



Australian Government



Modern Slavery Statement

2023-24



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1. About this statement

This statement reports on CEFC activities to identify, assess and address modern slavery risks in operations and supply chains for the year to 30 June 2024. The statement has been prepared by the CEFC Global Fair Work (Modern Slavery) working group and approved by the CEFC Board.

This statement covers the operations and supply chains of the Clean Energy Finance Corporation (ABN 43 669 904 352) (CEFC), the reporting entity, and CEFC Investments Pty Ltd (ACN 616 070 430) (CIPL), being the only entity the CEFC owned or controlled as at 30 June 2024, the end of the reporting period.

Clean Energy Investment Management Pty Ltd entered into no procurement or investment transactions during the reporting period and was deregistered on 19 May 2024.

All investment and procurement activities by CIPL are undertaken subject to the same investment guidelines and procurement policies and procedures as the CEFC. Whilst it has no employees, CIPL's directors are CEFC Executives and were consulted in the preparation of this Statement.

2. From our Chair and CEO

The 2023-24 year was once again momentous for those of us working in the clean energy sector and for our climate. As a specialist investor in Australia's transition to net zero emissions by 2050, we work to drive economy-wide investment in decarbonisation by investing in renewable energy, energy efficiency and low emissions technologies. We drew on deep market experience to navigate challenging market conditions to complete 24 new and 18 follow-on transactions during the 2023-24 year.

As we embark on the transition to net zero, we are committed to staying abreast of the modern slavery risks in the clean energy technology sectors we invest in and playing our part in identifying, assessing and addressing these risks.

We collaborate with government and industry to continue to improve our capacity to identify adverse human rights impacts in the complex supply chains supporting the clean energy sector. This Statement communicates our ongoing modern slavery commitments and frameworks. It also shares the key actions we have undertaken and details the challenges we faced during the reporting period.

The statement was approved by the CEFC Board as the principal governing body of the CEFC on 24 September 2024.



Steven Skala AO
Chair, CEFC



Ian Learmonth
CEO, CEFC

3. Key actions

During 2023-24 the CEFC took the following steps to develop and enhance our approach to identifying and addressing modern slavery in our operations and supply chains:

- Reviewed and updated our:
 - o Modern Slavery Policy
 - o Modern Slavery Practices and Procedures
 - o Modern Slavery Risk Plan (which now forms part of our ESG risks management plan)
 - o Internal processes by reference to the “Guidance on reasonable steps to manage modern slavery risks”¹ (“Guidance”) issued by the New South Wales Office of the Anti-Slavery Commissioner.
 - o ESG Policy
- Established:
 - o Guidance on the Modern Slavery assurance process to our portfolio management team
- Delivered:
 - o Training to all our staff on Modern Slavery including tailored training to our origination and portfolio management teams.
 - o Updates to our Board on modern slavery on a quarterly basis via Audit & Risk Committee (ARC)
- Collaborated:
 - o Worked with industry groups and direct counterparties to address shared challenges and opportunities.

A summary of our key actions relating to modern slavery risks between 2019 and 2023 is included in Appendix 1.

¹ Office of the Anti-Slavery Commissioner [Guidance on reasonable steps](#) to manage modern slavery risks (December 2023).

4. Structure, operations and supply chains

4.1 Clean Energy Finance Corporation

The Clean Energy Finance Corporation (CEFC) is a specialist investor in Australia's transition to net zero emissions by 2050. With access to more than \$30 billion from the Australian Government, we work with co-investors, industry and government to drive economy-wide investment in decarbonisation. We invest in renewable energy, energy efficiency and low emissions technologies via the CEFC General Portfolio, the Rewiring the Nation Fund and four Specialised Investment Funds: the Household Energy Upgrades Fund, the Powering Australia Technology Fund, the Advancing Hydrogen Fund and the Clean Energy Innovation Fund. We are governed by an independent Board, which provides prudent oversight and governance of CEFC culture, investment decisions and risk management. Our Executive and staff bring considerable experience and expertise to our investment and decarbonisation task. In adopting a national approach to the emissions challenge, we invest with commercial rigour, aiming to deliver a positive return across our portfolio.

4.2 Our legislation

The *Clean Energy Finance Corporation Act 2012* established the CEFC. Among other things, it sets out:

- Our purpose
- Our function
- The roles and responsibilities of our Board, the CEO and our staff.

The object of the CEFC Act is to establish the CEFC to "facilitate increased flows of finance into the clean energy sector and to facilitate the achievement of Australia's greenhouse gas emissions reduction target".² Under the CEFC Act, the Australian Government provides directions to the CEFC by issuing it with an investment mandate. Our most recent Investment Mandate came into effect on 22 July 2023.

As a corporate Commonwealth entity, the activities of the CEFC and our staff are governed by the *Public Governance, Performance and Accountability Act 2013* and its subordinate instruments.

As a financier, the CEFC is also governed by a range of other legislation that is common to the sector, that covers a range of relevant obligations that are relevant to the management of modern slavery risks, including, but not limited to, Anti-Money Laundering and Counter-Terrorism Financing and foreign bribery.

Our Board adopts private sector principles of good corporate governance in providing oversight and direction to the CEFC Executive, including with reference to the CEFC Code of Conduct and Ethics.

² Section 3 of the Clean Energy Finance Corporation Act 2012 (Cth).

4.3 Employees and offices

Our employees

As at 30 June 2024, the CEFC had 152 employees, an increase of 11 employees from 30 June 2023. Of those, 12 employees were employed on a part-time basis. All of our workforce is located in Australia. As an office-based professional operation, our employees perform skilled roles to support CEFC corporate functions across legal, finance, IT, compliance and risk management, marketing and communications, investment research, stakeholder relations, sustainability, people and culture, and administration.

The CEFC is governed by an independent Board of 6 members who are jointly appointed by its two responsible Ministers.

The CEO is a statutory officer appointed by the Board, in consultation with the responsible Ministers. Our Executive team and staff are employed under terms and conditions approved by the Board. Employment agreements are based on the National Employment Standards (NES), with non-executive employees covered by the *Australian Government Industry Award 2016*. CEFC employees receive a fixed remuneration package reviewed annually and benchmarked against data from the Financial Industry Remuneration Group. Eligible employees are invited to participate in the CEFC High Performance Incentive Plan.

The CEFC is committed to the safety and health of its employees and acknowledges its responsibilities under the *Work Health and Safety Act 2011* (Cth) and the NES. These cover standard hours of work, reasonable additional hours, flexible working arrangements, the provision of personal/carer's leave and compassionate leave. The NES underpin the CEFC commitment to providing safe working hours and adopting a holistic view of employee health and wellbeing.

Our offices

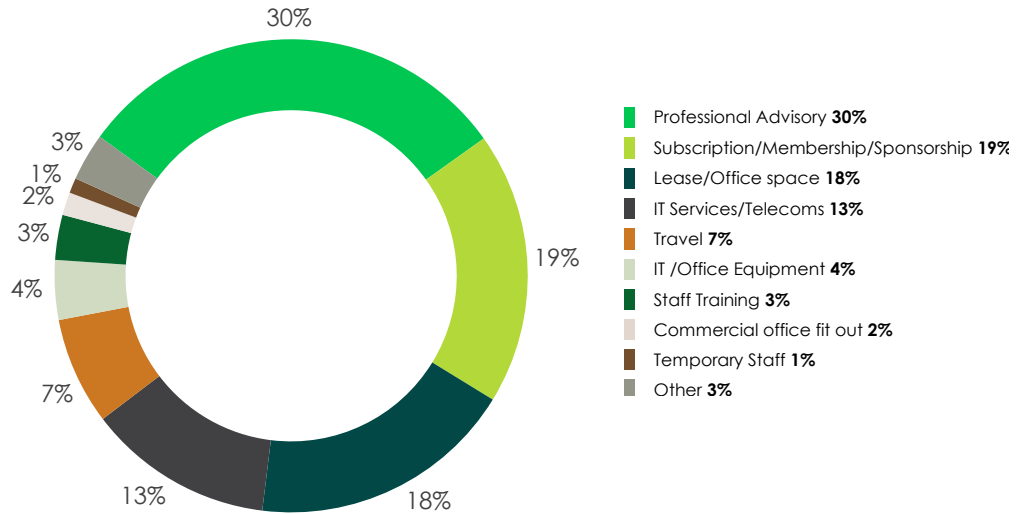
The CEFC has offices in Brisbane, Sydney, Melbourne, and Perth with a permanent staff member based in Canberra.

4.4 Direct procurement

In 2023-24, the CEFC directly contracted with 378 suppliers to provide goods and services.

These are classed as our direct suppliers.

Figure 1: Goods and services procurement by spend



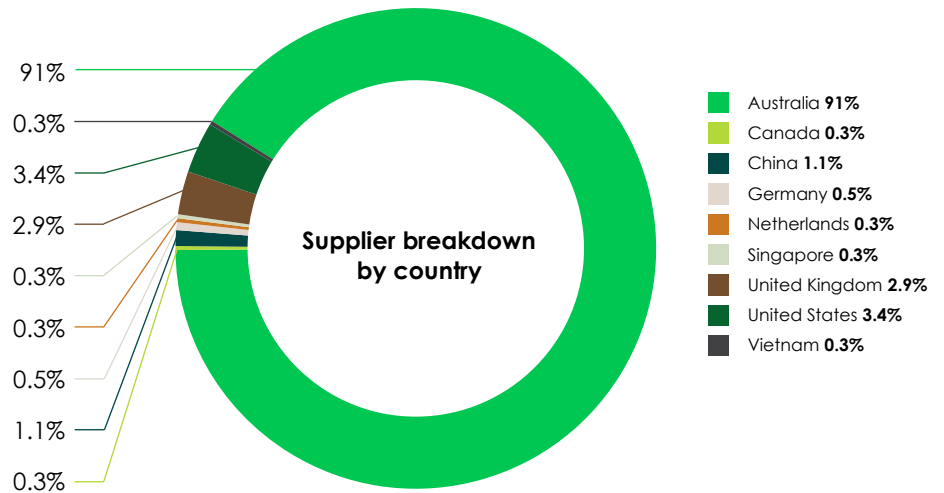
CEFC expenditure on the direct procurement of goods and services was approximately \$16 million, excluding investment management fees and permanent staff salaries.

Our direct suppliers:

Most of our direct suppliers are based in Australia and are subject to Australian laws.

- 91 per cent of our suppliers (by spend) are based in Australia
- Our direct overseas suppliers primarily provided information technology and subscription services.

Figure 2: Overseas suppliers - geographic breakdown by total number of suppliers



Although most of our direct suppliers are in Australia and were assessed as posing a low risk of modern slavery, we recognise that many depend on global supply chains to deliver their goods and services. Accordingly, there is a potential for exposure to modern slavery risk beyond tier 1 of our supply chain. In 2024-25, we intend to select and engage with suppliers, prioritising the areas of highest risk of modern slavery in associated supply chains to better understand their processes to identify and manage the risks of modern slavery in their supply chains, and collaborate to address the findings.

4.5 Collaboration

The CEFC regularly engages with various entities as part of our operations to discharge our statutory functions. During 2023-24, we collaborated with a number of Commonwealth specialist investment vehicles (SIVs) including Export Finance Australia, National Reconstruction Fund Corporation and Australian Infrastructure Financing Facility for the Pacific to share our modern slavery risk framework, including the due diligence process we complete for proposed investments, sharing resources and templates for their consideration.

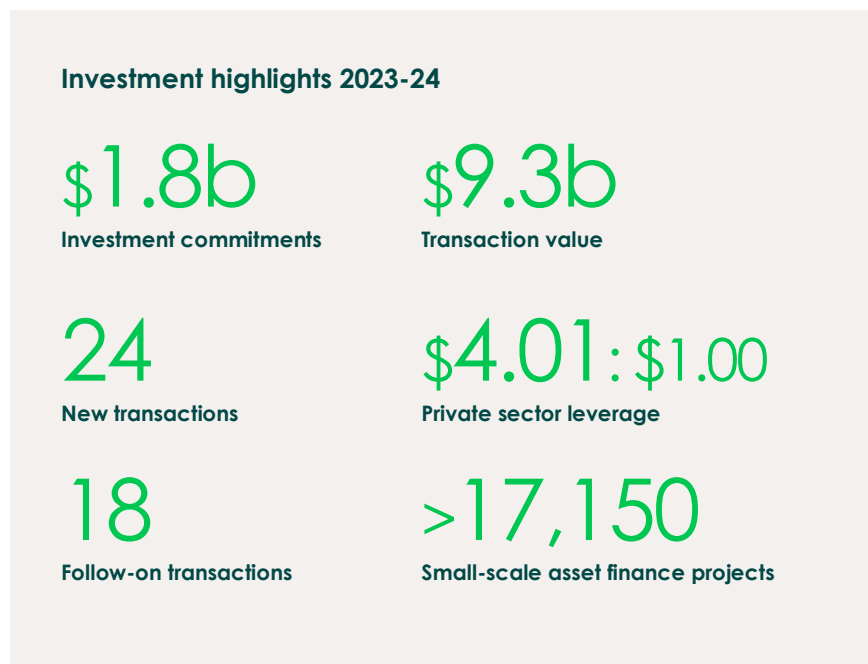
We also collaborate with entities including the Australian Renewable Energy Agency, the Clean Energy Regulator, the Department of Climate Change, Energy, the Environment and Water, the Department of Finance, and various other Commonwealth, State and Territory governments and agencies.

These collaboration arrangements may be documented, for example by way of letters of support, memoranda of understanding and consultancy agreements with third parties or they may be by way of supporting industry events, panel discussions and working groups.

4.6 Investment activities

Investing in the clean energy sector in 2023-24 involved facing numerous challenges, including geopolitical uncertainty, disruptions to critical supply chains, global competition for skilled labour and challenging interest rate and inflationary conditions. The CEFC drew on our deep experience to commit \$1.8 billion in new investments during the year.

Our single largest investment during 2023-24 committed \$490 million to accelerate the delivery of new grid infrastructure in New South Wales via the Rewiring the Nation Fund. We also supported capital raising for Australian climate tech start-ups via the Clean Energy Innovation Fund. We supported investments across infrastructure and renewables, EVs and natural capital.



CEFC lifetime commitments reached \$14.5 billion, across more than 350 large-scale investments.

5. Our governance

5.1 Key documents

The *CEFC Investment Policies* embody the investment strategy, benchmarks, and standards for assessing performance and investment risk management for the CEFC. The CEFC operates under a sound enterprise Risk Management Framework designed to identify and effectively manage risk, including risks associated with environmental, social and governance (ESG) factors.

During 2023-24 we updated CEFC policies, practices and procedures that are relevant to addressing modern slavery across our business activities and to support our modern slavery risk management framework. We introduced additional processes to assist us in identifying and monitoring the risk of modern slavery and engaged a third party provider to produce labour and human rights reports on counterparties. We made specific ESG improvements to our portfolio monitoring platform and published internal guidance developed in consultation with the portfolio management team to enhance monitoring and assessing the implementation of procedures to manage modern slavery risks in CEFC investments.

- [Modern Slavery Policy](#)
- Modern Slavery Practices and Procedures
- [CEFC Principles for Suppliers](#)
- [Environmental, Social and Governance \(ESG\) Policy](#)
- ESG Policy implementation
- Modern Slavery Remediation Framework
- Modern Slavery assurance guidance
- Modern Slavery Register
- Modern Slavery Incident Register
- Modern Slavery Contract Clauses
- Supplier Assessment Questionnaire
- Risk Management Framework

5.2 Working group

Led by the CEFC Chief Risk Officer, our Global Fair Work (Modern Slavery) working group oversees implementation of our modern slavery framework. Progress reports are made by the working group on a quarterly basis to the Executive Risk Committee and the Audit and Risk Committee (ARC).

The working group includes representatives from across the CEFC to effectively and efficiently disseminate information internally, implement actions and develop future commitments. All members of the working group were invited to review and contribute to new modern slavery risk management material during 2023-24, including the assurance guidance.

5.3 Training and awareness

CEFC permanent staff are required to complete a modern slavery training module as part of their induction program and on an annual basis.

In 2023-24, a new online modern slavery module was launched which highlights the meaning of modern slavery, the risks both in Australia and globally, and our obligations under the *Modern Slavery Act 2018 (Cth)*. The module provides an overview of our modern slavery obligations and our approach to addressing modern slavery risks. It highlights the key documents and processes which form part of the CEFC's modern slavery framework. The induction training is complemented by the annual modern slavery training module.

We provide targeted training to staff who have a direct relationship with our investment counterparties to enhance their awareness of risks of modern slavery through our investments.

Our legal support delivered training to all staff on the non-investment contract process, which included an outline of the modern slavery risk review requirements that staff must address prior to a contract being executed.

5.4 Modern Slavery Risk Assurance Guidance

In 2023-24 we undertook an assurance process and identified the need to establish a structure to ensure consistency relating to our ongoing monitoring of our investments from a modern slavery risk perspective. We developed an internal assurance guide in consultation with the portfolio management team to embed and document our ongoing monitoring process. The assurance guide provides an approach to monitor and assess the implementation of our modern slavery risk management framework and the effectiveness of the controls in supporting and achieving our objectives. It also facilitates the assessment of associated risks for continuous improvement.

6. Risk assessment and actions

6.1 Overview

We apply modern slavery risk assessments to three key areas:

- Employment
- Investments
- Procurement supply chains

The review of our ESG Policy in 2023-24 included a materiality assessment, which identified modern slavery as a material risk for the CEFC as it relates to our investments and/or corporate activities.

6.2 Operations

Risk in our operations

Employment of staff

The financial services and investment industry we operate in is not considered as having a high risk of modern slavery in its workforce. The terms and conditions of CEFC employment relationships are formalised with individual employment agreements based on National Employment Standards that establish minimum conditions of employment for our employees. All employees are screened via an independent service provider, which includes identity and police checks. Non-executive employees are covered by the Australian Government Industry Award 2016. We implement measures to protect employee rights and working conditions including enforcing our Code of Conduct and Ethics, conducting staff surveys and maintaining grievance mechanisms both through our People & Culture team and, more broadly, our Public Interest Disclosure Act 2013 policies and procedures. We consider there to be a lower risk of having caused or contributed to modern slavery in our direct employment of staff.

This assessment is further supported by the low risk profile of our industry being an office-based professional services organisation and with our office locations being limited to Australia, a jurisdiction with a low prevalence of modern slavery according to the Global Slavery Index³. Our employee remuneration processes include benchmarking, compliance with applicable laws and annual reviews.

³ Global Slavery Index 2023
<https://cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf>

Investments

There is potential for the CEFC's investments to face the risk of modern slavery in elements of their supply chains. As a result, we review investment opportunities and key counterparties for modern slavery risks at an early stage in the investment consideration process, as part of our reputational risk due diligence and ESG risk assessment. During 2023-24, we did not identify any instances of modern slavery, but we understand that this does not mean there is no risk of modern slavery in the supply chains of the underlying investment.

We acknowledge that modern slavery risks exist through the indirect supply chains associated with our investments. Our investments, which include investments in renewables, infrastructure and construction industries are associated with complex supply chains, and include risks such as forced labour, including state sanctioned forced labour, low-skilled migrant workers vulnerable to exploitation, and debt bondage.

Renewables – The risk of modern slavery within the supply chains associated with the manufacturing of renewable technologies continues to be high. Manufacturing largely takes place in offshore jurisdictions in countries where the risk of modern slavery is high, and where independent audit and verification remote from Australia can at times be difficult if not impossible.

Infrastructure – The use of sub-contracted labour can elevate the risk of modern slavery. While this is a common practice in the infrastructure sector, it can heighten modern slavery risks. For instance, employing migrant labour, utilising labour hire agencies, or having multiple layers of subcontracting can make it more challenging to oversee labour practices effectively.

Construction – The supply chain for building materials, construction, and property management services carries a heightened risk of modern slavery. This risk is particularly pronounced when agencies are used to hire migrant and lower-skilled workers, or when there is extensive sub-contracting with multiple layers. While the property sector has implemented a due diligence process to mitigate modern slavery risks at the Tier 1 level, we recognise that addressing supply chain risks beyond Tier 1 remains a challenge.

Actions to address risks in our operations

Employment of staff

Employment contracts are subject to Australian laws and include clear statements of remuneration, leave entitlements and expectations of employees. CEFC employees receive a fixed remuneration package reviewed annually and benchmarked against data from the Financial Industry Remuneration Group. Eligible employees are invited to participate in the CEFC High Performance Incentive Plan. The CEFC also offers flexible working arrangements under the National Employment Standards. We provide a safe and engaging environment for staff, featuring a range of initiatives to enhance the work, health and safety of our employees. Importantly, our employees are trained to understand modern slavery red flags and how to raise concerns.

The CEFC employee screening process includes the independent establishment of identity verification, a review of individuals' employment history and eligibility to work in Australia, and police checks, verified using a pre-employment third-party screening provider.

Investments

In 2023-24 we completed due diligence on all our 35 executed investments⁴ for modern slavery risks. Through this due diligence we identified that 23 investments had a low residual risk, and 12 investments has a medium residual risk of modern slavery. Further engagement, due diligence and contractual provisions were completed for the medium residual risk rated investments on a case-by-case basis.

Our due diligence commences at the beginning stages of an investment lifecycle and continues through to ongoing monitoring post execution of an investment. Due diligence assists us to identify the modern slavery risks, apply specific evaluation processes on a case-by-case basis, understand how the risks are being addressed and rate the risks. The allocated risk rating of “low”, “medium” or “high” assists in determining the risk mitigation, which may include incorporating specific management criteria like collecting additional information, requesting contractual modern slavery clauses, ongoing reporting and annual reviews.

To determine a risk rating, we assess several risk categories, including but not limited to:

Industry risks - Our investments in higher risk industries including renewable technology and manufacturing - particularly those with offshore operations and opaque supply chains involving complex labour arrangements - increase our indirect exposure to modern slavery risks.

Geographic risks – Certain jurisdictions where direct and indirect suppliers are located pose higher risks. Using the Global Slavery Index 2023 helps us to identify countries with higher exposure to modern slavery risk.⁵

Business models and contracting arrangements - Third-party labour arrangements, the outsourcing of significant labour needs and overly complex contracting structures increase complexity in a company's supply chain and the risk of exposure to modern slavery.

Supply chain risks – The complex nature and multi-sourced supply chains of renewable technologies, such as solar panels and wind turbines, pose traceability challenges and potential modern slavery risks across various sectors and regions.

Counterparty history - Counterparties with a negative track record and/or violations in human rights, health and safety, labour standards, and business ethics could potentially signal a greater risk of modern slavery.

⁴ A reputational risk and modern slavery assessment was not required to be refreshed for a number of follow-on transactions with the same counterparties.

⁵ Global Slavery Index 2023

<https://cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf>

We apply the inherent modern slavery risks associated with specific categories and sectors outlined in the Office of the Anti-Slavery Commissioner Inherent Risk Identification Tool⁶ (IRIT), as applicable, when completing our modern slavery risk assessments in relation to investments. According to the IRIT, renewable technologies have been identified as involving a high level of inherent modern slavery risk. The inherent risk rating is indicative of the modern slavery risk exposure in the absence of risk controls or mitigation. The residual risk ratings allocated by the CEFC take into consideration the inherent risk and the controls and mitigations the counterparty has in place to manage the modern slavery risks.

Financial institutions have the capacity, through collaboration, to influence behaviours and improve corporate practices by raising awareness of modern slavery risks and steps borrowers and investees can take to identify, assess and address modern slavery risks. To reduce and mitigate the risks of modern slavery in our investments we consider each of the applicable risk categories, counterparty open-source search results relating to modern slavery allegations or incidents, published modern slavery statements where available and policies, and the counterparty's approach to modern slavery risk management, and engaged directly with counterparties where we require more information. With this greater understanding of a counterparty's risk, we then employ different strategies, as appropriate, to reduce the risk of modern slavery in the operations or supply chains of the counterparty. For an example of the application of this assessment see case study 1.

Our residual risk assessment guides our approach to managing the modern slavery risk in investments. During 2023-24 we commenced using an independent third-party provider to assess investment counterparties against measures including relevant laws, policies, standards and public registers from a labour and human rights perspective. We synthesise the available information to make a residual risk assessment of the investment and the required actions. This may involve incorporating modern slavery clauses in contracts, requesting additional counterparty documents or information, engaging with investment counterparties, and participating in assurance discussions to better understand the risks, increasing monitoring and reporting, conducting annual reviews of modern slavery statements, and/or reporting of incidents to the Risk and Compliance team for review and adjustment of the risk allocation as required. Of the 35 investments, ongoing monitoring was activated for all 12 medium residual risk assessed investments.

⁶ Office of the Anti-Slavery Commissioner, [GRS Inherent risk identification tool](#) (January 2024).

Case study 1: Renewable energy transmission project

We assessed a potential renewable energy project as posing a higher inherent risk of modern slavery due to the nature of the supply chains of the primary suppliers. After completing due diligence on the project proponent, additional information was sought to better understand the supplier due diligence and mitigating steps taken as set out in its Modern Slavery Statement. Its response confirmed due diligence was completed for each primary supplier, covering modern slavery, geopolitical, and reputational risks. The proponent also instructed an independent third party to conduct modern slavery due diligence using a supply chain analysis tool, with screening refreshed every six months. We were informed that the suppliers completed the proponent's questionnaire, and additional enquiries were conducted where needed, which included supplier site visits by the proponent. They also included modern slavery clauses in their contracts.

The proponent's comprehensive response confirmed implementation of their expressed procedures to support the assessment and management of modern slavery risks, and contributed to our due diligence, satisfying us that the modern slavery risk was being addressed. After engaging with the project proponent, we assessed the project as having a medium residual risk.

6.3 Supply chain

Our direct procurement supply chain is comparatively small and primarily domestic. Even so, we acknowledge the CEFC is exposed to risk of modern slavery through the goods and services we source directly from domestic suppliers (including those with global supply chains) with an estimated 41,000 people living in modern slavery in Australia. We acknowledge goods we procure from higher risk industries, such as office equipment and electronic goods, pose a higher risk of having modern slavery in associated supply chains.

Risk in our procurement supply chains

We have assessed that there is an overall low risk of having caused or contributed to modern slavery in our procurement of goods and services, however, we acknowledge that we may be indirectly linked to increased modern slavery risks via the supply chains of our direct suppliers. To address this, we conduct reviews and assess our suppliers.

In 2023-24, some of our suppliers included inherently higher risk categories being:

- IT/Office Equipment
- Lease/office space
- Commercial office fit-out
- Printing and copying
- Repairs/maintenance
- Travel
- Hospitality

Of these, lease/office space, commercial office fit-out and repairs and maintenance were approximately 20 per cent of our suppliers (by spend) during the 2023-24 year. We are conscious that these suppliers have a higher inherent risk of modern slavery, and seek assurances from them with this in mind, including requesting that our modern slavery questionnaire is completed prior to us entering a contract with these suppliers.

Commonwealth Procurement Rules are not applicable to the CEFC, however, we use the Whole of Government Travel arrangement for work travel and is thus at a risk level commensurate with all participating Australian Government agencies. Similarly, we use the Whole of Australian Government Stationery and Office Supplies arrangement for stationery and office supplies.

Over half of our suppliers were professional services firms, subscription/membership agreements and staff training, each of which supported us in our corporate and investment operations. The majority of the CEFC suppliers were assessed as having a low modern slavery risk.

Actions to address the risk in our procurement supply chains

CEFC procurement activities are underpinned by core principles, including ethical dealing. Our procurement management process provides a risk-based framework for managing third party relationships consistent with regulatory guidance.

The non-investment modern slavery risk assessment assists the CEFC to identify and manage risks in the goods and services we procure. The Risk and Compliance team performs due diligence on suppliers that meet the cumulative \$10,000 or above threshold. When assessing the risk, the team considers the goods or services the supplier is providing and the following factors:

- Sector / Industry
- Type of products and services
- Geographic regions / jurisdiction
- Type of entities involved
- Business models and contracting arrangements
- Modern slavery risk management practices including modern slavery statements

We use media and WorldCheck screening to gather information about the supplier, their supply chain and any identified issues or breaches. We also use existing assessments and published reports relating to our suppliers, such as NGO reviews and sustainability reports.

Suppliers subject to the non-investment contract process are automatically sent our Modern Slavery Policy and the CEFC Principles for Suppliers to build awareness of modern slavery and to communicate our expectations. The CEFC Modern Slavery Policy and CEFC Principles for Suppliers are updated annually.

If the counterparty is assessed as having a medium or high risk, they must respond with a confirmation of receipt of the Modern Slavery Policy and the CEFC Principles for Suppliers which is uploaded to the Modern Slavery Register by the Risk and Compliance team. We activated media monitor of these suppliers and requested additional information, including requesting copies of the policies and processes, or requesting they complete our modern slavery questionnaire as required.

Procurement requests may be generated from all parts of the CEFC, and staff are responsible for assisting in the management of modern slavery risks in our procurement supply chains, by submitting the details of their proposed supplier into the Modern Slavery Register prior to signing a supplier agreement. This process precedes the formal execution of a contract. Staff are trained in relation to the non-investment contract process, so they are aware of, understand, and can assist in the implementation of the CEFC modern slavery risk assessment process for non-investment contracts. Ongoing media screening is activated for contracted suppliers assessed as posing a medium or high risk of modern slavery.

In 2023-24 we screened 123 direct suppliers for modern slavery risks⁷.

For suppliers who meet the expenditure threshold, the CEFC Modern Slavery Risk Register records:

- Adverse media findings
- Politically Exposed Persons and sanctions matches
- Supplier modern slavery due diligence and other processes (including any published Modern Slavery Statement and other modern slavery mitigation measures they apply as evidenced by open-source information)
- Modern Slavery Risk Rating
- Confirmation that the Modern Slavery Policy and Principles for Suppliers have been sent to the counterparty and, for medium or high-risk ratings, confirmation of acknowledgments of receipt by the supplier (if appropriate)
- Any additional actions and responses received from the supplier in response to the CEFC required actions.

Supplier payment times

Paying suppliers on time can improve cash flow and boost employment and wages. Although the underpayment of workers (suppliers) is not considered a form of modern slavery, we acknowledge that paying suppliers on time may reduce the risk of worker exploitation. In 2023-24, we typically paid suppliers within nine days (on average). Our overseas suppliers are typically paid within 11 days (on average).

The CEFC monitors the timing of supplier payments and reports on under the Payment Times Reporting Scheme.

6.4 Collaboration arrangements

Collaboration arrangement requests may be generated from all parts of the CEFC. The Collaboration Arrangement Officer must submit their proposed collaboration entity details in the Modern Slavery register as part of their request for the non-investment contract review. The Risk and Compliance team assesses each new collaboration arrangement for risks of modern slavery. The Collaboration Arrangement Officer is responsible for actioning any recommendations resulting from the assessment, including sharing our CEFC Principles for Suppliers and Modern Slavery Policy.

⁷ Unless directed by the Risk and Compliance team, modern slavery risk assessments are not required where the procurement contract or contracts with a particular supplier have a cumulative value of less than \$10,000 per annum (exclusive of GST).

7. Industry collaboration

The CEFC remains committed to raising awareness directly via our investment activities, working alongside other government agencies, committees and industry bodies.

In 2023-24, we continued to work with relevant stakeholders to address shared challenges and opportunities in the renewable energy sector, including attending the Clean Energy Council (CEC) Modern Slavery Working Group and Responsible Investment Association Australasia Human Rights Working Group meetings along with other multi-industry stakeholders.

We also participated in the CEC sub-group working in partnership with the NSW Anti-Slavery Commissioner in developing a code of practice on managing modern slavery risks in renewable energy value chains.

8. Effectiveness: our progress and future commitments

We understand the importance of assessing and reflecting on the effectiveness of our Modern Slavery Risk Management Framework to identify what is working well, areas for improvement/enhancements to ensure we are assessing modern slavery risks in our operations and supply chains and addressing them appropriately when identified.

In 2023-24, and for future reporting periods, effectiveness is assessed through the following monitoring and specific initiatives.

Figure 3: How we are strengthening our approach to modern slavery

- Ongoing
- Reviewing
- Completed

Goal	Status	Comments 2023-24	2024-25+ Plan
Operationalise internal capabilities for the risk factors in our ESG Policy and embed the process into our internal monitoring data base to enable our portfolio managers to undertake periodic reviews of counterparties as necessary.	●	<p>We have made valuable progress to support our portfolio managers in their role to monitor our counterparties from a modern slavery perspective on an ongoing basis, including targeted training, and introducing a Modern Slavery Risk Plan (as part of our ESG risks management plan "Plan").</p> <p>The portfolio management team is responsible for the ongoing management of our investments and assumes a critical role in monitoring ESG risks, including modern slavery.</p> <p>As a part of the PM Handover checklist, the portfolio manager populates the Plan in consultation with the origination deal team and seeks confirmation of the Plan from the Risk and Compliance and the Sustainability teams. To effectively monitor that the obligations described in the Plan are met, updates are provided to the Risk and Compliance team according to preset review periods.</p>	<p>Continue to operationalise internal capabilities.</p> <p>Review funding activity in our debt markets platform to identify and assess indirect suppliers introduced to our investment after our initial screening of the modern slavery risks.</p>
Develop the 2024-25 training and communication plan to continue to improve staff awareness.	●	<p>100% of eligible CEFC staff completed the annual modern slavery risk training module, except for staff who commenced employment within the last six months of the training being rolled out. Those staff completed a modern slavery risk training module as part of their induction training. This was reported to the Board via the ARC.</p> <p>We also delivered targeted training to staff on modern slavery risks, alongside our Risk and Compliance team attending external training on risks of modern slavery in the sector we operate.</p> <p>Additionally, we maintain an Intranet site internally to keep staff informed regarding our modern slavery compliance framework and inform staff of their roles in the risk management process.</p>	<p>Continue to train 100% of our permanent staff and report this to our Board on a quarterly basis.</p> <p>Deliver targeted training for staff.</p> <p>Assess the effectiveness of the training by seeking feedback from staff through post training surveys and focus groups.</p>

Goal	Status	Comments 2023-24	2024-25+ Plan
Continue to develop our approach to increase impact where the CEFC influence is greatest.	●	We engaged with investment counterparties and non-investment counterparties and sought additional due diligence and assurance where we identified potential for higher risks of modern slavery.	Continue to collaborate with our investment and non-investment counterparties better understand how the risks of modern slavery are managed and how best to address the associated risks in their operations and supply chains.
Continue to monitor regulatory developments and Commonwealth and State and Territory emerging guidelines.	●	<p>We kept abreast of emerging guidelines, including those published at the State level, including:</p> <ul style="list-style-type: none"> ▪ Office of the NSW Anti-Slavery Commissioner - Guidance on reasonable steps to manage modern slavery risks ▪ Office of the NSW Anti-Slavery Commissioner - Inherent Risk Identification Tool (IRIT). 	<p>Continue monitoring regulatory developments.</p> <p>Continue to monitor and apply guidelines to our modern slavery practices and procedures as relevant.</p>
Continue to engage with industry bodies and participate in relevant working groups.	●	<p>Continued to work with relevant stakeholders to address shared challenges and opportunities in the renewable energy sector, including attending the CEC Modern Slavery Working Group and the Responsible Investment Association Australasia (RIAA) Human Rights Working Group.</p> <p>Participated in the CEC sub-group working in partnership with the NSW Anti-Slavery Commissioner in developing a code of practice on managing modern slavery risks in renewable energy value chains.</p> <p>Engaged with other Commonwealth SIVs to understand their approach in regard to identifying, addressing and ongoingly managing modern slavery risks.</p>	Continue collaborating with industry bodies and participating in external working groups.
Review our relevant policies and procedures.	●	Modern Slavery Policy, Principles for Suppliers and Practices and Procedures have all been reviewed and updated in the reporting period.	Review and update the Modern Slavery Policy, Principles for Suppliers and Practices and Procedures in line with relevant guidance and legislative changes.

Goal	Status	Comments 2023-24	2024-25+ Plan
<p>Engage with suppliers beyond the first tier.</p> <p>Review our Modern Slavery Questionnaire and add specific questions regarding steps that our counterparties have taken to provide a grievance mechanism in respect of relevant associated supply chains.</p>	●	<p>We worked with our project proponents to understand how they operationalise their modern slavery policies and procedures in relation to their supply chains.</p> <p>We have found that open-source scanning and target questions, rather than extensive modern slavery questionnaires have yielded more fruitful responses from our proponents.</p>	<p>Select and engage with suppliers with whom we have an ongoing relationship, prioritising the areas of highest risk of modern slavery to better understand their processes to identify and manage the risks of modern slavery in their supply chains, and collaborate to address the findings.</p>
<p>Collaborate with counterparties seeking to include modern slavery provisions in each investment and procurement contract.</p>	●	<p>Investments:</p> <ul style="list-style-type: none"> - This reporting period we sought to include modern slavery provisions in all our direct investment agreements. The scope of those provisions varied depending on a CEFC assessment of modern slavery risk in associated operations and supply chains and of that counterparty's modern slavery risk management procedures. <p>Procurement:</p> <ul style="list-style-type: none"> - This reporting period we provided copies of our Modern Slavery Policy and CEFC Principles for Suppliers to our non-investment contract counterparties to communicate our expectations. We sought acknowledgement of receipt of those documents in connection with contracts assessed as having a medium or high risk of modern slavery. 	<p>For investment contracts, continue to seek to include modern slavery provisions in our contracts for medium and high-risk investments, and seek to confirm compliance with these provisions.</p> <p>For procurement contracts, we will seek to include modern slavery provisions in contracts for medium and high-risk contracts.</p>
<p>Review our remediation policy against Commonwealth Guidance, once available.</p>	●	<p>Kept up to date with any industry specific guidance, as appropriate.</p>	<p>Awaiting release of Commonwealth Guidance following review of the Modern Slavery Act.</p> <p>Consider remediation policies of investments particularly in relation to high-risk investments as part of the modern slavery risk assessments.</p>

Goal	Status	Comments 2023-24	2024-25+ Plan
Continue risk reviews as business as usual for all investments and medium and high risk rated non-investment contracts.	●	<p>Investments:</p> <ul style="list-style-type: none"> In the 2023-24 year, we screened 35 executed investments for modern slavery risks. <p>Procurement:</p> <ul style="list-style-type: none"> In the 2023-24 year, we screened 123 new direct suppliers for modern slavery risks. 	Formalise our assurance methodology and continue risk reviews as part of our business-as-usual activity.
Continue to improve the way we assess and document our effectiveness in identifying and managing modern slavery risk.	●	<p>Our internal monitoring system has undergone enhancements during the year which harness further reporting capabilities to assist in how we will assess our effectiveness.</p> <p>Our internal system developments relating to screening, monitoring and reporting on ESG factors.</p> <p>We consolidated and embedded the ESG risks management plan populated and maintained by the portfolio management team.</p>	Continue to monitor results from our ESG Risks Management Plan and engage with relevant internal and external stakeholders as required.
Develop our internal assurance framework to monitor and verify implementation of procedures to managed modern slavery risks across the CEFC	●	To improve oversight of identified modern slavery risks, the CEFC undertook an assurance process to identify any gaps in our ongoing monitoring processes. We developed an assurance guidance process during the reporting period. It outlines our approach to monitoring and verifying the implementation of our modern slavery risk management, as well as facilitating the assessment of associated risks for continuous improvement, consistent with our risk management framework	Continue developing our assurance framework by formalising our assurance process which feeds into our assurance guidance
Assess the effectiveness of our grievance mechanism process and if it could be improved.	●	<p>No cases of modern slavery identified through our internal grievance mechanisms.</p> <p>No cases of modern slavery identified from external reporting.</p> <p>Noting this is not evidence of there being no associated circumstances of modern slavery.</p>	Continue to assess potential for improvement, including considering relevant industry guidance and apply to the CEFC processes where applicable.

9. Mandatory criteria

How this statement addresses the mandatory criteria in the *Modern Slavery Act 2018* (Cth)

Figure 4: Mandatory criteria of the Modern Slavery Act 2018

Mandatory criteria	Section	Page
16(1)(a) Identify reporting entity	About this statement	2
16(1)(b) Describe the reporting entity's structure, operations, and supply chains	Structure, operations and supply chains	4-8
16(1)(c) Describe the risks of Modern Slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Risk assessments and actions	11-12, 15-16
16(1)(d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	Key actions Risk assessments and actions	3, 9-10, 12-14, 16-17
16(1)(e) Describe how the reporting entity assesses the effectiveness of these actions	Effectiveness: our progress and future commitments	18-22
16(1)(f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement)	About this statement	2
16(1)(g) Any other information that the reporting entity, or the entity giving the statement, considers relevant	Effectiveness: our progress and future commitments	18-22

10. Appendix

Since the *Modern Slavery Act (2018)* was introduced, the CEFC has taken meaningful steps to identify, assess and address Modern Slavery including:

2019-20

- Established the Global Fair Work (Modern Slavery) Working Group
- Introduced the CEFC Modern Slavery Policy
- Published the first CEFC Modern Slavery Statement
- Published the CEFC Principles for Suppliers to provide a foundation for direct and indirect suppliers
- Mapped our procurement supply chains by identifying tier one suppliers where the supply contracts exceeded a prescribed monetary value, applying open-sourced due diligence
- Added modern slavery risk screening to reputational due diligence process for investment key counterparties.

2020-21

- Introduced the CEFC Environmental and Social Governance (ESG) Policy
- Engaged external human rights subject matter experts to conduct a review of our modern slavery processes and conducted an associated benchmarking exercise
- Introduced an organisation-wide modern slavery training program
- Delivered function specific training for the Risk and Compliance, and Legal teams.

2021-22

- Implemented the CEFC Modern Slavery Remediation Framework to guide our approach where instances of modern slavery are identified in our operations and supply chains
- Implemented the CEFC Modern Slavery Incident Register
- Delivered function specific training to the CEFC origination and portfolio management teams regarding the implementation of the CEFC Modern Slavery Policy and associated practices and procedures
- Conducted a review and update of the CEFC Modern Slavery Policy
- Considered and adopted key recommendations of benchmarking exercise undertaken by external human rights subject matter experts
- Conducted a review and update of our procurement contract processes, to include a mandatory modern slavery risk assessment for suppliers with a contract value of \$10,000 or more
- Implemented improved monitoring process by including "do no harm" factors in investment reputational risk screening processes
- Continued to collaborate with industry and Commonwealth agencies on relevant matters.

2022-23

- Established and delivered a Modern Slavery Risk Plan (that now forms part of our ESG risks and opportunities plan) and delivered associated training to our Portfolio Management team
- Collaborated with our external fund managers, including non-reporting fund managers
- Kept our staff up to date with our Modern Slavery Risk Management framework by creating a resource intranet site and delivered external subject matter expert training to our Board and Executive team
- Participated as a panel member alongside industry representatives at a Clean Energy Council forum "Addressing Modern Slavery in the Clean Energy Sector" facilitated by Norton Rose Fulbright.

About the CEFC

The CEFC is a specialist investor in Australia's transition to net zero emissions by 2050. With access to more than \$30 billion from the Australian Government, we work with co-investors, industry and government to drive economy-wide investment in decarbonisation. We invest in renewable energy, energy efficiency and low emissions technologies via the CEFC General Portfolio, the Rewiring the Nation Fund and four Specialised Investment Funds: the Household Energy Upgrades Fund, the Powering Australia Technology Fund, the Advancing Hydrogen Fund and the Clean Energy Innovation Fund. We are governed by an Independent Board, which provides prudent oversight and governance of CEFC culture, investment decisions and risk management. Our Executive and staff bring considerable experience and expertise to our investment and decarbonisation task. In adopting a national approach to the emissions challenge, we invest with commercial rigour, aiming to deliver a positive return across our portfolio.

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