

# Beach Energy

## FY23 Modern Slavery Statement



*Main photo: Waitsia Construction, Perth Basin  
Sub photo: Enterprise Pipeline Construction, Otway Basin*

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## Reporting Criteria

For the purposes of the Act, the reporting entity is Beach Energy Limited.

### Reporting Entity:

Beach Energy Limited  
ACN: 007 617 969

### Registered office:

Level 8, 80 Flinders Street,  
Adelaide SA 5000

This statement covers all entities under Beach Energy Limited's group structure (controlled entities). A list of these controlled entities is available under the heading 'Subsidiaries' on page 109 of Beach's FY23 Annual Report, attached to this document. It does not cover our non-operated joint venture operations.



**Beach Energy** acknowledges the First Nations peoples of the lands on which we operate, live and gather and acknowledge their continuing connection to land, waters and community in Australia. We acknowledge the elders past and present for they hold the memories, traditions, culture and hopes of all First Nations peoples.

We acknowledge iwi and hapū as tangata whenua of the land on which we operate in New Zealand and, in particular, acknowledge the relationship with Ngāti Manuhikāi hapū as kaitiaki who exercise mana whenua and mana moana within their takiwā.



# Message from the Interim CEO



Modern slavery can be defined as when an individual is exploited by others, for personal or commercial gain. Whether tricked, coerced, or forced, they lose their freedom. Modern slavery continues to rise around the world despite global efforts, with 50 million people affected in 2021, compared to 40 million in 2016. This increase is driven by ongoing global impacts from geopolitical and economic crisis's.

Ensuring that Beach's supply chains and operations are not at risk of modern slavery is key to our company wide purpose to 'sustainably deliver energy for communities'. This year Beach has continued to focus on identifying and assessing the often-hidden risks of modern slavery, as part of our role in the global effort to end modern slavery.

With more than 1600 active suppliers across our assets with an aggregated spend of ~\$841m in

FY23, it is important as a business that we progress our approach to modern slavery, driving meaningful change in our processes and practices within the business.

Aligned with the *Modern Slavery Act 2018* this Modern Slavery Statement highlights the outcomes that Beach has achieved throughout FY23 to continuously improve our methodologies, policies and performance against company targets, to identify and mitigate risks across our supply chains.

In FY23 we have undertaken improvements such as extending our modern slavery training module to include onboarding our non-staff employees and expanding our operational assessment of suppliers within our supply chain to enhance the identification and management of risks. The next three-year road map targets will also be shared within this Statement and is inclusive of FY24-FY26.

Thank you for taking the time to review our progress for FY23 and we look forward to also sharing our progress against our new three-year road map next year.

**Bruce Clement**  
Interim Chief Executive Officer

December 2023

*This statement was approved by the board of Beach Energy in their capacity as principal governing body of Beach Energy Limited on 04 December 2023.*



Lang Lang Gas Plant, Victoria



# Our FY23 Highlights and Achievements

**In FY23, Beach focused on maturing and strengthening our processes, practices and policies related to modern slavery risk management and responsible sourcing.**

In alignment with our FY23-25 Roadmap we:

- Continued to engage and assess Beach's suppliers for potential modern slavery exposure, covering suppliers representing 94% of FY23 spend.
- Commenced detailed review of our Modern Slavery Training program (est. 2020) to ensure material remains up to date.
- Appointed the Contracts & Procurement Responsible Sourcing Manager.
- Maintained partnership with the Seven Group Holdings Modern Slavery Working Group.
- Expanded our internal Working Group with a wide-ranging contribution from our subsidiaries and departments.
- Commenced efforts to mature our risk framework, including:
  - Updating index references (e.g. Global Slavery Index),
  - Developing our Modern Slavery Procurement Procedure, and
  - Enhancing our supporting systems for risk assessments.
- Reviewed our future road map and key performance indicators (KPIs), to drive deep-dive risk identification and support our supply chain in modern slavery risk management for 2nd tier suppliers.

Further information on our roadmap is provided on [page 20](#).



Otway Gas Plant, Victoria



# Our business structure, operations, and supply chain

## Reporting Criteria 2

### Our Business Structure and Operations

Beach is an ASX listed oil and gas exploration and production company headquartered in Adelaide, South Australia.

Currently Beach operates onshore and offshore gas production in Australia and New Zealand with operations in the Otway, Bass, Perth and Taranaki basins. Beach also produces oil through various permits in the Australian onshore Cooper Basin. Our current operational activities include the production and processing of oil and gas; with associated activities involving seismic surveys, drilling wells,

and construction of access tracks, roads and drill pads, wellheads, processing facilities, pipelines, storage, and accommodation facilities. Exploration or production activities are often completed and managed via joint venture agreements where the counterparty operates on our behalf.

For more information on our operated and non-operated assets, refer to the [FY23 Annual Report](#) available as an attachment to this statement.

Beach will soon participate in international LNG markets through the export of its joint venture share of LNG from the Waitsia Gas Project Stage 2 in the

Perth Basin. The LNG Sale and Purchase Agreement (the agreement) was signed with BP Singapore Pte. Limited, which is a subsidiary of BP plc (bp). The agreement is that BP will purchase 3.75 million tonnes of Beach's forecasted LNG. The project itself will be operated by Mitsui E&P Australia (MEPAU).

Beach contributes to its local and regional communities through taxes, royalties, job creation, supporting local suppliers where possible and through investments in local infrastructure.

A key example of community involvement in FY23 was the continued contribution to Supply Nation,

non-profit organisation that helps First Nations-owned businesses to grow. Beach became a member in FY22 and has since contributed a total of \$972,000 to Indigenous suppliers in FY23 across Australia and New Zealand.

As of 30 June 2022, Beach had a total of 568 direct employees across Australia and New Zealand.



Perth Basin, Western Australia

# Membership of industry associations

## Beach is a member of:

- South Australian Chamber of Mines and Energy (SACOME),
- Australian Petroleum Production and Exploration Association (APPEA),
- Business for Societal Impact (B4SI),
- International Association for Public Participation (IAP2),
- Carbon Dioxide Cooperative Research Centre (CO2CRC),
- Future Energy Exports Cooperative Research Centre (FEnEx CRC),
- Australian Industry Greenhouse Network (AIGN),
- Supply Nation,
- Energy Resources Aotearoa,
- International Association of Oil and Gas Producers (IOGP), and
- Safer Together.

In addition to the above listed partnerships, Beach remains an active participant in the Modern Slavery Working Group of Seven Group Holdings. This working group meets quarterly and is a place to share insights, information and best practices.

It has proved to be a useful platform for rapidly distributing information about common suppliers and provides an opportunity to increase leverage on non-compliant suppliers through collaboration.

## Asset Portfolio



## Our operations

Beach operates production facilities in the Cooper/Eromanga and Otway Basins in South Australia, Otway and Bass Basins in Victoria, the Perth Basin in Western Australia and the Taranaki Basin in New Zealand.

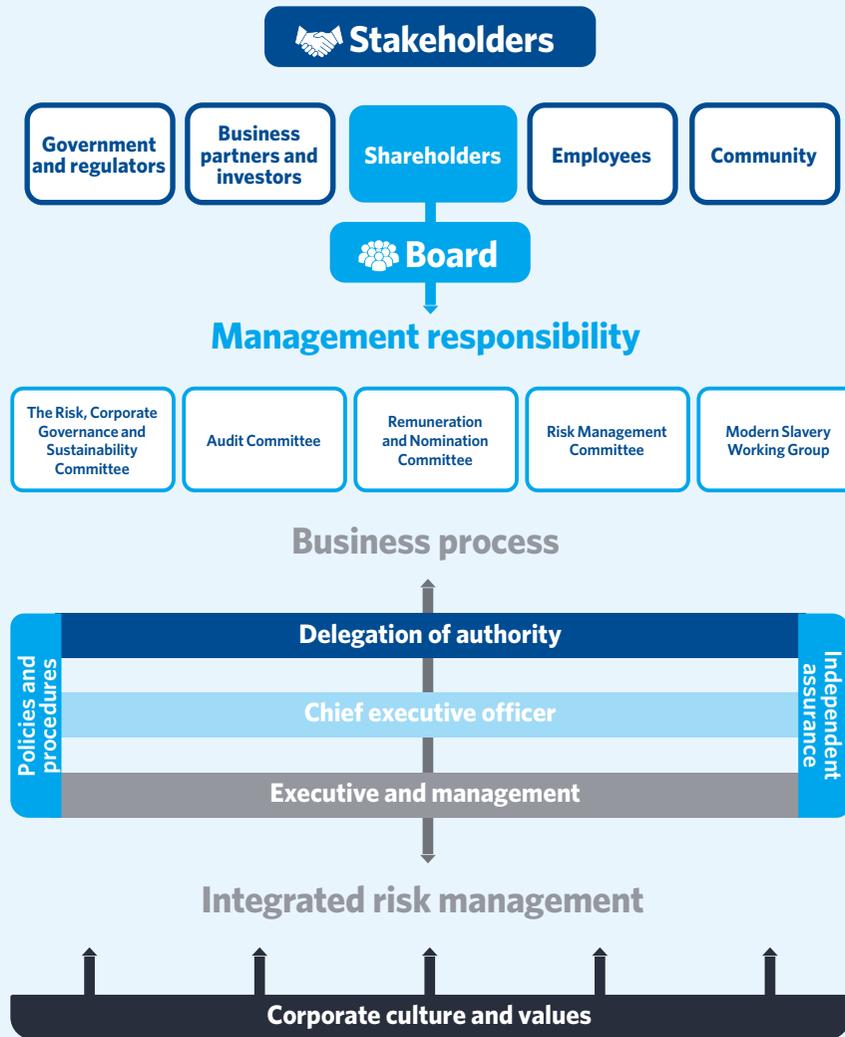
These operations are subject to the environmental approval processes of the respective governments in South Australia, Victoria and Western Australia and respective Commonwealth governments in

Australia and New Zealand. Beach's headquarters are in Adelaide, South Australia. Note that production at the Katnook Gas Plant was suspended in Q1 FY23.

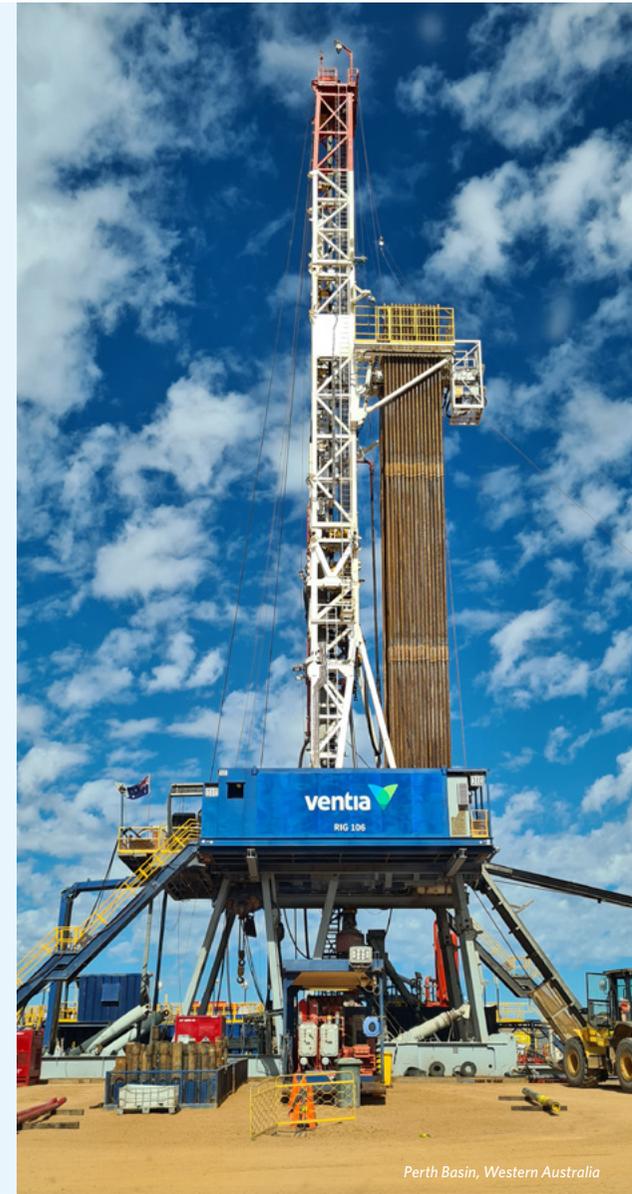
# Governance framework

Governance is also central to the success of our organisation. Overall business governance is the collective responsibility of board sub-committees.

Our approach to corporate governance in our most recent Corporate Governance Statement available at [our website](#). Our approach to corporate governance in our most recent corporate governance statement available on our [website](#).



Otway Basin, Victoria



Perth Basin, Western Australia

# Our supply chain

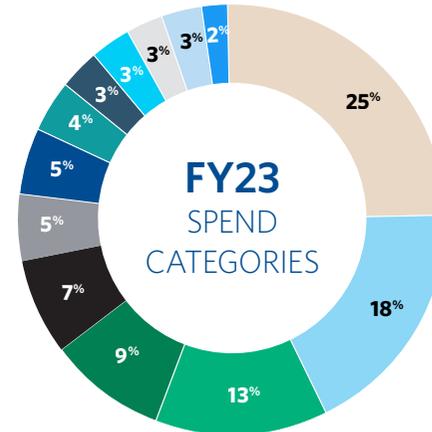
Beach continues to engage a diverse range of suppliers from established oil and gas companies to local family-owned businesses, located in Australia and other countries, for an array of goods and services.

In FY23, Beach had ~ 1,600 active tier 1 suppliers<sup>1</sup> across our assets and corporate services with an aggregated spend on ~\$841m.<sup>2</sup> Our supply chain data in FY23 shows:

- 90.0% of spend was with suppliers directly based in Australia as compared to 79.1% in FY22.
- Beach’s second and third biggest spend by country are New Zealand (5.7%) and United Kingdom (3.0%)
- Engagement with suppliers in the United States has decreased from 10.5% in FY22 to around 0.5% in FY23. This is largely due to the completion of a major drilling campaign during FY22 which used various major suppliers from the United States.
- Beach entered ~600 new contracts and have 1480 active contracts.
- Top-spend categories were, drilling and completions and wells interventions, corporate services, subsea, transport and professional services.

Primary supplier base in FY23	Spend
Australia	90.0%
New Zealand	5.7%
United Kingdom	3.0%
United States	0.5%
Singapore	0.2%
Canada	0.1%
Bermuda	0.1%
Netherlands	0.1%
Other <sup>3</sup>	<0.3%

**Table 1** Supplier expenditure across countries



**Figure 1** FY23 spend categories

- Professional Services
- Drilling/Completions/Wells
- Corporate Services
- Subsea
- Transport
- Energy & Fuels & Chemicals
- Construction Services
- Equipment (Electrical/Mechanical)
- Production Services
- Equipment (Tanks/Pipes/Consumables)
- Logistics & Warehousing
- Facility Services
- Exploration & Subsurface

## Beach’s Supplier Expectations

Beach’s Supplier Expectations, established in FY21, continues to outline our expectations for suppliers engaging with Beach that go above and beyond contractual terms and conditions, law and regulations, and Beach policy and procedures.

This document is proactively incorporated into our contract management with suppliers. The Supplier Expectations addresses:

- Health and Safety
- Labour and Human Rights
- Environment
- Communities
- Business Integrity (incl. Supply Chain and Whistle blower line)
- Technology and improvement
- Cyber Security

This document can be [accessed here](#).

Beach have also planned a “Supplier Day” to ensure full commitment towards the Beach Suppliers Expectations and commitment for transparent reporting of modern slavery information.

We continue to ensure appropriate contractual terms and conditions reside in our contracts, which includes the requirement for suppliers to maintain their own due diligence framework on modern slavery and to facilitate any audit requirements Beach may have.

<sup>1</sup> Primary suppliers are suppliers directly engaged by Beach.  
<sup>2</sup> Based on invoices paid from 1st July 2022 until 30th June 2023.  
<sup>3</sup> Consolidated spend across Norway, Canada, Bahrain, Malaysia, Luxembourg, Tanzania, Thailand, Italy was less than 0.1% of total spend.

# Risks of modern slavery practices in our supply chains and operations

## Reporting Criteria 3

### Supply Chain Assessment

Our Modern Slavery Risk Framework is informed by:

- UN Guiding Principles on Business and Human Rights (UNGPs)
- International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work
- Beach's Risk Management Framework

### United Nations Guiding Principles

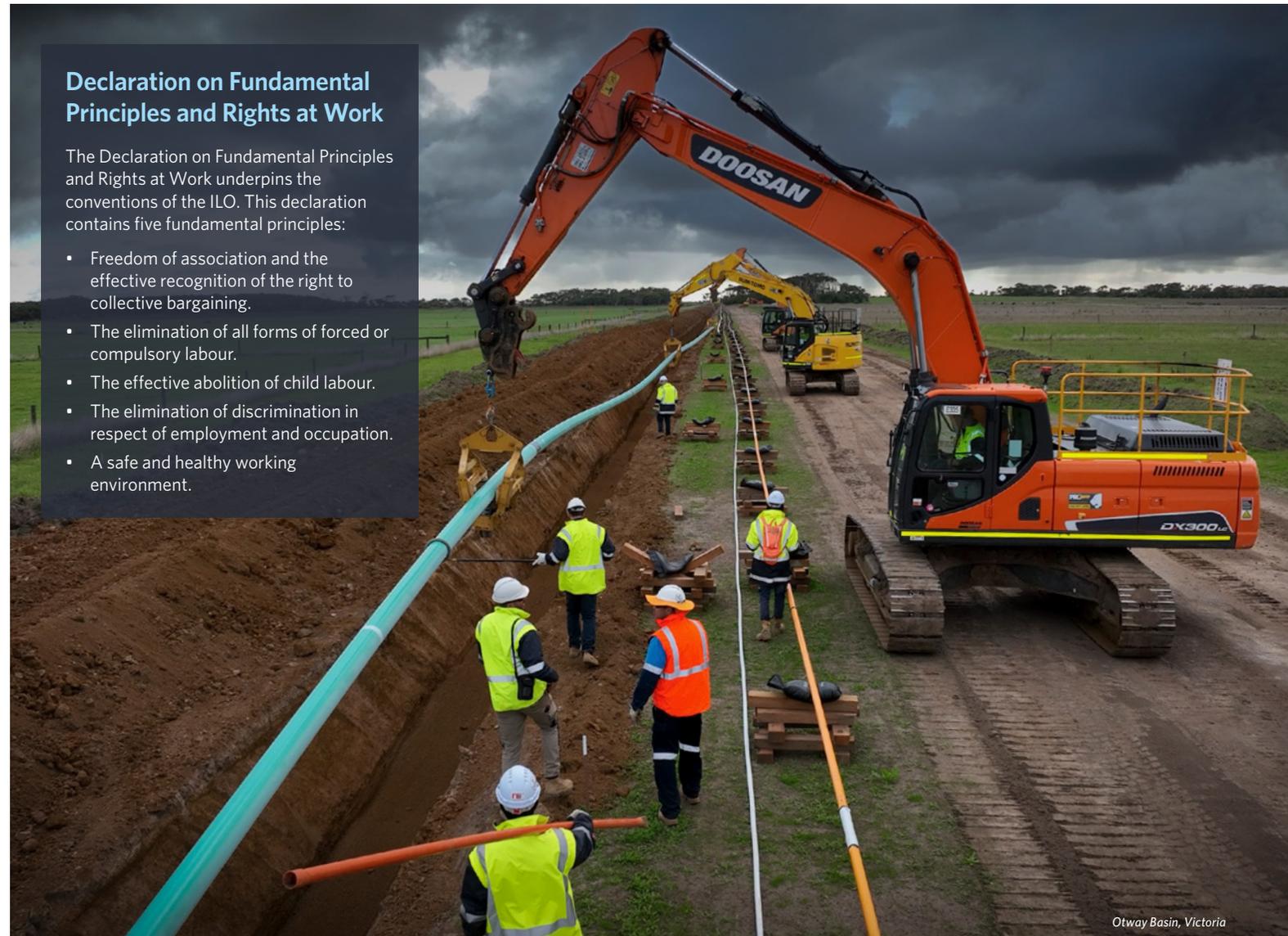
We acknowledge the role that we may play that our activities or omissions may have in modern slavery risks within our operations and supply chain. We apply the UNGPs continuum of involvement to understand our impact and guide our actions (or inaction) with our risk framework. We acknowledged and understand, in accordance with the continuum, that our activities or omissions may:

1. Cause a direct situation of modern slavery occurring;
2. contribute to modern slavery by facilitating or enabling another party to cause a direct situation of modern slavery; or
3. be directly linked to modern slavery by our operations and supply chain through a business relationship, such as procuring goods manufactured by workers in forced labour.

### Declaration on Fundamental Principles and Rights at Work

The Declaration on Fundamental Principles and Rights at Work underpins the conventions of the ILO. This declaration contains five fundamental principles:

- Freedom of association and the effective recognition of the right to collective bargaining.
- The elimination of all forms of forced or compulsory labour.
- The effective abolition of child labour.
- The elimination of discrimination in respect of employment and occupation.
- A safe and healthy working environment.



Otway Basin, Victoria

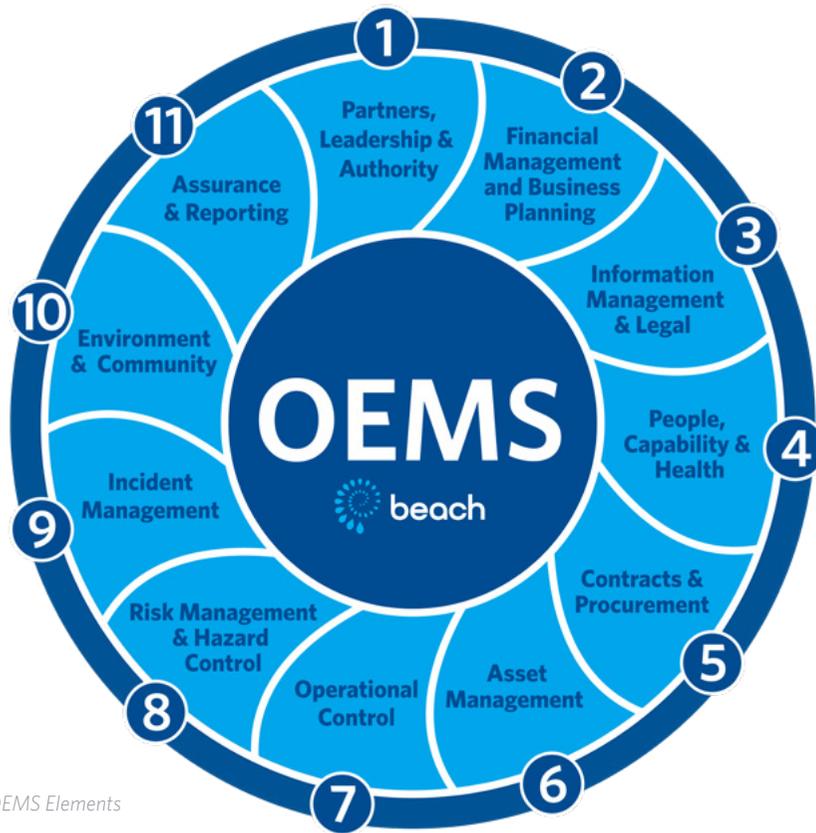


Figure 2 OEMS Elements

### Beach's Risk Framework

Beach's Risk Framework considers a wide range of risks to the business, with the framework and associated processes established to ensure that risks are proactively and effectively measured, managed, monitored and reviewed based upon ISO 31000:2018 and in accordance with the Beach Operations Excellence Management System (OEMS).

The OEMS is the company's framework which provides the basis by which it defines, aligns, standardises and implements company processes to manage risks and ensure successful outcomes in its operations.

The OEMS defines the minimum standards, expectations and behaviours that ensure the company operates successfully (operations excellence in all core business processes including Health & Safety, Production & Reliability, Financial & Stakeholder Management and Project Delivery). The OEMS applies to all personnel performing work within the company's jurisdiction.

The OEMS is comprised of eleven Elements that each represent groupings of related company activities/processes (shown in figure 2). Each Element is further broken down into one or more Standards - thirty in total - that describe a company activity/process in more detail. Consideration of human rights and modern slavery is included in our Sustainability Standard.

### Beach's Modern Slavery Risk Framework

Beach's Modern Slavery Risk Framework, informed by the frameworks discussed earlier in this section, applies the *Commonwealth Modern Slavery Act 2019: Guidance for Reporting Entities* high-risk indicators of modern slavery (Appendix 1, Table 6) in principal with minor changes to reflect its industry. These indicators are applied in conjunction of a range of indices to support our understanding of where modern slavery risk may be occurring.

These four principals, coupled with instances of actual modern slavery incidents, informs our understanding of where modern slavery risks may reside within our operations and supply chain, and produces a risk rating of low, medium or high to indicate the potential of modern slavery risk.

### Our Supply Chain

#### Supply Chain Modern Slavery Risk Assessment Process

Beach actively assesses modern slavery risk within our supply chain in two forms of assessment, hosted within our contracts and supplier management system:

- Rapid Risk Assessment - an internal desktop analysis applying the four high-risk indicators of modern slavery
- Beach's Modern Slavery Supplier Questionnaire - a deep-dive assessment against our framework that is actively review and verified by our Contracts and Procurement team

The Rapid Risk Assessment will produce a preliminary risk rating which, if the rating results in medium or high, will commence the more formal assessment within Beach's Modern Slavery Supplier Questionnaire.

This questionnaire requires suppliers to provide details about business structure, internal processes and policies, supply chain visibility (including tier 2 supplier locations), employee training, internal and external audit provisions and employee entitlements. Suppliers are also able and encouraged to attach supporting documents to verify their response.

Supplier responses are then analysed internally for potential modern slavery risks in their operations and/or supply chain.

High-risk Indicator	Governing Indices
Geography boundaries / Country of Risk	Global Slavery Index Transparency International Corruption Perception Index
Commodities / Spend Categories	US Department of Labour List of Goods produced by Child and Forced Labour Verite Force Labour Commodity Atlas
Entity Risk (such as poor governance and structure)	UN Guiding Principals on Business and Human Rights
Industry / Sector	OECD Sector-Specific Guidance

Table 2 Modern slavery high-risk indicators



Where required, Beach will utilise the system-based solution to verify responses by either seeking additional information or supporting information, or clarification from the supplier. Once verified, the assessment then goes through an approval process before being formally recorded.

Proactive due diligence and assurance activities are then developed specific to the responses in the questionnaire and are established with these suppliers if required.

With business value chains ever evolving, we address the fluidity through renewal of these assessments based on the risk rating assigned. These are renewed as follows:

- Low rating – Rapid Risk Assessment within 2 years;
- Medium rating – detailed questionnaire within 2 years; and
- High rating – detailed questionnaire within 1 year.

Assessments are triggered by either a procurement sourcing event, with the Rapid Risk Assessment residing directly within our tendering framework and award protocols, as well as an annual review of assessments completed for the financial year.

Contracts with Beach incorporate terms and conditions under which Suppliers need to provide Modern Day Slavery reporting and maintain due diligence practices within their supply chain.

### Beach's Supply Chain FY23 Risk Assessment

Following a review of the FY23 suppliers who had been risk assessed, Beach conducted Rapid Risk Assessments (employing framework on previous page) on the following tier 1 suppliers as part of our annual assessment activity. See table 3.

Of the suppliers assessed in our FY23 annual assessment activity, 74% of suppliers assessed were found to be low risk under the Rapid Risk Assessment, with the remaining 26% rated medium or high risk. These suppliers progressed to Beach's Modern Slavery Supplier questionnaire for a deep-dive assessment and verification process.

### Beach's Supply Chain Risks

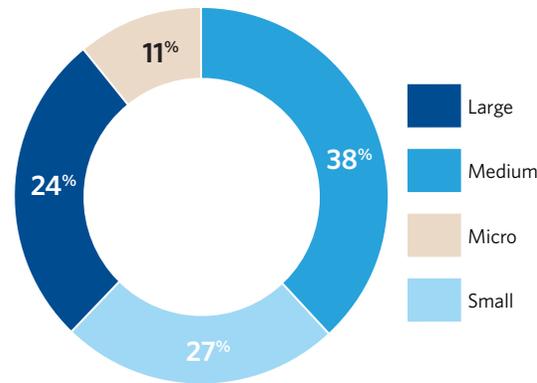
The cumulative risk assessments completed with our supply chain increases our visibility to those suppliers we engage with and builds our transparency in alignment to the UNGP continuum of involvement.

The addition of the FY23 annual assessment cycle selection of suppliers builds this visibility, noting we have now assessed 100% of our suppliers within spend categories 1, 2 and 3 (based on FY23 spend) since commencing modern slavery supplier risk assessments in 2020. Together with the selection of spend category 4 suppliers in high-risk sub-categories, the total risk assessments completed by Beach since 2020 represents 94% of our annual spend (based on FY23 addressable spend).

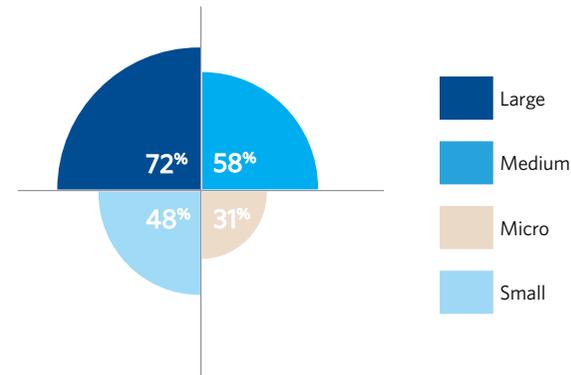
We further assess these cumulative results with a focus on each of the high-risk indicators within our modern slavery risk framework.

Spend Category	Spend Level Description	Criteria for FY23 Supplier Engagement with Questionnaire
1	All suppliers with an aggregate annualised spend over \$1m AUD	All suppliers without a previous risk rating, within the designated spend categories.
2	All suppliers with an aggregate annualised spend between \$500k and \$1m	
3	All suppliers with an aggregate annualised spend between \$250k and \$500k	
4	All suppliers with an aggregate annualised spend between \$100k and \$250k	Suppliers in top 6 high-risk sub-categories, per Beach's Modern Slavery Risk Framework: <ul style="list-style-type: none"> <li>• Facility/Camp Management and Civils</li> <li>• IT</li> <li>• Chemicals</li> <li>• Marine</li> <li>• Equipment</li> <li>• Waste Management</li> <li>• Logistics and Warehousing</li> </ul>
5	All suppliers with an aggregate annualised spend under \$100k	N/A

**Table 3** Spend Categories by aggregate annualised spend



**Figure 3** Business size by primary suppliers



**Figure 4** Training provided by business size

### Industry / Category considerations

Beach engages suppliers of all sizes<sup>1</sup> and industries that employ both high and low-skilled labour. Complex supply chains with multiple tiers can drive a lack of visibility that results in potential for modern slavery to be occurring out of sight. Beach actively acknowledges this risk, noting that 43% of our tier 1 suppliers noting that they do not maintain supply chain visibility at a minimum of their 1st and 2nd tier suppliers.

Large and medium-sized businesses have greater resources and more mature business processes whereas small and micro-sized businesses are less likely to have robust processes. The sizes of our tier 1 suppliers are shown in figure 2. While maturity of modern slavery processes may vary between suppliers and accessibility to resources, we note that all Beach's tier 1 suppliers confirmed compliance with the United Nations International Labour Organization (ILO) conventions relating to worst forms of child labour, hazardous child labour and minimum age for work.

Certain industries may have high modern slavery risk due to industry characteristics, products and processes. Our high-risk categories are informed by both the US Department of Labour List of Goods Produced by Child and Forced Labour and the Verite Force Labour Commodity Atlas, as shown to the right, and identified 61% of our tier 1 suppliers' primary goods and services are within these high-risk categories.

The engagement method of high-skill and/or low-skill labour can also complicate the visibility within a supply chain. The indirect engagement methods, such as seasonal/contracted personnel and personnel from agencies, labour brokers and outsourced labour companies, limits potential identification of modern slavery, particularly with the global span of the supply chains. This limitation accounts for 25% of Beach's tier 1 suppliers, with 22% of personnel being seasonal contract workers, and 4% of personnel engaged via a labour broker and/or outsourced labour.

### Categories at-risk

- Ad-hoc building services and facilities maintenance
- Civil works and Construction
- Contingent Workforce
- Engineering Services
- Equipment Hire
- Equipment, Parts & Consumables
- Facility / Camp Management
- IT Services
- Lubricants and Chemicals
- Marine Transport
- Traffic Management

### Entity/Workplace Considerations

#### Supplier workplace conditions

Over 97% of our suppliers have indicated that they provide their employees with a written contract in a language they understand, where terms of employment and/or contractor engagement (if applicable) including wage rates and hours of work are clear, (ensuring minimal requirements, such as rates, within the relevant jurisdiction are met). This is an uplift from 96% reported in FY22.

Additionally, 100% of our suppliers have stated that their employees received all legal entitlements due, including a supporting pay slip.

We have seen an uplift in suppliers providing modern slavery training to their personnel, from 48% in FY22 to 56% in FY23. The most notable increase has been from small business. Refer diagram below for further detail on how business size compares to training programs.

<sup>1</sup> Australian Bureau of Statistics (ABS) defines business size by employee population as follows: Micro - 4 and under / Small - 5-19 persons / Medium - 20 - 199 persons / Large - 200+ persons

### Suppliers' modern slavery framework

Through checking that our suppliers maintain a robust modern slavery program, we are able to determine where modern slavery may be hidden within our supply chain, and where to focus our efforts to increase the transparency of that supply chain.

We continue to see our primary large suppliers maintain a strong modern slavery management and responsible sourcing program, with an average 96% of suppliers all holding a modern slavery policy/procedure, due diligence framework, and responsible sourcing auditing and/or certification.

As expected, smaller organisations have less mature frameworks to manage modern slavery. This may be a result of limited resourcing, level of exposure to modern slavery occurrences and/or reporting requirements, or smaller value chains often localised. This is confirmed through supplier responses received from our tier 1 micro suppliers, where we saw a trend of micro suppliers holding a modern slavery policy/procedure may be in place but not a supporting due diligence program.

The same trend applies to those suppliers who undertake checks to ensure child labour is not being used within their operations or supply chains. While on average 77% do take the checks, this is lead primarily with 93% of large primary suppliers compared to 62% of micro primary suppliers completing this check.

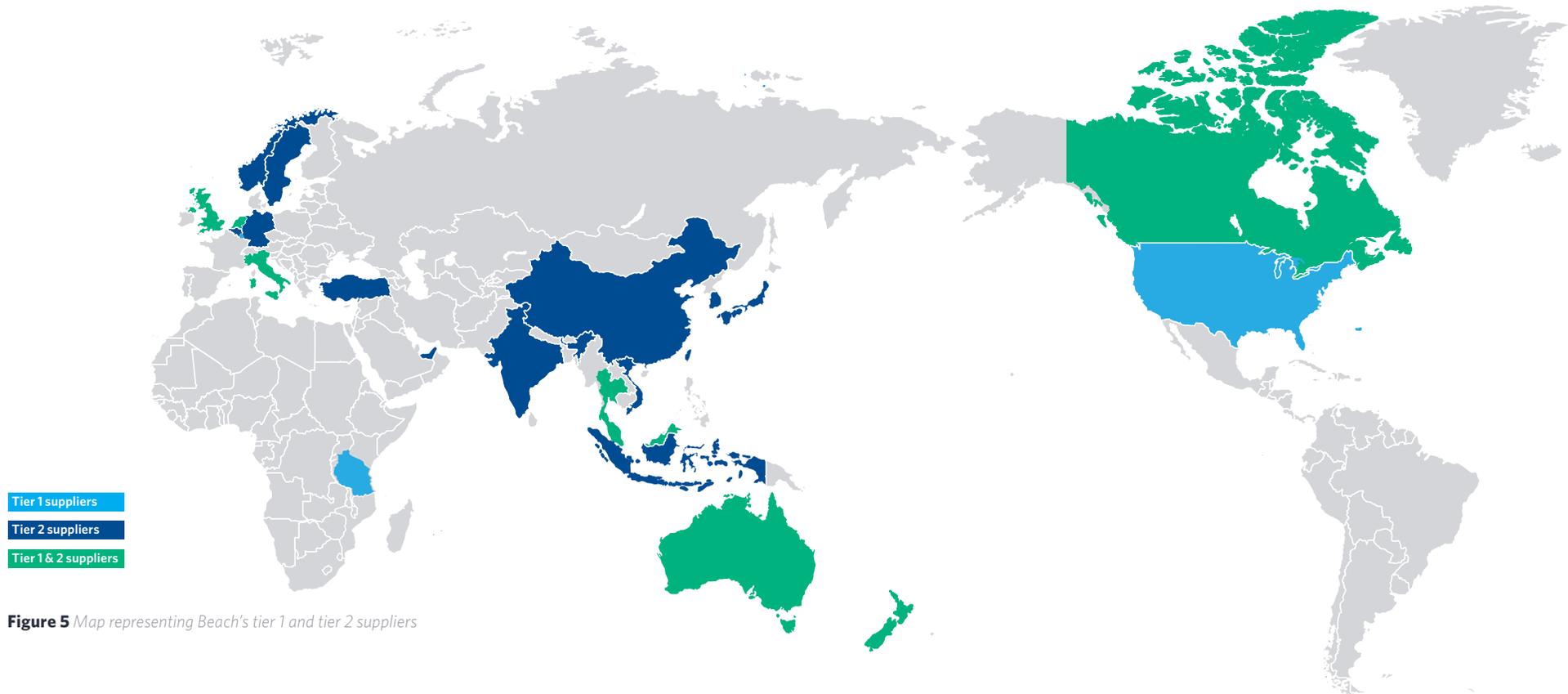
This trend in maturity of modern slavery program highlights the need to partner with our suppliers, to provide resources and guidance and assist in the development of their own modern slavery programs, thereby improving the overall supply chain visibility for all parties.



Taranaki Basin, New Zealand

Business size	MS Policy/Procedure	MS Due Diligence Program	Responsible Sourcing Program	Average overall
Large	100%	96%	93%	96%
Medium	76%	64%	73%	71%
Small	63%	38%	62%	54%
Micro	59%	56%	66%	60%

Table 4 Spend by business size



**Figure 5** Map representing Beach's tier 1 and tier 2 suppliers

### Supply Chain Geography

As per the Global Slavery Index (2018), modern slavery risks can vary depending on the country from which goods and services are procured.

In reviewing our supply chain geography from both a direct expenditure and supplier questionnaire, we can see that there are countries deemed high-risk of modern slavery that otherwise would not have been visible prior.

This highlights the need to continue a deeper supply chain analysis, as current analysis and assessment only drives down to the 2nd tier of suppliers.

### Tier 1 Suppliers - By FY23 Direct Spend

According to this Index, the majority of Beach's expenditure (99.91%) is occurring in countries that are considered to be low-risk countries for modern slavery.

Beach's primary suppliers, by FY23 spend, are situated across 15 different countries globally with majority of the primary suppliers (1243 suppliers out of 1635) located in Australia, which is home to more than 90.1% (an uplift of FY22 spend being >79%) of our primary spend. Approx. 9.8% of expenditure is with suppliers in other low-risk countries such as the United States, New Zealand, Singapore, the United Kingdom, Bermuda the Netherlands, as shown above.

The remainder of Beach spend (0.1%) has occurred in high-risk countries like Tanzania, Malaysia and Thailand. This is an increase in expenditure by 0.08%, and is attributed as follows:

- Malaysia - seismic data services and Asia-based geoscience conference
- Thailand - Single supplier supplying OEM spares
- Tanzania - ongoing legal and consultancy services in Tanzania, related to the Beach entity in that space.

### Tier 2 suppliers - By Supplier Self Assessments

As part of the Beach's Supplier Self-Assessment Questionnaire, suppliers are required to outline their top two primary countries they source from

(being our 2nd tier suppliers) (which may or may not be related to Beach business). In applying the Global Slavery Index (2018) to this data, we can identify that 2.67% of assessed suppliers are sourcing from countries deemed high-risk:

- India and Indonesia (0.8% of responses) - Installation and commissioning services
- Malaysia (0.8% of responses) - subsea services, maintenance services
- Thailand (0.4% of responses) - chemical supply
- Turkey (0.4% of responses) - specialist services
- Viet Nam (0.4% of responses) - material handling

## Operational Assessment

Most of Beach personnel are employed directly or through reputable contract staffing companies.

This means that most employees are engaged on employment terms and conditions, which are set out in contracts of employment regulated by Australian and New Zealand employment laws.

Beach has one subsidiary situated in Tanzania (a high-risk country according to the Global Slavery Index), however this has little to no operations in the area. We continue to work towards exiting the area.

The risk of modern slavery in direct and contracted employees is considered low when applying our risk

framework. Robust policies, grievance mechanisms, training, and ongoing monitoring mitigate the risk of modern slavery in Beach's operations.

Beach recognises that the risks are greater in some other jurisdictions including, Thailand, Bahrain, Malaysia, India and Tanzania. While the nature of

the goods and services from these jurisdictions are usually present a low risk and low volumes, Beach realises the higher geographical risk and consider this during risk assessments a monitoring.



Taranaki Basin, New Zealand



# Actions we have taken to assess and address risks of modern slavery practices

## Reporting Criteria 4

In FY23, Beach maintained its focus on further understanding modern slavery risks in our supply chain. We have worked to mature our approach to conducting due diligence with suppliers with greater exposure to the risk of modern slavery in their supply chains.

### Beach's Human Rights and Modern Slavery Framework

Our [Human Rights Policy](#) is in line with the *Modern Slavery Act (Cth) 2018* and informed by the United Nations Guiding Principles on Business and Human Rights (UNGPs). It provides the basis on which Beach is transparent in its approach to all human rights issues, handling of modern slavery and employee rights within our operations and supply chain. Further detail on our strategy can be found within our most recent Human Rights Policy.

A further level of our management approach of modern slavery includes an internal Modern Slavery Working Group, who's purpose of this group is to monitor targets/KPIs set for the reporting year, stay across data and developments related to modern slavery in our supply chains and workforce, and develop the annual Modern Slavery statement.

Other Policies that support our Human Rights Policy include:

- Diversity and Inclusion Policy,
- Community and Stakeholder Engagement policy
- Aboriginal Engagement Policy
- Whistleblowing Policy, Sustainability Policy

- Health and Safety policy
- Business Practices and anti-bribery and corruption Policy

### Maturing our responsible sourcing framework

Our framework on responsible sourcing continues to evolve and mature, with an increased focus on ESG including modern slavery and human rights.

Beach is currently developing our Modern Slavery Procurement Procedure, which will provide specific guidance and process on:

- document existing risk framework process identifying and assessment of modern slavery risk in our supply chain in accordance with the broader Beach modern slavery risk framework;
- outline guidance on appropriate due diligence approaches based on the ratings and specific findings of an assessment; and
- how to escalate actual incidences of modern slavery within our supply chain.

This procedure will also be supported through maturing our existing system-based solution to introduce additional verification of data and live data links to key indices/incidents for real-time notifications.

Additionally, our indices guiding our risk framework are currently being revised to reflect updated data, such as the Global Slavery Index.

### Appointing a Responsible Sourcing Manager

Responsible sourcing is the business practices we embed and adhere to when we are procuring goods and services, with a specific focus on environmental, social and corporate governance (ESG) considerations. We recognise that our sourcing decisions can influence progress towards several SDGs, including SDG 8.1 Sustainable economic growth, SDG 8.3 Promote policies to support job creation and growing enterprises, SDG 8.7 End modern slavery, trafficking and child labour, and SDG 12.7 Substantially reduce waste generation.

As outlined in our FY22 Road Map and planned activities, Beach has appointed a Responsible Sourcing Manager who resides in the Contracts and Procurement function in FY23. Forward planning to enhance and embed responsible sourcing procurement practices is in development, which will focus on:

- Modern Slavery and human rights;
- Indigenous engagement and local content;
- Emissions management and stewardship; and
- Supplier qualification, with an emphasis on sustainability matters.

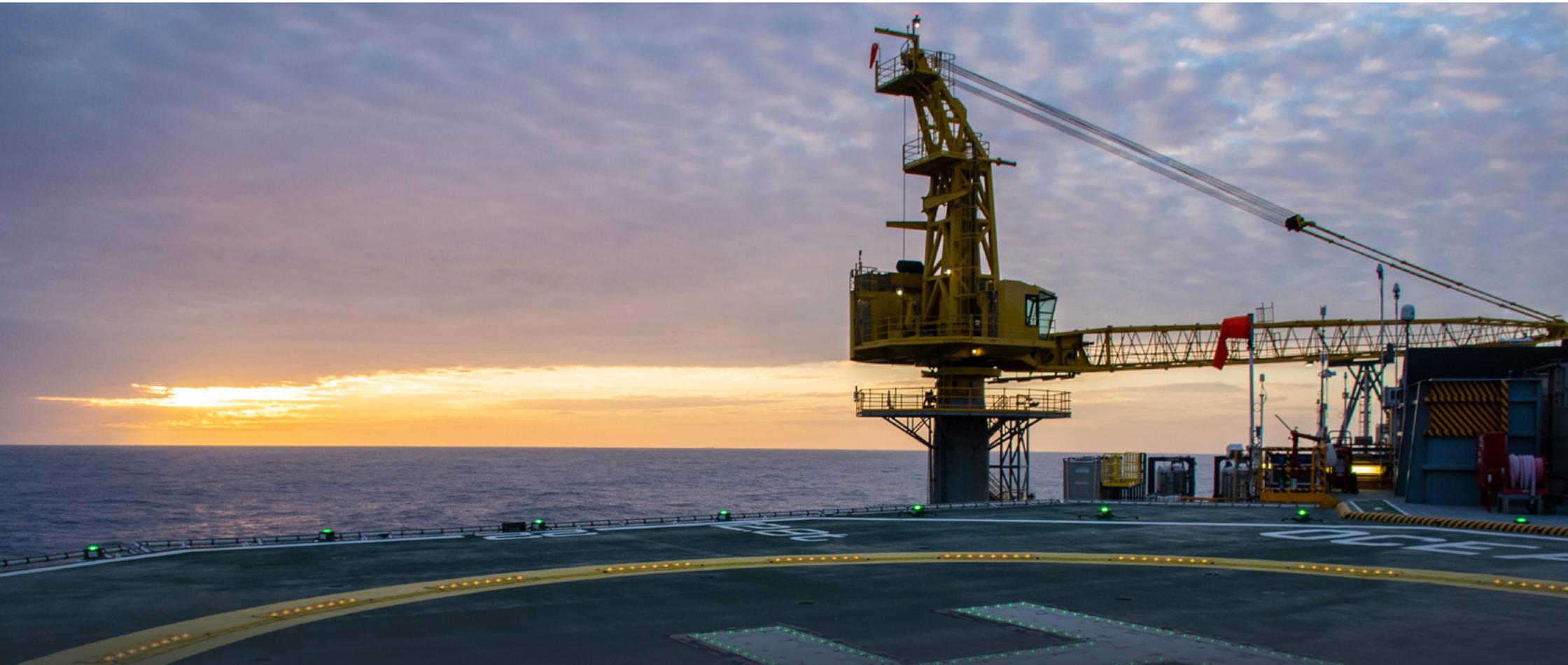
### Supplier Due Diligence

As an organisation with complex international supply chains, Beach is exposed to human rights risks. We monitor our exposure to human rights and modern slavery risks using a combination of external research, new supplier screening, supplier due diligence programs, and supplier and supply chain worker feedback mechanisms.

Following the completion of our FY23 desktop assessment as part of our annual Rapid Risk Assessment of suppliers, we are currently undertaking further assessment for those suppliers with a preliminary rating of medium or high through the formalised Supplier Self-Assessment questionnaire, where we will review and verify responses and develop due diligence programmes per supplier based on their response.

We continue efforts on establishing on-location third party auditors to supplement our FY23 audit program. These will physically audit suppliers in high-risk locations and/or subcategories as described on [page 9](#) and must be competent in understanding human rights issues, local cultural awareness, and industry knowledge of the supplier.

At the time of drafting this statement we have completed market research into the capabilities and potential services offered by third party auditors, and we are proceeding to develop a scope of work for market engagement with suitable organisations.



## Training

Education and training are key to addressing the risk of modern slavery and Beach recognises the need to build the capability of our personnel to help them identify, mitigate and remedy modern slavery risks within our supply chain and operations.

Commencing in FY22, Beach provided online training on this topic to all new starters, including contingent workers. These employees are required to complete the modern slavery training module as part of their induction process, with a 24-month retraining cycle.

A total of 560 employees and contingent workers have completed the Modern Slavery training (based on active employees as at 30 June, 2023). This equates to approximately ~82.5% of staff to date.

A review of current processes associated with training and onboarding of this workforce is in progress at present, with any gaps/recommendations and opportunities to be identified by 30 June 2024.

## Remediation

In addition to our processes to find and mitigate modern slavery in our supply chains and operations, Beach encourages all personnel to report instances, or suspected instances, of modern slavery.

Employees, contractors and third parties continue to have access to mechanisms to help them raise grievances and report any concerns regarding modern slavery, human rights violations or other illegal conduct to their manager. There is also provision under the Beach [Whistleblower Policy](#) to make an anonymous report by a variety of means.

No modern slavery related grievances or reports were received in FY23. Where instances of modern slavery are reported, Beach will work with our stakeholders to remedy adverse human rights impacts.

# Assessing effectiveness of actions

## Reporting Criteria 5

Beach has established key performance indicators (KPIs), as defined in our previous statements, to track our performance and assess the quality and effectiveness of our actions to address modern slavery. As we are maturing, we are refreshing these KPIs and will transition to these new KPIs for future assessments and reporting.

### Suppliers assessed for modern slavery risk

Our suppliers are categorised into spend categories as described on [page 8](#). Suppliers in spend categories 1-4 are assessed for modern slavery risk; in FY23, this cohort represents 94% of our spend.

We are committed to assessing all suppliers in tiers 1-4 according to our modern slavery risk framework. In FY23 our target was to assess 100% of these suppliers. We achieved 100% against suppliers within spend category 1, 2 and 3, however overall we have achieved 89.9% due to outstanding spend category 4 suppliers, which includes 28 suppliers engaged in high-risk categories. These 28 suppliers have been prioritised for assessment first, before the remaining suppliers in spend category 4 are assessed.

### Modern slavery training

In FY22, we implemented the modern slavery training module as part of the onboarding process for all Beach staff. During FY23 we worked to ensure direct employees remained up to date with the training. In the philosophy of striving for continuous improvement, the training content is being reviewed to ensure that it is up to date and suitable for Beach’s future needs, expanding the roll

out of service providers training and e-learning for suppliers. We will also consider if the current two-year training ‘refresh cycle’ is appropriate. For more details see [page 17](#).

### Enhanced risk assessment

In FY23, 8% of direct suppliers were subject to an enhanced risk assessment. Beach undertakes this additional level of scrutiny for all suppliers meeting defined criteria in our modern slavery risk framework. As we undertake this in response to our findings, we do not set a forward target.

Beach anticipate that as suppliers improve their response to managing the risk of modern slavery, this number will reduce, and we are committed to working with suppliers to improve their processes. We expect Beach and our suppliers to practice continuous improvement in this area, similar to that discussed in Reporting Criteria 4.



### Key performance indicators

Key performance indicators	FY23 target	FY23 result
Suppliers assessed for modern slavery risk in spend categories 1, 2, 3 and 4	100%	89.9%
Employees with current modern slavery awareness training	90%	-82.5%

Table 6

King Island, Tasmania

# Consultation with Beach owned entities

## Reporting Criteria 6

We are continuing to develop and mature our consultation approach in order to better assess risk across our workforce and supply chain in FY23.

This Statement covers all entities under Beach group structure. A list of all controlled entities is available under the heading 'Subsidiaries' on page 109 of the [FY23 Annual Report](#).

These entities are covered by Beach's OEMS, our management system, within which all standards, procedures and systems exist including those relating to Contracts and Procurement, Health and Safety and Human Resources. The controlled entities all operate under the direction and governance of Beach.

Beach also has a cross-functional working group that prepares the statement and has members in all areas of operation inclusive of Perth, Adelaide, Melbourne, and New Zealand; and are within the Sustainability, Contracts & Procurement, Legal and Corporate Affairs functions. The group meets monthly to collaborate on matters relating to modern slavery, inclusive of entity consultation and consideration of risks, measurements, actions and statement preparation. Management and Executive also provide review, contribution, and approval of the statement.



# Modern slavery action roadmap

## Reporting Criteria 7

### Modern Slavery Action Roadmap and Key Performance Indicators

Beach's Modern Slavery Working Group maintains a commitment towards continuous improvement

within the work we undertake. As part of this commitment, and the growing maturity of our modern slavery framework, the working group has refreshed our road map to provide further depth and direction over our FY22 commitments.

#### Action roadmap FY23-FY25

	Status	
	Start of FY23	End of FY23
Further embed the modern slavery training module across Beach, including a review of the onboarding process for supplementary workers, suppliers, and consultants	●	●
Expand the scope of our Contracts & Procurement team, with a dedicated focus on responsible sourcing which includes consideration of human rights issues	●	●
Build collaboration with industry groups and key stakeholders	●	●
Establish a process for engaging a third party to conduct modern slavery specific assessments at suppliers/sub-suppliers locations (nationally and overseas)	●	●
Strengthen our internal modern slavery working group by including members from wider business groups such as Operations, Human Resources and Assurance.	●	●
Expand Beach's operational assessment to enhance the identification and management of modern slavery risks within our operations, both directly, working with groups such as employees, contractors, service providers or indirectly, via sub-contractors or sub-sub-contractors	●	●

● Achieved ● Commenced ● Planned to commence in FY23



Perth Basin, Western Australia

# Modern Slavery Key Performance Indicators

Beach's working group has reviewed the KPIs that have applied during FY20-23 and have reset these for FY24-26 to align with the ongoing development of Beach's modern slavery framework and practices.

## FY24-FY26 KPIs

Theme	KPI
Identify/Assess	Maintain 80% supplier assessments against suppliers assessed in top spend categories
	Maintain 60% supplier assessments within spend level 4 (\$100k-\$250k per annum) by high-risk subcategories
Capability / Training	Ensure 90% of employees maintain training including 2 year renewals
	Training provided to Service Providers (to commence on the implementation of training capability)
Mitigate / Business Framework	Formalise modern slavery framework within the Modern Slavery Procurement Procedure
	Third party auditing of suppliers at premises (to commence on implementation of third party auditing capability)
Remediate / Grievance mechanisms	Instances of modern slavery within our operations and supply chain
	Ensure 100% of concerns raised using our grievance mechanisms are investigated and actioned
Collaborate	Maintain 80+% participation in key groups related to modern slavery, including the Seven Group Holdings Modern Slavery Working Group



Perth Basin, Western Australia



## Modern Slavery Statement

Published December 2023

### Ways to contact Beach for modern slavery concerns

Beach are committed to promoting a culture of ethical conduct through the protections offered within our [Whistleblower Policy](#). As stated within the policy, protections are applicable to company directors (former and current), officers, employees, contractors, sub-contractors or associates and families of those persons.

If anyone wishes to make a complaint this can be done via a report to any of the following internally:

- Reporting and Protection Officer (Company Secretary)
- The Company Review Panel or member thereof
- The persons manager
- The Board (if none of the previous avenues are appropriate)

For external complaints, as per the policy, a report can be made to Beach's Reporting and Protections Officer (Company Secretary) by post to Beach Energy Ltd, Level 8, 80 Flinders Street, Adelaide SA 5000 (marked to the attention of the Reporting and Protection Officer and as URGENT and CONFIDENTIAL).



**Beach Energy Limited**

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ACN 007 617 969

