



**QUANTA SERVICES
AUSTRALIA**



MODERN SLAVERY STATEMENT 2023

QUANTA SERVICES AUSTRALIA

**MEARS GROUP PTY LTD (ABN 92 149 486
500) AND OPERATING COMPANIES WITHIN
THE QUANTA SERVICES AUSTRALIA GROUP**



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1. INTRODUCTION

This Modern Slavery Statement (**'Statement'**) is for Mears Group Pty Ltd (ACN 149486500) and its wholly owned and controlled entities which together form the Quanta Services Australia Group. There is an organisation structure on page 6 of this Statement for the benefit of readers. This Statement focuses on the policies and processes of the entities that are in active operations including Consolidated Power Projects referred to as CPP, Nacap and Enscope. The Quanta Services Australia Group will be referred to as the **'Group'** or **'QSA.'**

Under the *Australian Modern Slavery Act 2018* (Cth) (**'the Act'**), modern slavery includes eight types of serious exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, child labour and deceptive recruiting for labour and services. Modern slavery is only used to describe serious exploitation. It does not include practices like substandard working conditions or underpayment of workers. However, these practices may also be illegal and harmful and may be present in some situations of modern slavery. These practices may also escalate into modern slavery if not addressed.

Modern Slavery represents one of the world's most complex human rights issues that we face and global events including the pandemic and armed conflict, have compounded the issue. The construction industry is a high-risk sector due to large, diverse, and complex supply chains. To forced labour, which can take many forms for this Group, there are 27.6 million people globally in situations of forced labour on any given day¹. Additionally, the bulk (87%) come from private enterprise in the disciplines of manufacturing, construction, domestic work and agriculture¹.

The Group is subject to the Act and this will be the Group's third annual Statement, which requires it to outline its structure, operations, and supply chains and what is being done to identify, assess and address modern slavery risks within them. As an evolution from previous years, the active operating entities as referred above, offer their individual improvements and progression in tackling Modern Slavery.

This Statement covers the reporting year 1 January to 31 December 2022.



QSA is committed to managing all aspects of its operations and supply chains where we have an ability to assess and address risks of modern slavery.

Rick Boreham, QSA President

¹ "Global Estimates of Modern Slavery, Forced labour and Forced Marriage" Walk Free, ILO and IOM UN Migration Report, September 2022

2. STRUCTURE AND OPERATIONS

The active operational companies in the Group deliver design, construction and commissioning in the mining, gas, energy, and water infrastructure sectors.

QSA provides governance over these operational companies as part of a larger global family of entities which are ultimately owned by Quanta Services Inc. (**'Quanta Services'**), a publicly listed company (NYSE: PWR) incorporated in Delaware, United States of America. Quanta Services employs over 50,000 employees globally and has the largest skilled labour workforce in North America. Quanta Services provides fully integrated infrastructure solutions in the utility, energy, and communications industries. In YE 2022, the Quanta Services Group had revenues of \$US17B.

QSA also has an associate company, Mitchell Water, and participates as a minority shareholder. Mitchell Water's operations are not reviewed as part of this Statement.

In YE 2022, The Group employed over 800 people across Australia and had a small workforce in Papua New Guinea (**'PNG'**) via its operations with Nacap.

QSA'S OPERATING ENTITIES SERVICE THE FOLLOWING SECTORS:

- electric power (renewable energy generation – BESS & wind, electrical transmission and distribution and civil works & infrastructure);
- oil, gas & petrochemical (transmission pipelines and their related facilities such as metering stations, compressor stations, pump stations and processing facilities);
- mining (slurry and concentrate transmission pipelines and their related facilities such as metering stations, pump stations and processing facilities);
- water (supply and trunk pipelines and their related facilities such as inlet structures, pump stations, water storage, filtration, and treatment plants); and
- civil infrastructure for US Defence force airfield bases in Australia.

PROJECT SERVICES PROVIDED BY QSA'S OPERATING ENTITIES INCLUDE:

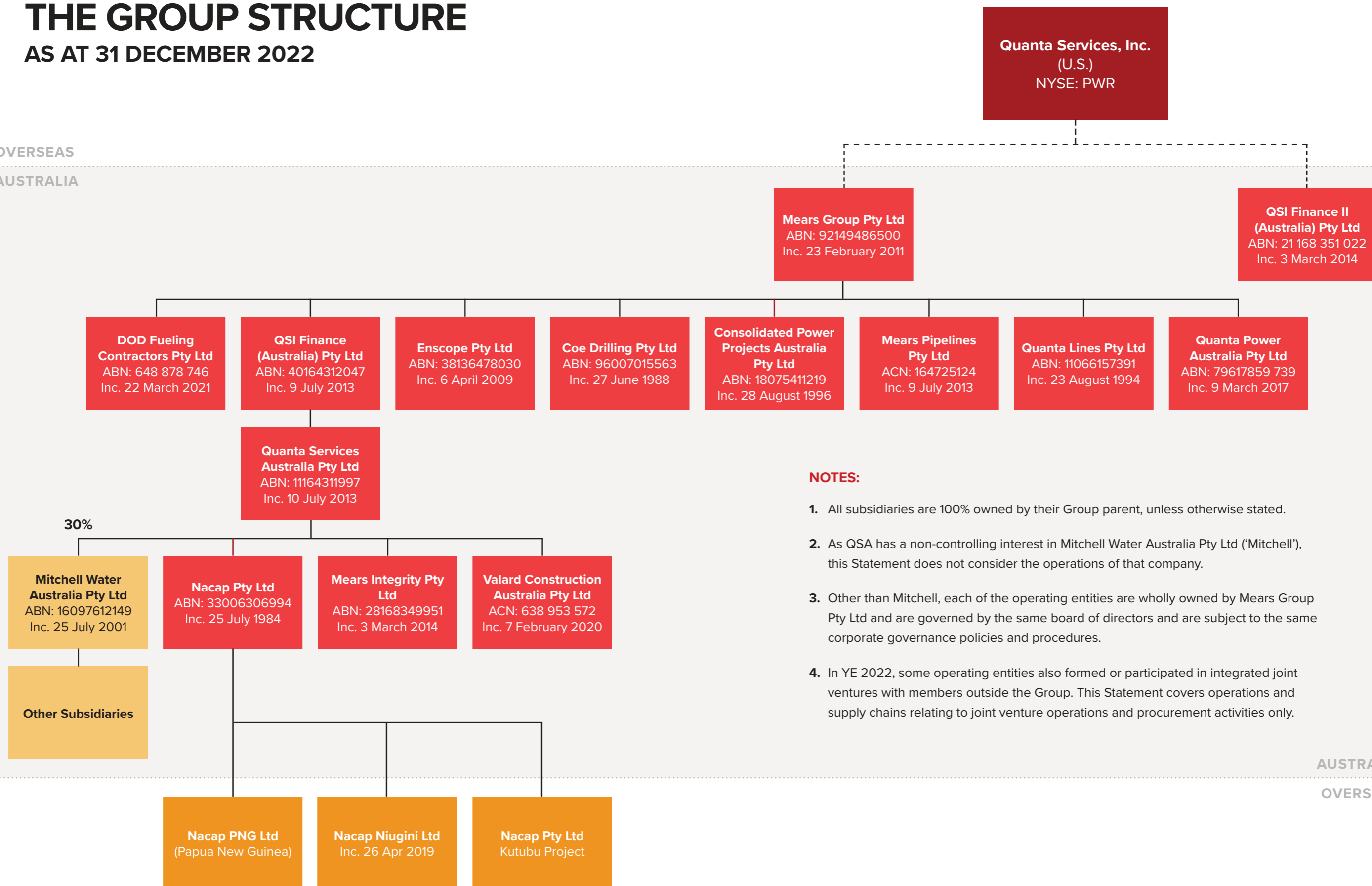
- project development, project management, design, engineering, procurement, construction, and commissioning of new infrastructure including civil, mechanical, structural, electrical and process engineering; and
- maintenance, refurbishment, asset management and asset condition assessment of existing infrastructure.

THE GROUP STRUCTURE

AS AT 31 DECEMBER 2022

OVERSEAS

AUSTRALIA



NOTES:

1. All subsidiaries are 100% owned by their Group parent, unless otherwise stated.
2. As QSA has a non-controlling interest in Mitchell Water Australia Pty Ltd ('Mitchell'), this Statement does not consider the operations of that company.
3. Other than Mitchell, each of the operating entities are wholly owned by Mears Group Pty Ltd and are governed by the same board of directors and are subject to the same corporate governance policies and procedures.
4. In YE 2022, some operating entities also formed or participated in integrated joint ventures with members outside the Group. This Statement covers operations and supply chains relating to joint venture operations and procurement activities only.

AUSTRALIA

OVERSEAS

SUPPLY CHAINS

Supporting the Group's operations are the following key supply chains:

- a. Subcontracted on-site and off-site services, including trades, skilled, semi-skilled and unskilled labour;
- b. Purchase of major process equipment designed and built to specified project requirements;
- c. Purchase of steel pipe, extruded and machined steel fittings and process control equipment for incorporation into gas and water extraction, transportation, and processing infrastructure;
- d. Plant and equipment hire and maintenance;
- e. Transport, travel, and accommodation, including portable camps;
- f. Export logistics to support PNG-based operations; and
- g. Purchase and hire of vehicles, construction equipment and tools, construction materials and consumables, clothing, footwear, branded products, IT and electronic equipment, offices, and furniture.

LABOUR

Most of the Group's employees are employed under Fair Work Australia-approved enterprise bargaining agreements or individual workplace agreements (permanent, fixed term, part-time or casual contracts) that meet or exceed the minimum requirements of an applicable award.

Labour is also provided to projects by subcontractors as part of the services performed. The Group uses standard conditions of subcontract to hold subcontractors accountable for meeting legislative requirements, including the *Fair Work Act 2009* (Cth). The Group's operating entities also use third-party labour providers to provide temporary labour to assist with project delivery.

MATERIALS / EQUIPMENT

In 2022, the vast majority of QSA's annual procurement spend was with suppliers and subcontractors located in Australia. We recognise that some of these suppliers source the products and materials overseas.

The type of equipment supplied in this supply chain process includes, but not limited to, high voltage equipment such as synchronous condensers, voltage transformers, current transformers, power transformers, capacitors, reactors, circuit-breakers, disconnectors, cabling and other high voltage materials.

These Australian based companies from where QSA Group purchases these items, source assembled equipment from Europe (in particular, Austria, Germany, Sweden, France, and Italy), China, India, Canada, USA and South Korea, with a complex associated supply chain for the componentry and associated raw materials.





4.

RISKS OF MODERN SLAVERY IN OPERATIONS AND SUPPLY CHAINS

The Group recognises that risks of modern slavery is greater where QSA's operating entities do not have direct knowledge of the terms and conditions between its suppliers and their employees and sub-suppliers, and particularly in geographies and industries with a higher prevalence of modern slavery.

In the 2022 reporting year, the Group identified the following areas of its business that may have modern slavery risks in its supply chain:

- a. Engagement of local labour for PNG operations, given PNG has an estimated 10.3 victims of modern slavery per one thousand population (compared to Australia's estimated 0.6 victims of modern slavery per one thousand population)¹
- b. Cleaning of its leased offices, as cleaning services have been identified as a key risk area for modern slavery in Australia²
- c. Procurement of the following products³
 - i. Steel-containing product:
 - may be procured as formed product (e.g. pipe, structural steel, reinforcing steel) or be incorporated in plant, tools, and equipment; and
 - steel could have been produced using raw materials (e.g. iron or coal) extracted or refined under modern slavery conditions.
 - ii. Copper-containing product: may be procured as cabling or wire, or incorporated into manufactured goods including electronics, IT equipment, construction equipment, or tools; and copper could have been extracted or refined under modern slavery conditions.
 - iii. IT equipment, which is procured from local wholesalers / retailers which have been assessed by the Group as having low modern slavery risk but may have been assembled overseas in conditions where modern slavery may be prevalent.
 - iv. Clothing, footwear and branded products that may have been manufactured, or may include raw materials that have been produced, under modern slavery conditions (e.g. cotton, fabrics, yarn or rubber).
 - v. Structural timber, which could have originated from a country with modern slavery risk for timber production.
 - vi. Other rare earth minerals such as gold, tin, zinc, silver, cobalt etc that have been mined to go into manufacturing of equipment.

¹ Walk Free Foundation Global Slavery Index, 2018, pages 87-88. Minderoo Foundation.

² Australian Human Rights Commission; <https://humanrights.gov.au/our-work/business-and-human-rights/projects/tackling-modern-slavery-and-labour-exploitation>

³ US Department of Labor 2022, List of Goods Produced by Child Labour, or Forced Labour.

5.

ACTIONS, COMMITMENTS AND EFFECTIVENESS

In 2022, we aimed to initiate a series of actions and have been successful in delivering these. We standardised modern slavery language in subcontractor pre-qualification forms. We provided training for new staff and where requested, refresher courses to current staff. We shared and disseminated information from Quanta Services and the wider community.

Our Group Modern Slavery Committee proved to be invaluable, and we will continue this in 2023. The committee comprises of one member from each of the active operating units, CPP, Nacap and Enscope, with a QSA Chair. The group meets quarterly and encompasses people from either the procurement or legal disciplines. As part of this community, we have ongoing commitments we all share. These include:

- ✓ **Communicating non-compliant Suppliers across the Group;**
- ✓ **Sharing the learnings across the Group as each operating unit continuously reviews and re-assesses their processes for relevance;**
- ✓ **Discuss legislative updates; and**
- ✓ **Review Group policies for updates and ongoing needs.**

Throughout the year, we also noted that each of the active operating entities were facing different modern slavery challenges within their businesses due to the differences in business lines and materials and equipment required. CPP for example, procures most of the equipment for the power sector outlined on page 14, where Enscope being a consultancy business, has a limited requirement for big equipment purchases (see page 16). Nacap's high risk is mainly in the purchasing of steel related products and their operations in Papua New Guinea (see page 18).

The committee provided a platform to discuss these differences and dialogue they were having with key clients and suppliers. As such, in acknowledgement of these differences, each operating entity presents their own 2022 achievements, commitments and effectiveness in the following pages.



CONSOLIDATED POWER PROJECTS (CPP) MODERN SLAVERY ACTIONS AND COMMITMENTS

FY2022



Actions Completed

- ✓ Modern slavery supply chain mapping and benchmarking analysis commenced
- ✓ High risk Tier 1 suppliers (Goods) identified based on spend analysis, manufacturing operations and geographical operation (Stage 1)
- ✓ Communications commenced with high risk Tier 1 suppliers to conduct Stage 1 mapping
- ✓ Subcontractor and supplier prequalification process (the Process) developed for further data collection on modern slavery risk and elimination

FY2023



Commitments

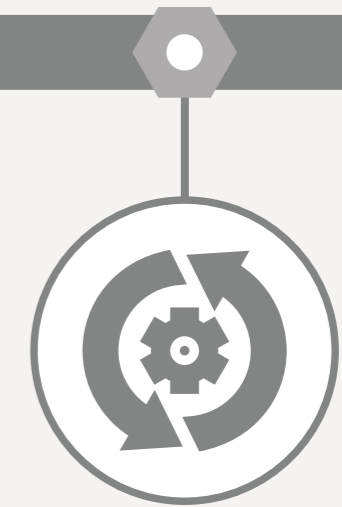
- Evolve Tier 1 suppliers to Stage 2 mapping (3rd party supply reliance – contributory components)
- Expand supplier mapping to include Tier 1 subcontractors (Services) and Tier 2 suppliers
- Implement supplier and subcontractor register with risk rating to identify the suppliers modern slavery compliance status
- Implement and regularly communicate the process within CPP
- Set appropriate timeframes for supplier review
- Ensure code of conduct reflects modern slavery position
- Re-evaluate personnel for targeted modern slavery training and ensure QSA's generic modern slavery training is provided, recorded and readily available for personnel
- Update CPP's relevant Standard Operating Procedures (SOP) in line with the development of modern slavery processes
- Form a CPP Modern Slavery Committee to assess process responses and supplier evaluation

FY2024



Future Actions

1. Expand on supply chain mapping and benchmarking to include assessment of additional key supply chain risks identified for CPP (Tier 1 supplier Stage 3 mapping, Tier 2 subcontractors and indirect vendors (non-project related suppliers))
2. Implement viable feedback for the process and internal SOPs' for use



Ongoing Commitments

- ✓ Communicate non-compliant suppliers to CPP and QSA
- ✓ Continuously review and re-assess the process for relevance
- ✓ Liaise with QSA's Legal Counsel for legislative updates
- ✓ Connect with non-compliant suppliers to support their management, mitigation and resolve of breaches
- ✓ Continue to actively participate in CPP's and QSA's Modern Slavery Committee
- ✓ Conduct supplier reviews
- ✓ Review forecast spend annually to identify further high risk suppliers
- ✓ Ongoing staff training
- ✓ Provide a framework and culture that encourages commitment to reporting on modern slavery risks

ENSCOPE MODERN SLAVERY ACTIONS AND COMMITMENTS



NACAP MODERN SLAVERY ACTIONS AND COMMITMENTS





6. SUMMARY

QSA recognises the importance of human rights and will continually improve our processes both as a Group and as individual entities. With Quanta Services' decentralised model to business, we have two hold points on Modern Slavery, both as individual entities and as a Group. The individual entities have set both future actions and ongoing commitments on pages **14**, **16** and **18**.

As a Group, we will continue to share information as the disruption and speed of the energy transition put more strain on supply chains and workforce. We will also develop and implement a Group-wide Modern Slavery Policy to have a common platform of our principles. Lastly, we will ensure that our people are informed and that we create a safe workspace where workers feel empowered to speak up in accordance with our values of the Group.



This Statement has been prepared in consultation with each operating entity and has been approved by the Board of Directors for Mears Group Pty Ltd as principal governing body of the Quanta Services Australia group of companies.

RICK BOREHAM
DIRECTOR & PRESIDENT
QUANTA SERVICES AUSTRALIA

Signed on behalf of the Directors of
Quanta Services Australia

**#WE ARE
QUANTA**

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Quanta Services Australia
Head Office, Level 1
599 Doncaster Road
Doncaster VIC 3108