



**Modern Slavery Statement 2020.**



## about APA.

**APA Group is a leading Australian energy infrastructure business. We own and/or operate around \$22 billion of energy infrastructure assets across Australia and operate these with a skilled workforce of around 1,900 people.**

We have a diverse portfolio of over 15,000 kilometres<sup>1</sup> of natural gas transmission pipelines that spans every state and territory on mainland Australia and delivers about half the nation's natural gas. We also own or have interests in other related energy infrastructure assets such as gas storage facilities, gas processing facilities, gas compression facilities, electricity transmission and renewable and gas fired power generation assets.

We have ownership interests in, and/or operates, GDI (EII) Pty Ltd (GDI) and Australian Gas Networks Limited gas distribution networks, which together own approximately 29,500 kilometres of gas mains and pipelines, and more than 1.4 million gas consumer connections.

We also have interests in other energy infrastructure assets and businesses, including SEA Gas Pipeline, Mortlake Gas Pipeline, Energy Infrastructure Investments (EII) and North Brown Hill Wind Farm (EII2). APA is listed on the Australian Securities Exchange (ASX) and is included in the S&P ASX 50 Index.

APA Group comprises two registered investment schemes – Australian Pipeline Trust (APT) and APT Investment Trust (APTIT) – and their controlled entities. A list of the reporting entities covered by this Modern Slavery Statement can be found in section 6.1.

1. Owned and/or operated by APA.

Cover: Constructing the Eastern Goldfields Pipeline, WA. Contents: Safety briefing at the opening of the Badgingarra Solar Farm. Back Cover: Construction Manager Gordon Slattery, during construction on the Eastern Goldfields Pipeline.



**contents.**

<b>About APA</b>	<b>Inside Cover</b>
About us	Inside Cover
The way we work	2
Statement from CEO & Managing Director	4
<b>Reporting Criteria 1 &amp; 2</b>	<b>6</b>
Our Operational Model	6
Our Operations and Supply Chain	8
<b>Reporting Criteria 3</b>	<b>10</b>
Operational and Supply Chain Risks	10
<b>Reporting Criteria 4</b>	<b>12</b>
Actions taken to assess and address risk	12
<b>Reporting Criteria 5</b>	<b>14</b>
Effectiveness assessment	14
Future roadmap	
<b>Reporting Criteria 6</b>	<b>16</b>
Process of consultation with owned or controlled entities	16

**energy.connected.**



## the way we work.

*In February 2020 the APA Board endorsed and formally launched APA's refreshed Purpose, Vision and Strategic Imperatives.*

### Purpose: Why we exist.



**Purpose:**

We strengthen communities through **responsible energy.**

### Vision: What we aspire to.



**Vision:**

To be **world class** in energy solutions.

**By 'responsible energy', we mean:**

- doing the right thing, even in tough situations
- creating value for all stakeholders
- taking a long-term view
- investing in new technologies and new energy
- innovating for a sustainable future.

Our approach to sustainability will be an intrinsic part of this Purpose.

**This means we want to be known for our:**

- integrity and credibility
- leadership in responsible energy
- customer focus
- operational capability
- safety and environmental performance.

We want people to be proud to work for us, and to make a positive impact on the communities we serve.



Pipeline construction in the Eastern Goldfields region, WA.





APA's new operating model focuses on the successful delivery of **six strategic imperatives** that we will need to excel in, to deliver on our purpose and our 'world-class' vision:

	<b>People and Culture</b>	We value the potential, capability and wellbeing of all our people. We will grow and develop their skills and expertise, and enable them to meet the needs of our customers. We will also hold ourselves to high ethical standards and the APA values, ensuring our integrity and credibility
	<b>Operational Excellence</b>	Optimising asset management and efficiency to achieve holistic and world class operational excellence, safety and environmental performance
	<b>Customer Centric</b>	Our customers are at the centre of everything we do. We will listen to our customers and work with them in pursuing new opportunities, adding value and delivering their energy needs responsibly
	<b>Financial Strength</b>	We constantly evaluate growth opportunities and cost efficiencies within our risk appetite, while maintaining a strong balance sheet with access to global debt and equity capital markets based on minimum investment grade credit ratings of Baa2 (Moody's) and BBB (S&P)
	<b>Growth and Innovation</b>	We will continue to grow our energy infrastructure portfolio to meet our customers' needs – exploring and investing in new and emerging technologies where appropriate. We will actively pursue acquisitions that add value to our business
	<b>Stakeholder Relationship</b>	We will engage constructively with regulators, governments and other stakeholders to help shape policy that facilitates responsible delivery of energy for the benefits of all. We will ensure the communities in which we operate and impact, benefit from what we do



## statement from CEO & managing director.

*As a leading Australian energy infrastructure business, we are committed to the principles of the Commonwealth Modern Slavery Act.*



*It is my pleasure to introduce this first Modern Slavery Statement for the APA Group. This statement covering the financial year ending June 2020, describes how we are assessing and mitigating the risk of modern slavery in our business and our supply chain*

As a leading Australian energy infrastructure business, we are committed to the principles of the Commonwealth Modern Slavery Act (Cth) 2018 and to meeting our obligations. We are making important changes to improve our management of modern slavery risks right across our operations and in our supply chain.

This Statement sets out the work we have completed to date and, consistent with our commitment to continuous improvement, describes how we will work to deepen our understanding of our supply chain and the impact we have on the people we rely on to provide the products and services important to APA.

This statement has been approved by the APA Board.

A handwritten signature in black ink that reads "Rob Wheals". The signature is stylized and includes a long horizontal flourish at the end.

**Rob Wheals**  
CEO & Managing Director

November 2020



Brynne Jayatilaka, Environment Lead and Madonna Burns, Access and Approvals Lead, on the Eastern Goldfields Pipeline, WA.



## our operating model.

To ensure we are set up for future success with capacity for innovation, scalability and agility to manage the changing nature of the energy landscape, we undertook a 360-degree review of APA's operating model during FY2020.

Our new organisational structure has been designed to support the attainment and delivery of the six strategic imperatives. The structure consists of both business units to build and operate our assets safely and efficiently, and corporate functions to support the business units and focus on strategy and governance.

### Business Units: Execution



Infrastructure Development



Operations



North American Development

### Corporate Functions: Govern & Support



People, Safety & Culture



Finance



Governance & External Affairs

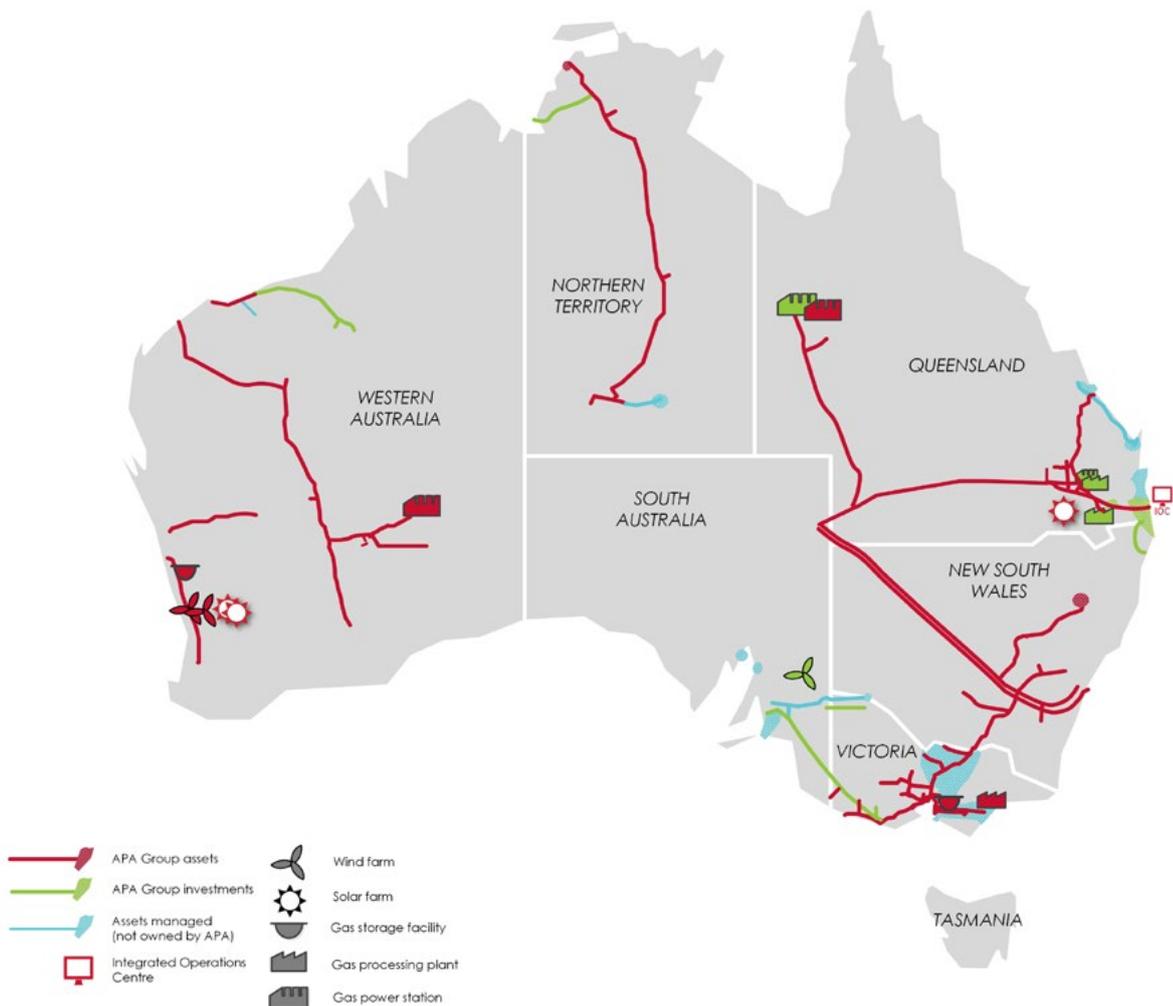


Transformation & Technology



Strategy & Commercial

For more information, see the FY2020 APA Annual Report.





APA staff at Diamantina Power Station, Mt Isa, Qld.



**1,900**  
workforce



**>1.4 million**  
customers



**+15,000 km**  
gas transmission  
pipelines



## our operations and supply chain.

In FY2020, we procured services from over 3,000 suppliers and contractors. These ranged from large multinational businesses to small family owned operations located in the regions and communities in which we operate.

In total, we spent over \$1 billion dollars in our supply chain, operating our businesses and developing and delivering our infrastructure capital growth projects.

Our top 5 categories of spend were:

1. Works Contractors (Major and Minor)
2. Operations Consumables
3. Professional Services (including Engineering Services)
4. Piping Materials (including valves)
5. Electrical Equipment

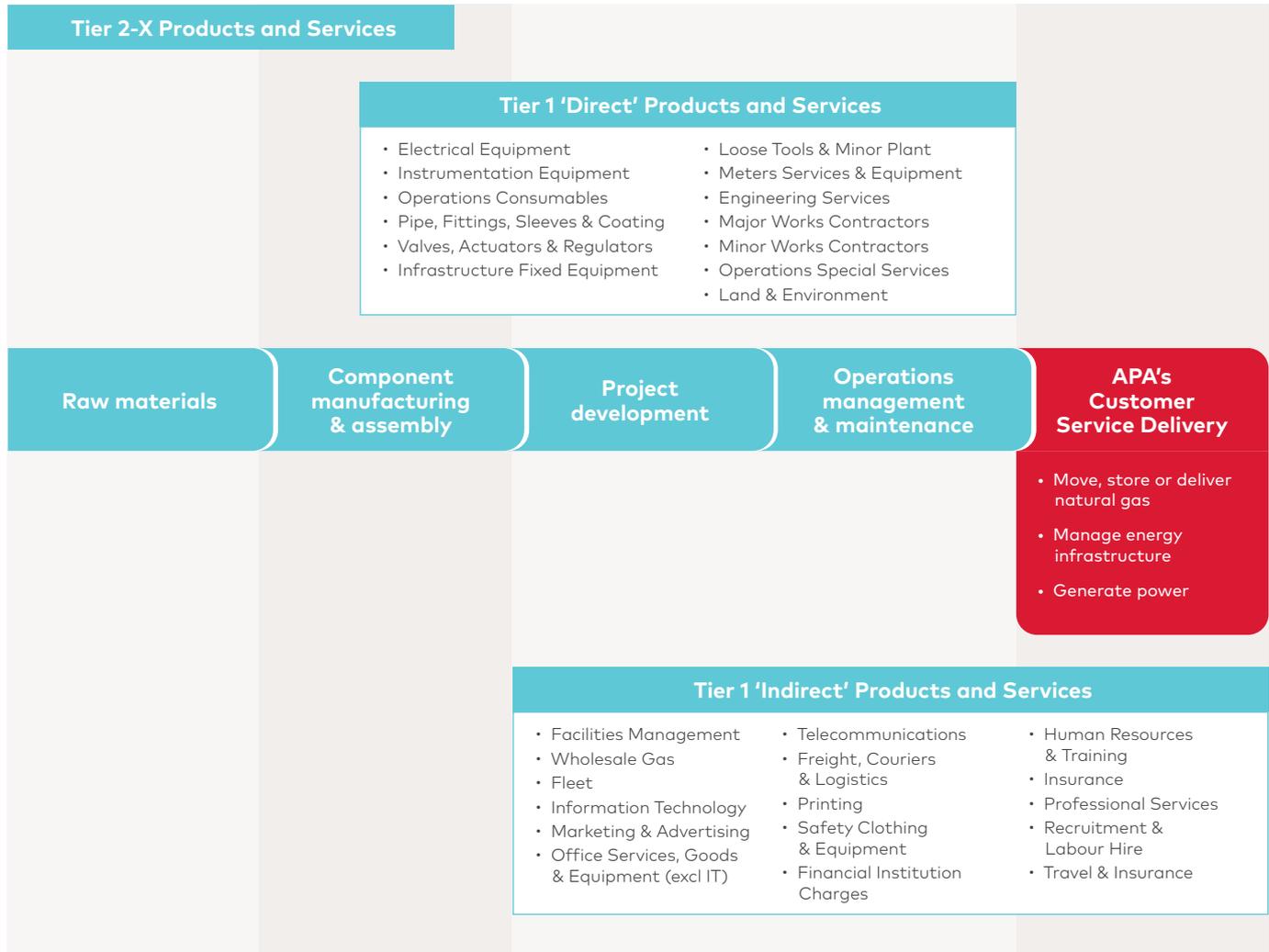
These 5 categories represent approximately 80% of APA's spend in the period.

While our work for now is largely confined to Australia, our supply chain is nevertheless global, and with products and services sourced from locations such as the United States of America, China, Korea and Italy. The following diagram depicts the APA Supply Chain. For APA, "Direct" procurement refers to the goods and services acquired to deliver the revenue generating services we provide to our customers. "Indirect" procurement refers to the products and services acquired to effectively operate the business.

In preparing this inaugural statement, we have primarily confined our supply chain review to our tier 1 suppliers. Tier 1 represents those suppliers from whom we directly procure products and services. Tier 2 refers to the sub-suppliers of our Tier 1 suppliers, as set out in the diagram below.

### APA's Supply Chain

#### Energy Infrastructure Construction, Works, Operations and Maintenance



The following table shows our areas of main operation and their corresponding supply chains.

Area	Main Operations	Supply Chain
Infrastructure Development (ID)	Development and delivery of capital growth projects – new asset construction management	<ul style="list-style-type: none"> <li>– Engineering consultants</li> <li>– Industrial construction materials and equipment sourced directly from Australia and indirectly from Europe, North America and Asia</li> <li>– Construction contractors</li> </ul>
Network Operations	Operation and maintenance of third party owned gas distribution networks	<ul style="list-style-type: none"> <li>– Industrial construction materials and equipment sourced directly and indirectly from Europe, North America and Asia</li> <li>– Australian based construction and maintenance contractors</li> <li>– Pipe and Fitting products</li> </ul>
Operations	<p>Operation of APA's asset base in Australia including:</p> <ul style="list-style-type: none"> <li>– Transmission pipelines</li> <li>– Gas processing facilities</li> <li>– Gas storage facilities</li> <li>– Gas fired power stations</li> <li>– Solar and wind farms</li> <li>– Electricity interconnectors</li> </ul>	<ul style="list-style-type: none"> <li>– Operations consumables</li> <li>– Bulk chemicals</li> <li>– Spare parts, inventory sourced locally, directly and indirectly from Europe, North America and Asia</li> <li>– Australian based service and maintenance contractors</li> <li>– International service and maintenance contractors</li> </ul>
Managed Operations	APA also manages Australian Gas Networks Limited gas distribution networks located in SA, Victoria and Queensland.	As operations managed by the APA executive, the supply chain is common with those detailed for Infrastructure Development, Network Operations and Operations in this table.
Managed Joint Ventures and Investments	<p>APA has interests in energy related infrastructure assets such as gas processing facilities, gas compression facilities, electricity transmission and renewable and gas fired power generation assets.</p> <p>APA has ownership interests in and manages the operations, of GDI (EII) Pty Limited which operates the Allgas gas distribution network in Queensland and Northern NSW.</p> <p>APA also has managed interests in other energy infrastructure assets including Energy Infrastructure Investments (EII).</p>	As Joint Ventures and Investments managed by the APA executive, the supply chain is common with those detailed for Infrastructure Development, Network Operations and Operations in this table.
North America	APA is exploring opportunities in gas distribution and transmission in North America.	Whilst APA has established an office in Houston it does not yet operate a business in North America or established supply chain.
Head Office	<p>Corporate functions, such as:</p> <ul style="list-style-type: none"> <li>– Finance</li> <li>– Human Resources</li> <li>– Information and technology</li> <li>– Procurement</li> <li>– Risk, Compliance, Insurance, Legal &amp; Sustainability</li> <li>– Environment &amp; Safety</li> </ul>	<ul style="list-style-type: none"> <li>– Fleet management</li> <li>– Professional services</li> <li>– Information Technology</li> <li>– Safety clothing and personal protective equipment</li> <li>– Telecommunications</li> <li>– Recruitment and labour hire</li> <li>– Office products</li> <li>– Corporate real estate and facilities</li> <li>– Marketing and advertising</li> <li>– Travel and accommodation</li> </ul>

## operational and supply chain risks.



Planning and Engineering Lead Alexandra Robertson, GIS Technician Ratna Kunapo and colleague in collaboration, Thomastown, Vic.

### Initial identification of modern slavery risk

In FY2019 we analysed our suppliers and established our Tier 1 direct and indirect product categories across our supply chain. This enabled us to complete an initial assessment of product and service category risk levels.

In FY2020, we went a step further by engaging external expertise, an artificial intelligence (AI) platform and data analytics to help us identify potential high-risk suppliers. Using this technology, we mapped our product and service categories against the United Nations Standard Products and Services Codes (UNSPSC) and reviewed our highest spend categories. Our detailed FY2019 spend information has been further analysed to provide improved analysis by:

- Country or geographic location risk
- Product category risk - as aligned to the United Nations Standard Products and Services Codes (UNSPSC)
- Supplier risk

The analysis considers third party data based on the Global Modern Slavery Index 2018, Dow Jones third party data on known sanctions, enforcements and politically exposed persons, adverse media relating to human rights and recognised "social hotspot" database information to assess the social lifecycle of a product throughout the supply chain.

The focus for FY2020, the first reporting year under the Act, has been on Tier 1 suppliers, i.e. those suppliers with whom APA has a direct contractual agreement, the majority of which are based in Australia. In future years, APA will expand its focus to Tier 2 suppliers.

## Modern slavery risk in our operations

The modern slavery risks present in our direct operations are different to those in our supply chain. Our employees and contractors operate mostly in mainland Australia and are considered low risk with regards to child labour, forced labour, or other modern slavery practices. We maintain high standards for human rights in our workplace to ensure we minimise the likelihood of modern slavery risk factors. Key activities include:

- Health and safety is our highest priority. We want to ensure everyone goes home safe every day, and to protect the communities and environments where we operate.
- As part of employee recruitment and on-boarding processes we undertake visa and health checks.
- Protecting the health and wellbeing of our people. We consider health and wellbeing as caring for the whole person, at work and beyond.
- We maintain an inclusive and diverse workplace where discrimination, bullying and harassment is not tolerated.
- We provide leave entitlements in excess of statutory requirements and other benefits enabling employees to enjoy the right to family, recreation, and work-life balance.
- We regularly train our employees in their obligations regarding lawful and appropriate behaviour.

Our employees are free to associate and enter into employment agreements that meet the requirements under the National Employment Standards (NES), including requests for flexible working arrangements, parental leave, long service leave, as examples.

## Modern slavery risk in our investments

We are aware that our investments may link to modern slavery risk. All of our energy assets and investments in the reporting entities covered by this statement are managed by APA using APA supply chain and policies. Accordingly, the risk of those investments is reflective of the broader APA Group.

## Modern slavery risk in our supply chain

We consider people in our supply chain to be at higher risk of modern slavery practices than our direct employees. Our process for identification of high-risk suppliers had two stages.

We started by defining what APA does and where. Our business involves the operation and maintenance of our existing asset base, and the construction of new assets, within Australia. We identified categories of products or services based on our purchasing information with the following risk factors:

- Use of low-skilled, contract, and/or migrant labour in certain aspects of our construction activities
- Subcontracting and use of third-party labour hire agencies
- Procurement of specific construction, engineering, and associated materials
- Some supplier operations in countries with weak or opaque commitments to human rights.

This allowed us to identify supplier industries and products that were more likely to be exposed to modern slavery.

The second stage of the risk assessment process was a more detailed assessment of our purchasing information. This involved mapping, and then interrogating the purchasing information from our financial systems utilising an artificial intelligence platform. Line item spend information for our procurement categories of products and services was mapped to international standard product codes and analysed at country, product and supplier level to identify supplier information where modern slavery practices may exist. Output from this process identified potential very high and high-risk suppliers across our product and service categories and other supplier industries:

- Engineering and major works at operational and construction sites
- Infrastructure fixed equipment, pipe fittings, sleeves, and valves
- Office goods and services, in particular electrical equipment
- Protective and safety clothing.

## actions taken to assess and address risk.

In the twelve-month period July 2019 to June 2020 we have worked to set the foundations and obtain an initial understanding of our modern slavery risks. This will form the basis for further activity in FY2021 and beyond in accordance with our roadmap.

### Modern slavery working group

A modern slavery working group was formed in response to the initial draft legislation with a role to investigate the impacts and plan for the implementation of modern slavery across APA. External advice from experienced legal experts has also been sought to provide additional guidance on our approach. The working group provides biannual updates to the Executive Risk Management Committee and the Board Audit and Risk Management Committee.

### APA Code of conduct (our Code)

As set out in our Code of Conduct, APA supports human rights consistent with the United Nations Universal Declaration of Human Rights. We also recognise the traditional rights of Indigenous peoples and respect those sites, places, structures and objects that are culturally or traditionally significant. We have no tolerance for using suppliers and contractors who engage in exploitative behaviours of modern-day slavery such as child labour, debt bondage, inhumane treatment of employees and forced or compulsory labour.

### Whistleblowing

APA encourages all staff to speak up when something is not right. During the twelve-month period APA's Whistleblower Policy was updated to reflect updated legislation. The Policy applies to everyone working for, and with APA, including our directors and officers, employees and contract staff, consultants, suppliers and contractors or a relative, dependant or spouse of any of these individuals, who want to report a concern or issue about the behaviour of APA or its people. The Policy is available on our external web site.

### Risk management and supplier risk assessment

Our risk management framework complies with ISO31000:2018 and informs our risk management approach for modern slavery. During the FY2020 period, an initial Modern Slavery Risk Management Framework and procedure was developed which sets out the risk-based approach for supplier analysis and due diligence.

In accordance with the risk management approach the data provided by the artificial intelligence tool allowed for the initial identification of suppliers where modern slavery risk may arise across our very high and high risk rated product categories.



Engineering Officer Ryan Botha recording the Liquids Tank level at Dandenong City Gate.



## Supplier due diligence

APA's top 250 suppliers participate in the APA Supplier Prequalification (ASP) Program, hosted on the Avetta platform. During the year, along with other Avetta industry participants, we developed a uniform modern slavery questionnaire which was issued to all suppliers in the ASP Program. The Avetta platform provides a central repository for all our key supplier information, including safety performance, financial data, and importantly the supplier's position and level of maturity with respect to awareness and mitigation of modern slavery in their supply chains.

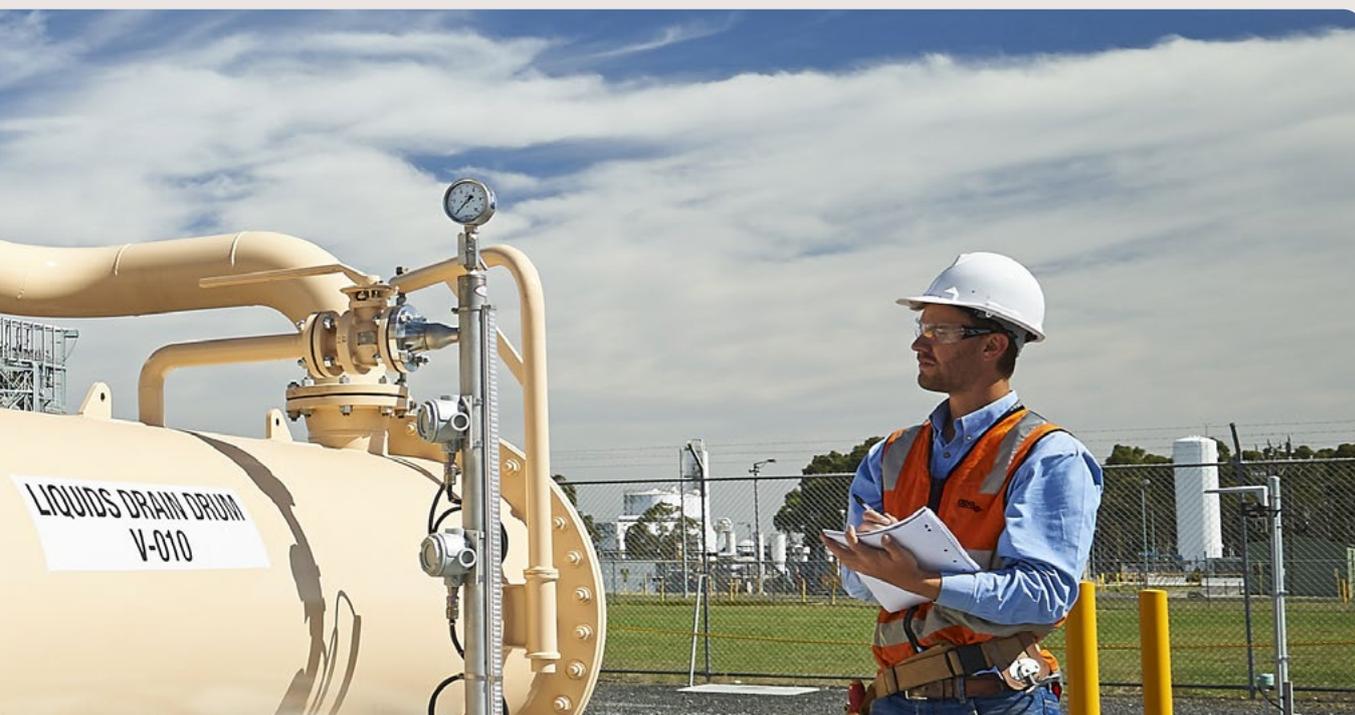
Utilising modern slavery data analytics provided through our third-party artificial intelligence platform, our suppliers were classified into risk categories from low to very high risk. We reviewed all the suppliers in the very high-risk category. Using our risk management approach, we also identified the top 50 suppliers in the high-risk category for further assessment and review. This identified the suppliers in both very high and high-risk categories where we intend to undertake more focussed supplier due diligence as part of our FY2021 program of work. Information from the ASP Program will be considered as part of the due diligence work on priority Tier 1 suppliers in FY2021.

During the period we also updated key contract templates to incorporate human rights and modern slavery provisions for all new procurement contracts.

## Product and supplier analysis for safety and protective clothing

We recognised the inherent modern slavery risks associated with textiles and clothing product categories and undertook an organisation-wide review of existing and prospective safety clothing suppliers, extending into their supply chains to the manufacturing level. We undertook a procurement process to engage with suppliers who could demonstrate that their products were ethically sourced and manufactured.

Our prospective suppliers engage in globally recognised programs to assist them in ensuring their supply chains are ethical and sustainable. These are programs such as Worldwide Responsible Accredited Production (WRAP), one of the world's largest independent facility certification programs with a focus on apparel, footwear and sewn product categories; Sedex Members Ethical Trade Audit (SMETA), which provides a globally-recognised way to assess responsible supply chain activities and good practice in ethical audit technique, and; Ethical Clothing Australia, an accreditation body working collaboratively with local textile, clothing and footwear businesses to ensure their Australian supply chains are legally compliant. Significant due diligence was undertaken and in FY2021 we will select a new single supplier for all APA safety clothing with confidence that our employees are clothed in ethically sourced and manufactured products.



looking forward.

FY21.

## Effectiveness assessment

As part of our future roadmap we intend to establish effectiveness metrics to monitor the success of actions to identify, assess and manage the risk of Modern Slavery practices in our operations and supply chains.

## Future roadmap

Our roadmap for FY2021 is based on a model of continuous improvement. The program operating rhythm and roadmap will be reviewed annually.

Develop and deliver training

Establish effectiveness metrics

Update procedures

Complete focused supplier risk assessments

FY23.

Review framework and questionnaire

Mondarra Gas Storage Facility.

**Establish  
yearly operating  
rhythm for  
Modern Slavery  
Program**

**Strengthen  
supplier due  
diligence process**

**Complete  
desktop risk  
assessments  
with targeted  
suppliers**

**FY22.**

**Review  
procedures**

**Commence  
focused supplier  
risk assessments**

**Develop  
supplier corrective  
action plans**

**Rollout  
updates to internal  
processes**

**Assess  
effectiveness  
metrics**



## process of consultation with owned or controlled entities.

The reporting entities as listed below, and their owned and controlled entities, operate under the direction and governance of the APA Group and share the same executive management. This statement therefore reflects the risk in the reporting entities and their owned and controlled entities.

APA's executive management have been kept informed of the key requirements of the Modern Slavery Act and the actions undertaken to address and access the risk of modern slavery risks as detailed in this statement.

The following are the reporting entities covered by this Modern Slavery Statement:

APA (SWQP) Pty Limited	APA WGP Pty Ltd
APA BidCo Pty Limited	APT AM Holdings P/L
APA EE Australia Pty Limited	APT Pipelines Investments (NSW) Pty Ltd
APA EE Holdings Pty Limited	APT Pipelines Investments (WA) Pty Ltd
APA EE Pty Limited	APT Pipelines Limited
APA Power Holdings Pty Ltd	Australian Pipeline Trust
APA Power PF Pty Limited	Diamantina Holding Company Pty Limited
APA Sub Trust No 2	Diamantina Power Station Pty Limited
APA Transmission Pty Limited	East Australian Pipeline Limited
APA VTS Australia (Holdings) Pty Limited	Epic Energy East Pipelines Trust
APA VTS Australia (Operations) Pty Limited	SCP Investments (No 1) Pty Ltd
APA VTS Australia Pty Limited	



Construction of Reedy Creek Wallumbilla Pipeline in Queensland.



