

Modern Slavery Statement – FY2022

Verbrec Limited (ASX : VBC)

ACN 127 897 689

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Introduction

Verbrec is a leading mid-tier engineering, asset management, infrastructure, and training company operating across the entire asset life cycle. The company has more than 700 professionals dedicated to innovative thinking and exceptional client service, operating across Australia, New Zealand, PNG, and the Pacific Islands.

This statement has been prepared in accordance with the requirements of the Modern Slavery Act 2018 (Cth) and sets out the actions taken by the Company throughout the reporting period 1 July 2021 to 30 June 2022 ('Reporting Period').

This Modern Slavery Statement is made on behalf of Verbrec Limited (ASX : VBC) ('**Verbrec**' or the '**Company**') and via a process of consultation represents the response from subsidiaries controlled by Verbrec ('**Verbrec Group of Companies**').

This Statement has been approved by a resolution of the Board of Verbrec and is current on 28 October 2022.

By Order of the Board

Joel Voss



Company Secretary

Verbrec Limited

28 October 2022

Mandatory Criteria 1 & 2:

Identify the reporting entity & describe the reporting entity's structure, operations and supply chains

The reporting entity and its structure

The reporting entity for this Modern Slavery Statement is **Verbrec Limited (ASX : VBC) ACN: 127 897 689**.

Verbrec Limited has a 100% ownership interest in the following subsidiaries:

Table 1. Organisational Structure

NAME	BUSINESS NUMBER / ACN	COUNTRY OF INCORPORATION
Verbrec Australia Pty Ltd	113 919 565	Australia
Verbrec Infrastructure Services Pty Ltd	058 047 046	Australia
Verbrec International Holdings Pty Ltd	078 567 049	Australia
Competency Training Pty Ltd	113 051 139	Australia
StacksOn Operations Pty Ltd		Australia
OSD Asset Services Pty Ltd	117 904 024	Australia
PIPEd Pty Ltd	117 496 741	Australia
OSD Projects Pty Ltd	153 827 279	Australia
OSD Velocity Pty Ltd	611 464 996	Australia
GWB Engineering Pty Ltd	058 405 762	Australia
LogiCamms Holdings Pty Ltd	163 483 636	Australia
LogiCamms (WA) Pty Ltd	127 715 762	Australia
LogiCamms West Pty Ltd	059 540 831	Australia
LogiCamms Consultants Trust	69 868 703 406	Australia
LogiCamms (CGH) Pty Ltd	103 283 638	Australia
LogiCamms (Central) Pty Ltd	008 190 207	Australia
LogiCamms Shared Services Pty Ltd	101 159 184	Australia
Petromod Pty Ltd	149 788 929	Australia
Stackson IP Pty Ltd	646 392 430	Australia
Energy Infrastructure Management Pty Ltd	100 946 389	Australia
Independent Technology Holdings Limited	640162	New Zealand
ITL Engineering New Zealand Limited	3319572	New Zealand
ITL Limited	3319591	New Zealand

NAME	BUSINESS NUMBER / ACN	COUNTRY OF INCORPORATION
ITL Engineering Australia Pty Ltd	3319649	New Zealand
LogiCamms (PNG) Pty Ltd	3-100769	Papua New Guinea
OSD Pipelines Corporation (Dormant)		Canada
OSD Chile S.A. (Dormant)		Chile

Verbrec's Operations

Verbrec is a leading mid-tier engineering, project delivery and operations services business executing work across Australia, New Zealand, PNG and the Pacific Islands. Work carried out in PNG and the Pacific Islands is predominately contracted through an Australian or New Zealand entity with limited procurement conducted locally. Our core industry markets span hydrocarbons, mining and infrastructure.

Our operations can be described under the banner of four main **Service Segments**:



Verbrec Engineering Services provide innovative engineering and project delivery solutions to clients – through our technical specialties, including Digital Industry, Power, Process plant & Pipelines.

Digital Industry: Control automation and industrial data solutions

Power: Secure, cost-effective and robust electrical and instrumentation system solutions

Process Plant: Multi-disciplinary and single-discipline engineering services for a range of industries

Pipelines: Excellence in the whole of life pipeline services



Verbrec Asset Management specialises in working with owners and operators across Australia, New Zealand and PNG to provide asset management solutions that increase efficiencies, reduce cost and improve productivity, unlocking higher value from client's assets.



Verbrec Infrastructure Services: Verbrec's 30 year investment in the development of Engineering, Project Execution, Operations and Maintenance capability to support the performance of its assets is now on offer to the external market as an integrated services offering.



Verbrec Industry Training under the trade names, Competency Training and Site Skills Training deliver a range of hazardous area, high voltage and high-risk training courses, and qualifications to help you or your employees advance in the mining, resources, oil, gas, construction and engineering industries.

Verbrec's Supply Chain

Verbrec's procurement activity is primarily linked to the business activities of the following locations:

Table 2. Verbrec Branch Locations

BRANCH LOCATIONS	PRIMARY SERVICE SEGMENT
Queensland – Brisbane CBD	Engineering Services Asset Management
Queensland – Carole Park	Industry Training
Queensland – North Lakes	Industry Training
Queensland – Gladstone	Industry Training
Queensland – Mackay	Engineering Services
Queensland – Dalby	Infrastructure Services
Northern Territory – Darwin	Industry Training
Northern Territory – Yarrowonga	Infrastructure Services
Western Australia – Perth	Engineering Services Asset Management

BRANCH LOCATIONS	PRIMARY SERVICE SEGMENT
Western Australia – Belmont	Industry Training
Western Australia – Jandakot	Industry Training
South Australia – Adelaide	Engineering Services
Victoria - Melbourne	Infrastructure Services
New Zealand – New Plymouth	Engineering Services Infrastructure Services



During FY2022, Verbrec spent approximately AU \$50 million on goods and services from over 350 suppliers with the vast majority of spend being spent with suppliers in Australia and New Zealand.

The key categories of spend include:

- Procurement of electrical componentry for the development and installation of digital systems and infrastructure
- Procurement of mechanical pipeline materials and ancillary equipment for the development, installation and maintenance of pipeline and process assets
- Procurement of construction consumables for the fabrication, construction and commissioning of a range of plant, facilities and infrastructure across Australia and New Zealand.
- Hire of plant and equipment
- Workforce labour hire
- Travel and accommodation services
- Electronics (IT equipment)
- Facilities (rent, cleaning and other office services) and other corporate overhead expenses.

Mandatory Criteria 3:

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 Statement

Verbrec recognises the modern slavery and human rights risks that may be present in the locations in which we operate, the industries we primarily serve, in our recruitment practices, in our procurement practices and via our supply chain generally, whether direct or indirect.

Risks in Operating Locations

Verbrec's operations are primarily based in Australia and New Zealand.

Verbrec have assessed the risk of the locations in which we operate and conclude that there is minimal risk in the primary areas in which we provide services, being Australia and New Zealand. Location based risks are generally more evidence in emerging overseas economies, such that some of our operations may have a higher level of risk where offshore labour is employed to provide professional or labour services either to one of our primary locations or to a client project site located in a higher risk region.

Risks in our Industry

The Company's revenues are derived from a combination of our primary service segments of:

- Engineering
- Asset Management
- Infrastructure Services
- Industry Training

which provide services to the **Resources, Energy** and **Infrastructure** industries.

There are elevated risks in these industries to the extent that our client or supplier base:

- employs foreign, seasonal or temporary labour
- primarily outsources their requirements without a rigorous process to identifying and mitigating modern slavery risks in the supply chain.

Risks in our Recruitment Practices

Verbrec has a workforce consisting of 863 Team Member as of the end of the reporting period, made up of employees and contingent labour, of which 560 are full time equivalent employees.

Verbrec has assessed the risks in our recruitment processes and has determined that the risk of modern slavery or human rights issues are low based on the types of services we deliver are primarily professional services or services that require skilled trade labour. Risks would be more prevalent if Verbrec operated in other geographic regions or its scope of services was more suited to lower skilled labour activities where risks of modern slavery is more prevalent.

Some of our operations may have a higher level of risk where offshore labour is employed to provide professional or labour services either to one of our primary locations or to a client project site located in a developing country or emerging economy.

Risks in our Supply Chain

On a risk-based assessment approach, Verbrec considers the high-risk factors to its supply chain to be:

- Category of spend
- Materiality of the spend
- The level in which Tier 1 Verbrec Suppliers assess their own supply chain risks
- Whether the supplier directly supplies its goods or services from any of the high prevalence risk countries listed in the Global Slavery Index
- Whether the supplier indirectly supplies goods which are indirectly (whether deep in supply chain or from raw materials) sourced from any of the high prevalence risk countries listed in the Global Slavery Index

With reference to the nature of goods and services procured by Verbrec, we assess the following as higher risk categories:

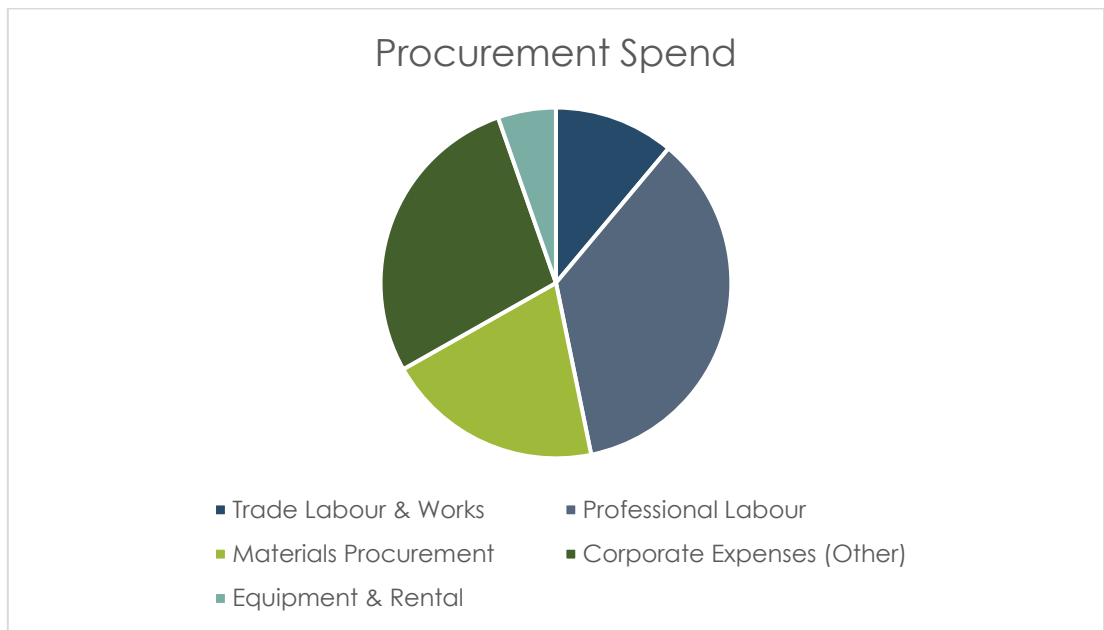
Materials Procurement

- The procurement of goods with componentry from various foreign manufacturing sources
- The direct manufacturing of materials directly from foreign entities
- The engagement of local / domestic fabrication and manufacturing (to the extent that the raw materials being used are of an unknown or high-risk nature)

Whilst the following we recognise as lower risk categories within our supply chain:

- Professional Labour
- Trade Labour and Construction
- Equipment & Rental
- Corporate Expenses (Other)

The following chart provides an indication of proportion of overall procurement expenditure with relation to each of the above categories.



Mandatory Criteria 4, 5 & 6:

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

Describe how the reporting entity assesses the effectiveness of these actions

Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)

Verbrec's Values

Everything we do is guided by the Verbrec Way. These values are the core of our culture across the Verbrec group of companies. We use them to structure our objectives, measure our performance, and hold ourselves accountable to our clients.



Safety

Zero harm, always.

Safety is a priority in everything we do to ensure zero harm to our team members, our clients and partners. Our safety culture is leadership-driven and backed up by comprehensive, robust, practical and ISO-certified systems and procedures.



Team Members

We value our greatest asset.

It is our people who deliver for our clients and who go the extra mile to meet their needs. We care for the needs of each other, as well as those of our clients and the communities in which we work.



Integrity

We are transparent. We do what is right.

Our integrity guides all our decisions and the way we interact with each other, our clients, suppliers and community. We pride ourselves on doing what we say we will do.



Innovation

Adding value by being a step ahead.

We constantly challenge ourselves to find smarter ways and better solutions for our clients: safer, lower cost, faster, lower risk and greater output. We work with our clients and measure ourselves on how much value our innovation adds.



Delivery

Quality. On time. On budget.

Providing outstanding service delivery is our mission. We hold ourselves accountable for delivering what we promised, when we promised it, and at the price we promised.

Verbrec's Commitment

Verbrec is committed to the Verbrec Way core value of integrity. We are transparent. We do what is right.

Our integrity guidelines guide all our decisions and the way we interact with each other, our clients, suppliers and the community.

Verbrec recognises that modern slavery and human rights risks may affect the locations in which we operate and deliver, our workforce, our supply chain and the industries that we service.

Verbrec is committed to minimising modern slavery and human rights abuse risks within its organisation and throughout its supply chain in conformance with the Modern Slavery Act 2018 (Cth) and guided by UN Guiding Principles, and endeavours to continuously improve its governance, controls and due diligence in addressing these issues within its organisation and supply chains.

Governance

Verbrec's Audit and Risk Committee which is made up of four non-executive directors of Verbrec Limited are responsible for governing risk and audit requirements throughout the business, including guiding and continuous review and improvements of policies related to modern slavery and human rights abuse risks within the Company and its supply chains.

The Managing Director and Company Secretary of Verbrec Limited and its respective subsidiaries are responsible for consultation with internal stakeholders within the business throughout the preparation of this document.

The Managing Director and Company Secretary attended the Board / Committee meeting where this Modern Slavery Statement was tabled for review and approved for release.

Due Diligence

In the previous reporting period, Verbrec committed to undertaking several actions to improve its assessment and measurement of modern slavery risks within the business.

Verbrec is committed in this reporting period, and those following to continuously improving and refining our due diligence processes to better assess, measure, control and

educate stakeholders with regards to modern slavery and human rights risks within our company and its supply chain.

The following section describes some of the progress made by Verbrec throughout the reporting period.

Local Procurement

Verbrec is an Australian owned and operated company. We believe that supporting local and indigenous businesses and communities is important to the long term economic, social and sustainable success of our company.

In line with this belief, Verbrec throughout the reporting period implemented a Local Industry, Community and Indigenous Participation Policy in support of the Australian Industry Participation National Framework.

Supply Chain

Verbrec consistently monitors its supply chain by requiring a comprehensive supplier prequalification process to be undertaken by its supplier-base to be added to its Approved Supplier List.

To extent that supplier is supplying goods of a higher risk category or high value, the prequalification assesses ethical procurement, modern slavery and content of supplier code of conduct.

In addition, Verbrec's Standard Terms and Conditions of Purchase and many of its subcontracts also require suppliers to commit to ethical procurement guidelines in line with Verbrec's own commitment and compliance with the Modern Slavery Act 2018 (Cth).

Whistle-blower Policy

Verbrec has amended its Whistle-blower policy to specifically address modern slavery, unethical procurement practices and human rights abuses.

Assessing Effectiveness

Verbrec are committed to continuous improvement across all its business processes, including those related to the identification, analysis and prevention of modern slavery risks. Measurement of performance against standards and procedures is undertaken by various departments including our People & Culture, Health, Safety, Environmental & Quality, Procurement & Contracts departments.

Additionally, we utilise several internal reporting methods to analyse and assess reports of modern slavery risks within the business including our internal improvements and non-conformances register, our enterprise risk register, whistle-blower reports and supplier prequalification's.

Mandatory Criteria 6 & 7:

Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)

Provide any other relevant information

Consultation

The Managing Director and Company Secretary of Verbrec Limited have consulted the Directors of each of Verbrec's subsidiaries in the preparation of this Modern Slavery Statement.

None of the subsidiaries individually meet the minimum criteria for a Modern Slavery Statement to be produced, such that no joint statement is required.

Various corporate departments were consulted and their input data and results analysed in the preparation of this report including People & Culture, Health, Safety, Environmental & Quality, Procurement & Contracts departments.

The Board of directors have approved this statement for release.

Future Actions and Commitments

Verbrec intends to undertake the following continuous improvement actions in the next reporting period:

Actions for the next reporting periods

RESPONSE CATEGORY	DETAIL / COMMENTARY
Risk Assessment Results	Verbrec intends to provide more detailed metrics gathered from its risk assessment results in the next period, including: <ul style="list-style-type: none">- Number of due diligence actions undertaken- Number of employees trained in code of conduct / modern slavery- Number of suppliers prequalified and number of suppliers rejected due to modern slavery risks
Training	Further rollout of training initiatives including leadership training in modern slavery risks
Client Assessment	Implementation of
Audit and Risk Committee Charter	The Audit and Risk Committee Charter will be updated to include in its duties the oversight of Modern Slavery risks.
Enterprise Risks	More comprehensive recognition of modern slavery risks in Verbrec's enterprise risk register which is a standing item for review at each Audit and Risk Committee Meeting



Verbrec Limited

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