surveys sent in the current reporting period by more than 76%. We will continue to target the survey to suppliers delivering high-value contracts and/or from regions with a higher risk of modern slavery conditions in their supply chain.

Using Informed 365 platform analysis tools, we are able to determine the overall risk ratings of these high-value suppliers. The current combined risk rating of our top-tier suppliers is represented in the diagram below:

Supplier risk summary



- Low (20%)
- Moderate (49%)
- Medium (30%)
- High (1%)
- Very high (0%)



Approximately 99% of the suppliers we engaged during this reporting period have a supplier risk rating of low to moderate. While the surveyed suppliers operate in countries which are considered low risk, the industry risks associated with the supply of power and the necessary materials required to deliver this service cannot be ignored, and must be considered in our approach to modern slavery.

While we recognise that our top-tier suppliers are from regions considered low-risk, the supply chains of those suppliers include sourcing goods from high-risk countries and in industries which are known to have heightened modern slavery risk factors.

Compiling and analysing risk ratings enables us to target our approach to our suppliers. To continually improve our modern slavery practices, we intend to expand our surveyed pool of suppliers each reporting period, allowing us to centralise and consolidate our reporting data.

Since our last report, our efforts to mitigate modern slavery risks in our supply chain included:

- prioritising our commitment to source products locally, in line with our processes and our new Procurement Policy



- strengthening our commitment to the WA Government’s Buy Local Policy and Aboriginal Procurement Policy
- implementing our Supplier Code of Conduct which outlines our position on modern slavery
- formalising our commitment to the Clean Energy Council’s Pledge against Modern Slavery
- actively participating in working groups like the Clean Energy Council’s Risks of Modern Slavery Working Group
- amending new contract templates and continuing to monitor our existing contract and purchase order documents, ensuring that suppliers are engaged with appropriate requirements and seeking to encourage compliance with modern slavery legislation
- requiring suppliers to take steps to remediate any instances of modern slavery in their supply chains
- continuing to issue self-assessment questionnaires to a broad range of our suppliers
- conducting internal modern slavery seminars and training for our employees to create awareness of and help identify modern slavery practices in our supply chain.

Measuring effectiveness and looking ahead

To track our progress and ensure the effectiveness of our work in the modern slavery space, in the year ahead we will monitor and report on the following activities and procedures as part of our Modern Slavery Statement requirements:

- continue to review and improve the response rate of suppliers using the Informed 365 platform by extending the self-assessment questionnaire to suppliers across all risk rating categories; analyse results to best target our future strategies
- use the Informed 365 platform to categorise new suppliers and review risk ratings
- expand staff education, discussing effective approaches and building on existing knowledge to address the modern slavery issue
- continuously improve and update our procurement procedures and standards
- ensure all suppliers agree to and adopt our new Supplier Code of Conduct
- honour our commitment to the Clean Energy Council's Pledge against Modern Slavery
- actively participate in relevant working groups such as the Clean Energy Council's Risks of Modern Slavery Working Group
- collaborate with relevant industry bodies to share ideas and strategies and identify what other organisations are doing in this space
- continue to map our growing supply chain
- consult with impacted suppliers to develop and implement audit and remediation plans, where required
- investigate and implement measures that can be adopted during the supplier on-boarding process to identify modern slavery risks
- implement modern slavery reporting into our procurement information and supply management software to enable surveying and monitoring a broader category of suppliers.



We take our commitment to identifying and eradicating modern slavery seriously. By continuing to work collaboratively with our diverse stakeholders, we can actively contribute to eradicating modern slavery across our supply chain.

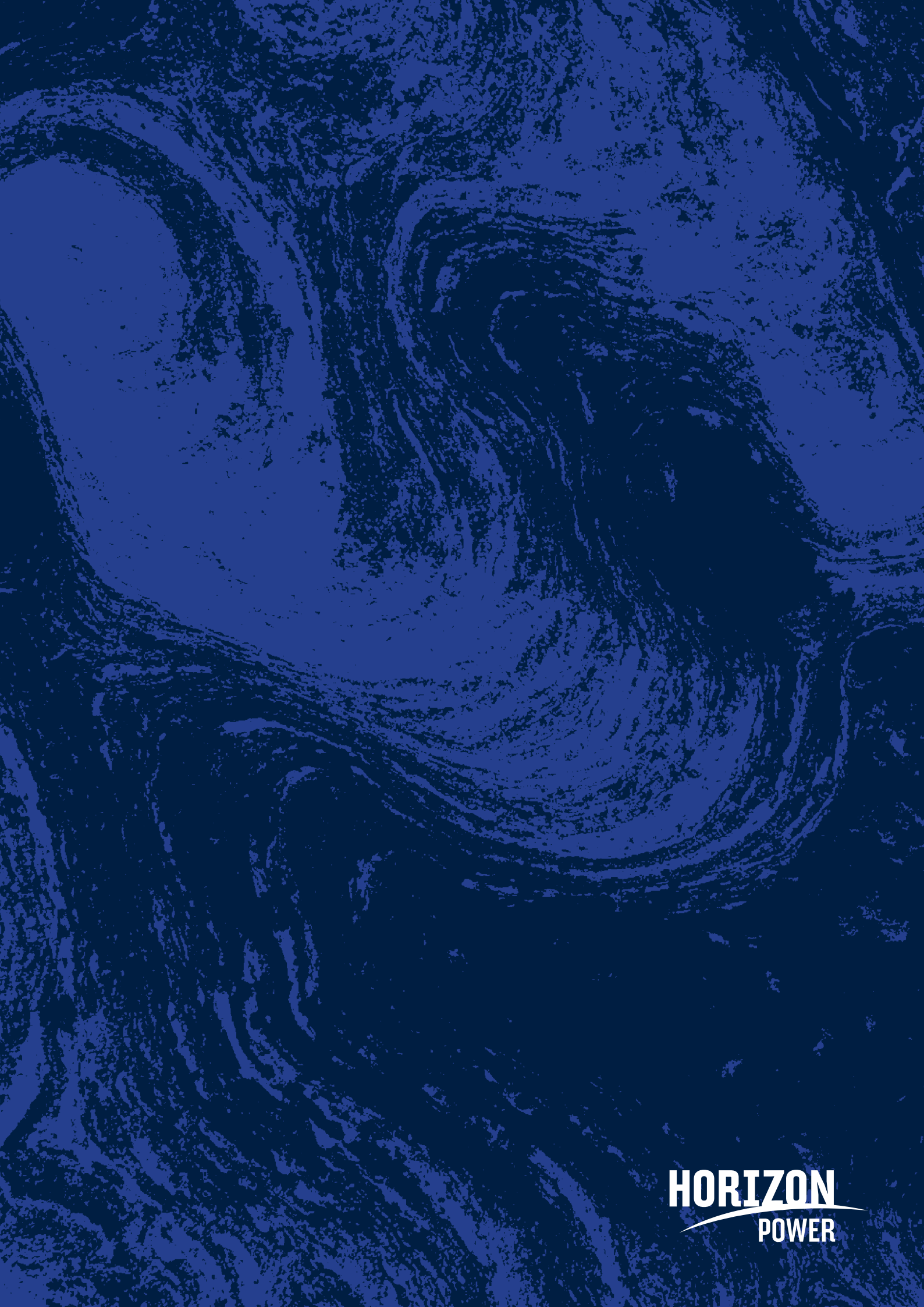
This Modern Slavery Statement was approved by the Board of Horizon Power as of 16 December 2022.

A handwritten signature in black ink, appearing to read 'Stephannie Unwin'.

Stephannie Unwin | CEO

A handwritten signature in black ink, appearing to read 'Samantha Tough'.

Samantha Tough | CHAIR



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