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Consultation Secretary

Strengthening the Modern Slavery Act
Modern Slavery and Human Trafficking Branch
Attorney-General's Department

By email: Slavery.Reform@ag.gov.au

27 February 2026

Dear Consultation Secretary

Response to Consultation 'Strengthening the Modern Slavery Act (Cth)'

On behalf of AGL Energy Limited (**AGL**), I am pleased to provide our submission to the Australian Government in response to its consultation on strengthening the *Modern Slavery Act 2018 (Cth) (Act)*.

Introductory comments

AGL welcomes the opportunity to provide feedback on the Australian Government's consultation on strengthening the Act

As operator of the largest private electricity generation portfolio in Australia, we understand the positive impact we can have on our communities, and the important role we play in identifying and eliminating modern slavery both locally and across the globe. Since the release of our inaugural Modern Slavery Statement in 2020, AGL and our partners have made material improvements in our understanding of and approach to the management of the risks of modern slavery in our operations and supply chains.

We are proud to be the recipient of an A grade rating for our modern slavery disclosure quality for our last three Modern Slavery Statements as assessed by Monash University Business School in its Modern Slavery Disclosure Quality Ratings (ASX 100) Reports. We attribute this rating in part to our preparedness to engage in robust due diligence activities, as outlined below, and to our willingness to proactively engage external subject matter experts whose insights help us strengthen and continuously improve and refine our risk-based management practices.

This submission provides our feedback on the following proposed areas of reform to the Act which were the subject of discussion at the Attorney-General Department's recent consultation session attended by AGL on 24 February 2026.

Introducing a mandatory due diligence obligation

As outlined in our FY25 Modern Slavery Statement, we have maintained our strong improvement focus and continue to recognise the need for sound and reliable procedures to drive meaningful progress with our modern slavery risk management. Central to this is our acknowledgement of the critical role that due diligence plays in effective modern slavery risk management. To support this, we have operationalised and embedded a well-established Modern Slavery Framework (**Framework**) that provides a structured, consistent and risk-based approach to identifying, analysing and managing modern slavery risks across our operations and supply chain. The Framework ensures that due diligence activities are systemically applied at key decision points, enabling us to assess supplier risk, monitor performance and escalate potential issues in a timely and informed manner.



The Framework also offers clear guidance for the identification, investigation and remediation of modern slavery grievances, and supports the development of prioritised and coordinated improvements to our modern slavery risk management processes over time. Our ongoing focus on due diligence strengthens our ability to prevent harm, enhance transparency and continuously improve our overall approach to managing modern slavery risks.

Our most recent Modern Slavery Statement highlights our improvement focus across the FY25 year. By way of example, the following initiatives are to be highlighted:

- The further expansion of our social audits for high-risk suppliers, as identified through due diligence undertaken in accordance with our risk management processes and procedures.
- Building on our employee and supplier training and awareness programs. These initiatives are delivered and tailored for areas of our operations and supply chain that present higher risk of modern slavery, ensuring capability uplift and a drive for continuous improvement where it is most needed.
- The implementation of an ESG Decision Making Framework (**ESG Framework**) which embeds environmental, social and governance considerations, including modern slavery risk, into the work we do and the decisions we make. The ESG Framework considers several ESG factors, inclusive of a number of 'ESG non-negotiables' – including that AGL will not knowingly undertake activities that may lead to an increased exposure to human rights and modern slavery risks.

Collectively, the above initiatives illustrate how AGL has enhanced its due diligence program through complementary processes that reinforce modern slavery awareness and embed modern slavery and human rights considerations into key business decisions. Such processes allow for human rights risks to be flagged, considered and addressed as a key step in our decision-making process.

Our recommendation

As outlined above, and on the basis that AGL has already committed considerable resources to the establishment of our Modern Slavery Framework which is supported by risk-based due diligence and complementary initiatives, it is our recommendation that the Act be amended with the introduction of a risk-based modern slavery-focused due diligence obligation based on voluntary steps, or requirements that can be tailored to the size, complexity and operating context of the organisations. This obligation would be supported by a requirement for reporting entities to report on their due diligence system in their Modern Slavery Statements. The voluntary or principles-based steps can be referenced from the OECD Due Diligence Guidance for Responsible Business Conduct which should be explained in greater detail in the Government's Modern Slavery Guidance.

Our recommendation recognises and respects the work already undertaken by reporting entities to establish due diligence systems that align with their risk management procedures and processes. The introduction of mandatory steps, in many instances, will require reporting entities to change their current practices, meaning, in the AGL context, the diversion of resources to adapt or change an enterprise-wide due diligence approach that is currently working for the organisation. AGL believes these resources can be better spent pursuing its current modern slavery risk management initiatives.

Should the Government decide to introduce mandatory steps, greater specificity will be required regarding each element. For example, additional detail on the sub-elements referenced on page 9 of the Government's consultation paper would be necessary to ensure reporting entities clearly understand the due diligence expectations and requirements.

Introducing high risk declarations

AGL recommends that the Government establish a mechanism for declaring specific matters as carrying a high risk of modern slavery. Where such a declaration is made, it should be accompanied by publicly



available information explaining the rationale for the declaration. This information should be accessible to reporting entities and other stakeholders, so it can be appropriately considered during procurement processes or when operationalising due diligence related systems and processes.

Our recommendation does not extend to a compulsory requirement for reporting entities to incorporate these declarations into their due diligence and reporting processes. At most, entities should be encouraged, but not obliged, to consider the declarations when undertaking due diligence. This position reflects the fact that our Modern Slavery Framework, supported by a risk-based due diligence process, already identifies and assesses the salient modern slavery risks across our operations and supply chain. As part of this process, the declarations and any accompanying information can be used as a reference point to help validate our modern slavery risk profile and inform the design and implementation of appropriate controls.

If AGL and reporting entities in general are mandated to have regard to these declarations, there is a risk that time and resources will be expended investigating and reporting on matters that an entity's own risk-based due diligence process has already determined to be low or outside their relevant risk profile. For example, cleaning may be declared as a high-risk industry. However, an entity may already have robust controls in place to manage this risk. In such cases, a compulsory requirement to include cleaners in the entity's due diligence activities could result in unnecessary duplication of effort and resources – resources that could be more effectively directed toward other preventative controls.

Whether the declarations are introduced on a compulsory or voluntary basis, the Government should consider making the declarations subject to a transition or implementation period. This would be particularly important where the declarations are mandatory, as it would allow reporting entities sufficient time to assess the impact on their operations and supply chain, allowing the entity time to determine the most effective way to respond.

AGL recognises that high-risk declarations will assist resource constrained entities to focus their resources on areas of their operation and supply chain that the declaration has identified as high risk. The declarations will also support knowledge sharing across industry and with those suppliers who may question why they are being considered high risk and subject to greater scrutiny.

Conclusion

We believe our position on due diligence and high-risk declarations is reflective of a balanced reform approach, recognising the work already undertaken by reporting entities, including AGL, to embed due diligence and robust risk management practices to address modern slavery risks. Whilst a balanced approach remains AGL's preferred option, it nevertheless requires reforms to ensure that reporting entities demonstrate their systems of due diligence, supported by clear guidance. This includes referencing voluntary or principles based due diligence steps and highlighting key risk areas through the high-risk declaration process, providing entities with a clearer direction on how to effectively meet their obligations and manage their modern slavery risks.

AGL would be happy to respond to any questions from the Attorney-General's Department that may arise from this submission.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Nick Andrews'.

Nick Andrews
General Manager, Group Risk, Compliance and Insurance

