



Savanna Energy Service Pty. Ltd
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Savanna Energy Services Pty Ltd

Modern Slavery Statement - FY2020

30 June 2021

Modern Slavery Report 2020

This modern slavery statement is made pursuant to the Modern Slavery Act 2018 (Cth) (the Act) by Savanna Pty Ltd, ABN 16 140 172 756 (Savanna), the Reporting Entity, and covers our activities during the reporting period ended 31 December 2021.

This is the company's first modern slavery statement under the Act and sets out the actions taken to assess and address modern slavery risks in our operations and supply chains.

About Savanna

Structure

Savanna is a registered Australian proprietary company under the *Corporations Act 2001* (Cth) with a head office in Toowoomba, Queensland, Australia.

Savanna is wholly owned subsidiary of Total Energy Services Inc, a publicly listed company registered in Canada.

Operations

Savanna operates a range of hybrid coil tubing rigs, smart service rigs, ultra-light rigs and heavy multi-service workover rigs, that are contracted to a variety of clients in the oil and gas industry. The rigs incorporate smart technologies using programmable logic controls and proprietary technologies to achieve exceptional performance.

Savanna provides services to various onshore projects primarily in Queensland. We have 340 employees and generated \$115 million in revenue (AUD) in FY 2020.

Supply Chain

Savanna's supply chain predominantly sources goods and services for use in our operations. Goods and services are procured from approximately 300 suppliers of which the majority are based in Australia. Approximately 85% of the procurement spend is attributable to suppliers of which 90% by value are sourced from companies in Australia, followed by 10% from companies based in Canada or the United States.

Savanna's largest spend categories are equipment, transportation, logistics and materials. The supply chain expenditure can be divided into two categories:

- the supply of equipment for upgrading and maintenance of the rigs; and
- the supply of consumables such as:
 - fuel;
 - transport;
 - protective clothing;
 - spare parts and piping to support our rigs; and
 - various oils, greases and drilling fluids.

Risks of modern slavery

As Savanna is a service company that only operates in Australia, there is a relatively low risk of causing, contributing to or being directly linked to modern slavery practices. However, recognising that Australia is not immune to the risks of modern slavery Savanna performs a risk assessment of our supply chain. Further, Savanna operates in accordance with a policies on modern slavery, conduct and ethics.

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The greatest supply expenditure is the periodic upgrading of our rigs, which were manufactured by companies based in Canada. The second largest portion of our supply expenditure is on consumables to support maintenance activities. These consumables include such things as drilling fluids, fuel, coil tubing and general spare parts. These products are supplied from various countries, including Australia, Canada, USA and China. Savanna conducts due diligence including pre-qualification checks and capability assessment on all suppliers and key suppliers are engaged under contractual arrangements and continuously monitored through supplier performance meetings to mitigate risks of modern slavery.

For products such as drilling coil and other specialised drilling equipment, the risks of modern slavery at a direct supplier or manufacturing level are relatively low, as these products are highly specialised, requiring a high amount of engineering expertise and are typically supplied to the global Oil and Gas industry. Suppliers of specialised goods are less likely to engage base employees, who are at a higher risk of being exposed to poor employment conditions.

Our workforce is subject to the requirements of the *Fair Work Act 2009* (Cth) (governing wages, hours of work and conditions). Savanna's control framework and governance policies, including its Modern Slavery Policy and Code of Conduct and Ethics Policy, educate employees and help protect against modern slavery.

Actions taken to assess and address risks

To evaluate the risk of modern slavery in our supply chain, we have endeavoured to extend our understanding of modern slavery risks across our operations and our tier one, two and three suppliers, particularly where we have limited visibility over where those suppliers source materials.

During the reporting period, Savanna developed systems for screening of suppliers to identify how they manage modern slavery risks. To commence the review process for suppliers which may present modern slavery risks, our supplier listing was assessed and each supplier was rated as a potential high, medium, or low risk supplier. From this analysis, Savanna sent out supplier risk questionnaires to further assess modern slavery risks based on high and medium categorisation

We focused on developing a supplier risk questionnaire for our key suppliers to assist us to identify and address modern slavery risks in our supply chain, and if the need arose to regulate, educate, prevent and mitigate adverse human rights impacts in relation to our supply chain. Each of the supplier's returned a completed survey that determined their:

- awareness of modern slavery;
- policies to deal with modern slavery; and
- training of employees in modern slavery awareness.

Of the surveys returned, the majority of suppliers confirmed they had processes to help identify risk factors and programs to address modern slavery risks. We will continue to work with suppliers who were not as well established to address modern slavery risks. Savanna also incorporated new contractual terms for modern slavery into all new contracts executed with our key suppliers.

Assessing the effectiveness of our actions

Savanna's governance policies, including its Modern Slavery Policy and Code of Conduct and Ethics Policy and supplier engagement are an effective control to protect against modern slavery. Our Modern Slavery Policy recognises the responsibility of companies to engage workforce,

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suppliers, contractors and external stakeholders to mitigate risks of modern slavery and promote the utmost respect for all human rights.

Consultation

Savanna has prepared this report taking into consideration policies and procedures that apply to Savanna and Savanna owned companies.

Future actions

Savanna continues to develop our processes and practices to mitigate the risks of modern slavery in our operations and supply chain.

In the next reporting period, we intend to:

- continue to review supplier risks;
- continue with employee awareness on modern slavery risks; and
- build expertise among our procurement team.

This statement has been approved by the board of Savanna Energy Services Pty Ltd on 30th June 2021.



Kenneth Richard Ledger
Director
for and on behalf of Savanna Energy Services Pty Ltd