

STATEMENT

CORP-LEG-STM-002

Modern Slavery Statement

This is Energy Power Systems Australia Pty Ltd's (EPSA) first statement for Modern Slavery as required by the Modern Slavery Act 2018 (Cth) and describes EPSA's current approach and policies with suppliers, and methods of implementing a robust plan to ensure that the risk of modern slavery does not encroach into the businesses supply chain.

EPSA holds a zero-tolerance approach to modern slavery in any form; this statement confirms EPSA's commitment and approach to modern slavery and associated human rights breaches.

It is recognised that there are certain areas more susceptible within EPSA's business model which may have the potential to increase the risk of modern slavery. EPSA's risk mitigation strategy includes using reasonable endeavours to allocate adequate resources and implement relevant procedures to safeguard its people and continually analyse the business's supply chain

EPSA realises that while the business cannot abolish slavery on its own it can monitor and engage with its suppliers and contractors to mitigate the risk of any modern slavery practices within its supply chain.

Company Overview

EPSA is the authorised supplier of Cat® engines, generators and power solutions in Australia, Papua New Guinea and the Solomon Islands. The Company was founded in 1992, and is headquartered in Melbourne, Australia. EPSA has 10 branches in Australia and one branch in Papua New Guinea.

EPSA provides Cat® products for all power generation requirements across all industries. EPSA is owned by the four Cat® machinery dealers in Australia (Shareholder Dealers). The Shareholder Dealers provide sales and service to Cat® products sold by EPSA.

EPSA also has a product support agreement with MWM GmbH for parts and service of MWM manufactured generators in Australia, Papua New Guinea and the Solomon Islands.

Cat® is owned by Caterpillar Inc. (Caterpillar). Caterpillar is a leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives with 165 independently owned Cat® dealers serving 191 countries.

EPSA operates in accordance with Caterpillar's strict dealer requirements, policies and procedures.

EPSA Supply Chain

EPSA recognises the latent risks within its supply chain and is continuously assessing risks that have the potential to harm people. On engaging with suppliers, EPSA will attempt to request they provide their policies and procedures in relation to modern slavery as part of the tender process and supplier continuity.

EPSA's supply chain includes:

- Mechanical and electrical components sourced from Caterpillar USA
- Mechanical and electrical equipment sourced from other regions including Europe and South East Asia
- Various Australian / New Zealand and Papua New Guinea suppliers / contractors support other regional purchases.

It is considered that the risk of modern slavery existing directly in the EPSA business is low, however there is potential that modern slavery could occur further down the supply chain.

Risk Assessments and Due Diligence

In accordance with the requirements of the Modern Slavery Act, and in the interests of ensuring EPSA's procurement approach is consistent with relevant laws and community expectations, EPSA will look to implement a new system that will require the majority of its major suppliers / contractors to register through an onboarding process and provide details on the following:

a) **Human Rights**

EPSA will request its major suppliers to conduct the necessary due diligence with their suppliers to ensure all human rights are protected throughout the supply chain, and that all human rights laws are adhered to.

b) **Conflict Free Sourcing**

EPSA will request its major suppliers to conduct the necessary due diligence over their supply chain to ensure that conflict free sourcing is maintained, and that responsible sourcing is validated.

c) **Health, Safety, Environment and Quality**

HSEQ is a priority for EPSA; supplier due diligence requires suppliers to submit their HSEQ policies and any relevant supporting system documents.

d) **Conflicts of Interest**

Significant internal and external EPSA stakeholders will be asked to declare, when necessary, whether there is any conflict of interest, or what the conflict is in order that the risk can be mitigated and managed.

e) **Fair Competition**

All EPSA stakeholders are treated on the same basis; competitive practices are based on price, quality, service and lead time, all stakeholders will be reviewed on this equivalent basis.

f) **International Trade Laws**

EPSA operates in accordance with the policies of the Australian Government and World Trade Organisation to support free trade between countries and the same is required from its suppliers.

g) **Diversity and Inclusion**

EPSA supports and implements a diverse workplace; it will require that its major suppliers promote a diverse workforce as well.

h) **Fairness and Discrimination**

All EPSA stakeholders are treated fairly and consistently; it will require that its major suppliers do the same.

EPSA's Policies

The prevention, detection and reporting of modern slavery in any part of EPSA's business or supply chain is the responsibility of all those who work for or on behalf of EPSA. EPSA employees are required to abide by the Employee Code of Conduct and the Corporate Social Responsibility Policy.

EPSA will request its major suppliers and contractors to;

- abide by the minimum wage requirements imposed by their respective governing laws / awards and to state how their employees are paid;
- where appropriate, provide appropriate living conditions for their employees;
- state their awareness of the Modern Slavery Act 2018 (Cth) and compliance with it;
- confirm they have policies in place to mitigate any risk associated with the use of slave labour;
- provide evidence of the level of due diligence they undertake of their own suppliers;
- allow EPSA to carry out its own enquiries and / or audits if required; and

- state whether they have previously been involved in human trafficking, debt bondage and any other acts of employee exploitation.

Supporting documents available to our suppliers will include but not be limited to:

- ESPA Supplier Code of Conduct;
- Anti-Slavery and Human Trafficking Policy;
- Supplier Handbook;
- Whistleblowing Policy; and
- Ethical and Sustainable Sourcing Policy.

Training

EPSA is committed to developing and implementing a training and awareness programme for key employees to address the risks associated with modern slavery, and how to identify and manage any such risks.

Employees responsible for onboarding suppliers will receive appropriate training in order that due diligence is carried out and that the supplier risk profile is completed and identified.

Supplier Engagement

Having developed a risk assessment framework for suppliers, EPSA will use reasonable endeavours to identify any issues with modern slavery practices, including taking appropriate remedial action where possible.

As part of this implementation, EPSA will commit to ad-hoc audits of its suppliers which may include site visits where possible, development of risk assessments and a supplier scorecard questionnaire in order to work transparently with its suppliers.

EPSA is committed to continual improvement and monitoring of its own practices and evaluation of its supply chain so that its legal and ethical obligations in respect of modern slavery are adhered to. EPSA will not knowingly engage with third parties who do not have safe working practices or who exploit human beings.

This Statement was approved by the board of EPSA on 24 June 2021

Signed



Chris Murray
Managing Director

24 June 2021