



**PACIFIC ENERGY
MODERN SLAVERY ACT
STATEMENT 2022**



CONTENTS

MESSAGE FROM THE CEO	3
1. KEY ACHIEVEMENTS FY22	4
1.1 Summary of Improvement Activities	4
2. REPORTING ENTITY	4
3. STRUCTURE, OPERATIONS AND SUPPLY CHAIN.....	4
3.1 Structure	4
3.2 Operations.....	5
3.3 Our Supply Chains.....	6
4. MANAGING MODERN SLAVERY AT PACIFIC ENERGY	7
4.1 Governance.....	7
4.1.1 Risk and Audit Committee	7
4.1.2 ESG Shaping Plan.....	7
4.1.3 Policies.....	7
4.2 Risk Identification	8
4.2.1 Fair Supply Risk Identification	8
4.2.2 Fair Supply Deep Dive Audits	8
4.2.3 Self- Assessment Questionnaires	8
4.3 Risk Management	8
4.3.1 Supplier Relationship Management.....	8
4.3.2 Supplier Expectations	8
4.4 Raising Grievances	9
4.4.1 Grievance Process.....	9
4.5 Remediation	9
4.5.1 Corrective Actions	9
4.6 Building Capacity & Capability	9
4.6.1 Education and Awareness.....	9
4.6.2 Stakeholder Engagement	9
4.7 Monitoring and Reporting	10
4.7.1 Reporting Dashboard	10
4.7.2 Tracking Improvements.....	10
5. FUTURE OUTLOOK.....	10
CHAIRPERSON APPROVAL.....	10

MESSAGE FROM THE CEO



I am pleased to provide our 2nd annual Modern Slavery Statement for financial year ending 30 June 2022, in compliance with the *Modern Slavery Act 2018*. It highlights Pacific Energy's commitment and focus on mitigating modern slavery risk within our operations and supply chain.

Following a year of significant growth which included acquisitions of new businesses, I am pleased to report that we have made considerable progress in understanding our risks and exposure to modern slavery in our operations across all business units within the group and have taken action to mitigate these risks.

We have demonstrated a company wide approach by educating our leadership teams further regarding our commitment and obligations with particular focus in 2021/2022 on our procurement and supply chain practices.

This statement highlights the key achievements and initiatives for the year, but also outlines additional practices we have identified as part of our modern slavery framework to continue to improve on how we manage modern slavery risk over time.

A handwritten signature in blue ink, which appears to read 'Jamie Cullen'.

Jamie Cullen
Chief Executive Officer

1. KEY ACHIEVEMENTS FY22

1.1 Summary of Improvement Activities

Pacific Energy has continued to focus on opportunities to better identify and address the risk of modern slavery across our operations and within supply chains. The key improvement activities are summarised below.

Identifying and Assessing Risk		
Assessed all significant suppliers against risk of Modern Slavery	Undertook deep dive audits into specific high-risk suppliers	
Addressing Risks		
Worked with key suppliers to encourage better visibility into supply chains		
Improving our Processes		
Initiated a Modern Slavery Working Group and leadership education	Identified a framework and improvement shaping plan for Modern Slavery	Introduced SAQ's as part of new procurement process

2. REPORTING ENTITY

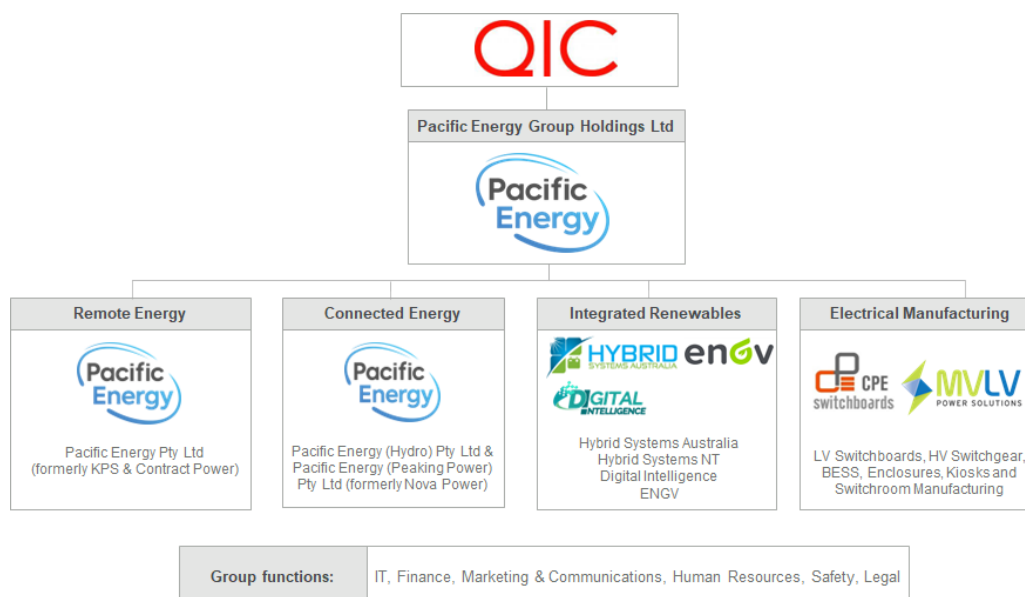
The Modern Slavery Act (2018) requires entities based, or operating, in Australia which have an annual consolidated revenue of more than \$100 million to report annually on the risks of modern slavery in their operations and supply chains. With a consolidated revenue more than \$100 Million, Pacific Energy Group Holdings Ltd is therefore required to report under the Act.

The reporting entity owns several subsidiary businesses, and references in this statement to “Pacific Energy” or “Pacific Energy group” refer to the actions and activities undertaken as a whole.

3. STRUCTURE, OPERATIONS AND SUPPLY CHAIN

3.1 Structure

Pacific Energy’s corporate and business structure is outlined below and is summarised in 4 key divisions; Remote Energy, Connected Energy, Integrated Renewables & Electrical Manufacturing.



The reporting entity, Pacific Energy Group Holdings Limited (ABN 22 009 191 744) is the holding company for the following subsidiaries as of 30 June 2022:

- Pacific Energy Pty Ltd (ABN 48 081 538 258)
- Pacific Energy (KPS) Pty Ltd (ABN 92 134 226 056)
- Contract Power Land Pty Ltd (ABN 99 624 941 573)
- Contract Power Assets Pty Ltd (ABN 80 624 940 683)
- Pacific Energy (Hydro) Pty Ltd (ABN 86 004 474 186)
- Hybrid Systems Australia Pty Ltd (ABN 38 609 605 521)
- CPE Switchboards Pty Ltd (ABN 30 636 191 305)
- Pacific Energy (Peaking Power) Pty Ltd (ABN 44 119 925 334)
- MVLV Power Solutions Pty Ltd (ABN 86 603 490 268)
- ENGV Pty Ltd (ACN 163 139 053)
- Waste Heat Recovery Systems Pty Ltd (ABN 60 129 115 644)
- Hybrid Systems Pty Ltd (ABN 29 609 605 987)
- Hybrid Systems NT Pty Ltd (ABN 86 656 230 189)
- Digital Intelligence Pty Ltd (ACN 605 852 220)
- Pacific Energy Personnel Pty Ltd (ABN 47 658 286 205)

Pacific Energy has a Board of Directors, with the following sub-committees:

- Audit Safety and Risk subcommittee
- Sustainability and Integration subcommittee
- People, Culture and Remuneration subcommittee

The directors of Pacific Energy Group Holdings Ltd also serve on the Board of Directors of each Pacific Energy subsidiary entity.

Pacific Energy Group Holdings Ltd is 100% owned by a holding company, QGIF Swan Holdco Pty Ltd, which is in turn owned by the following entities:

- QGIF Co No. 2A Pty Ltd as trustee for the QGIF Security No.2 Trust
- QIC Investments No. 3 Pty Ltd as trustee for the Horizon Infra Trust No. 1
- QIC Investments No. 1 Pty Ltd as trustee for the QGIF Swan Co-invest No. 1 Trust
- QIC Investments No. 2 Pty Ltd as trustee for the QGIF Swan Co-invest No. 2 Trust
- QIC Infrastructure Management Pty Ltd as trustee for the QGIF Swan Co-invest No. 3 Trust

The statement is submitted as a joint statement and applies to all brands and legal entities that form part of Pacific Energy Group Holdings Limited.

3.2 Operations

In terms of its operations, the key operational activities conducted by Pacific Energy are designing and building/installing power generation facilities, including thermal, renewable and energy storage facilities on the following basis:

- On a build, own, operate basis
- For third parties – on a design and install basis

As at the date of this statement Pacific Energy has over 520 employees, all within Australia and with the majority in Western Australia.

Pacific Energy has office and workshop facilities in various locations across Australia and owns and operates 48 power generation facilities in Australia as shown below:



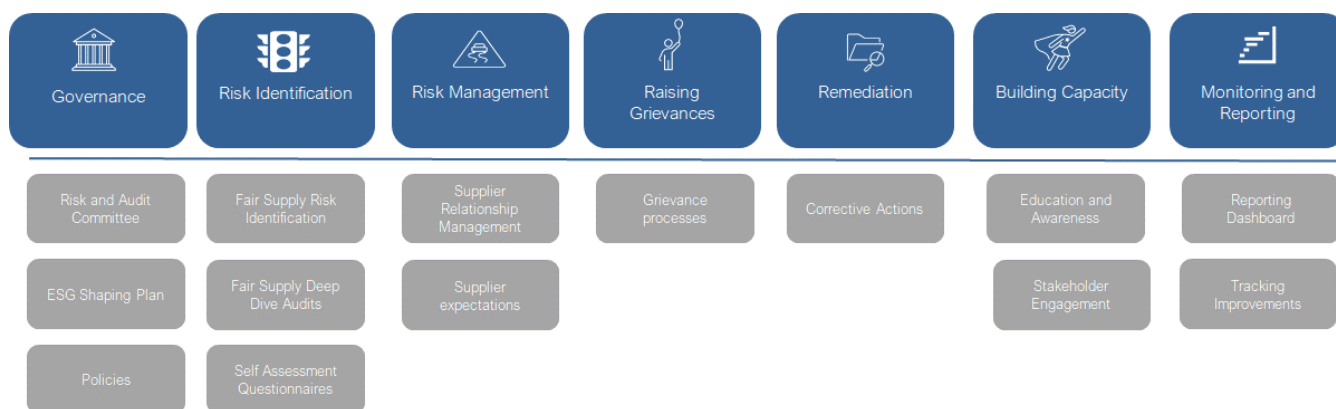
3.3 Our Supply Chains

Pacific Energy’s supply chain includes over 1,500 suppliers. Many suppliers are located in Australia however, like all supply chains there are products and components being sourced around the world and high-risk locations such as China and other countries in Asia are identified in these supply chains. Pacific Energy engaged Fair Supply to undertake a review of 60% of its suppliers this year - to look at theoretical risk of modern slavery.

The findings of the Fair Supply audit suggest that the theoretical likelihood of modern slavery in Pacific Energy’s supply chain is low and continued investigation and monitoring of the ongoing supply chain will ensure a better understanding of the risk and potential for modern slavery.

4. MANAGING MODERN SLAVERY AT PACIFIC ENERGY

Pacific Energy is committed to understanding and managing the risk of modern slavery within our operations and supply chain. Our modern slavery framework guides our actions and ensures an all of company response, ongoing commitment and continual improvement on the issue of modern slavery.



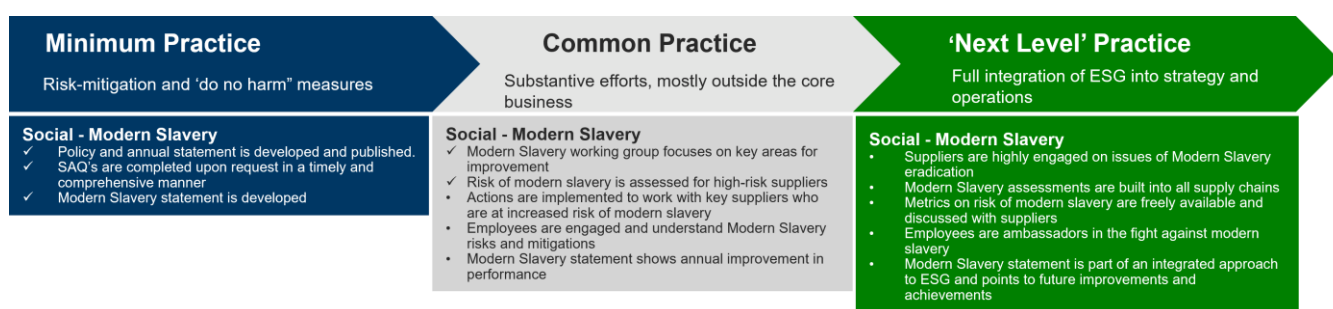
4.1 Governance

4.1.1 Sustainability and Integration Committee

Members of the Pacific Energy board lead a Sustainability and Integration sub-committee (SIC), which meets quarterly to oversee sustainability and integration for the Pacific Energy group, including all ESG initiatives. Modern Slavery is part of the ESG maturity framework for the group and is monitored by this sub-committee of the Board.

4.1.2 ESG Shaping Plan

In October 2022, an ESG shaping plan was presented to the SIC and Pacific Energy board which includes the expectations for Pacific Energy’s ongoing improved approach addressing and eliminating instances and risks of modern slavery across our entire supply chain.



4.1.3 Policies

Pacific Energy has a **Code of Conduct** and **Supplier Code of Conduct** policy, which govern the conduct of all corporate activity, including procurement. A **Modern Slavery** policy was established in October 2020 along with a **Whistle-blower** policy, providing employees, contractors, and families an avenue to confidentially disclose any concerns regarding unethical conduct.

All these policies are published at www.pacificenergy.com.au

4.2 Risk Identification

4.2.1 Fair Supply Risk Identification

Information regarding the group's suppliers was provided to Fair Supply and an assessment of the theoretical risk of modern slavery was conducted on the top 60% of suppliers to Pacific Energy. This assessment enables Pacific Energy to understand the number of theoretical slaves relative to each million dollars spent. This assessment of theoretical slaves is further explored by industry, by supply chain tier and by country. The assessment has allowed Pacific Energy to better understand where there is the potential risk of modern slavery and where to focus additional efforts with suppliers to better understand their supply chain and where mitigation actions can be focused.

4.2.2 Fair Supply Deep Dive Audits

To better explore the potential risk of modern slavery, deep dives into solar panel and wind turbine suppliers has resulted in a much deeper understanding of the specifics of these supply chains. Further, this has allowed Pacific Energy to ensure it has explored all options for potential suppliers of these specific components with a view to continue to work with suppliers to reduce and mitigate opportunities for modern slavery.

4.2.3 Self- Assessment Questionnaires

A review was undertaken for uniform suppliers, who were provided SAQs. As a result of the information gathered, direction was provided to the procurement department for contracting with ongoing suppliers of uniforms for the company. Self – Assessment questionnaires will continue to be used as part of the initial engagement of new and ongoing suppliers to gauge their approach and understanding of modern slavery risks.

4.3 Risk Management

4.3.1 Supplier Relationship Management

Building and maintaining strong relationships with suppliers is a critical strategy to ensure the ability to mitigate risk and potential for modern slavery. Pacific Energy has continued to focus on better understanding the risk of modern slavery for specific suppliers who may source components from high-risk countries or industries. This has then allowed us to work closely with these suppliers to ensure they are aware of their own risks for modern slavery, and we can ensure appropriate mitigations are a focus for these suppliers. Ongoing management of the supplier relationships will remain a critical focus for Pacific Energy.

4.3.2 Supplier Expectations

Pacific Energy has developed a best practices approach with regards to engagement with suppliers to mitigate the risk of modern slavery in the supply chain, which requests suppliers to comply with the Modern Slavery Act 2018.

Pacific Energy's general conditions for goods and services requests that suppliers have investigated labour practices (and those of agents, contractors or subcontractors) to ensure that there is no forced labour or slavery used anywhere in any suppliers' business or in the business agents, contractors or subcontractors. The conditions request that suppliers ensure they have put in place all necessary processes, procedures, investigations and compliance systems and that all necessary actions and investigations to remain compliant with applicable laws in relation to modern slavery and exploitative practices be adhered to in the future.

4.4 Raising Grievances

4.4.1 Grievance Process

Pacific Energy's policy on Code of Conduct and our Supplier Code of Conduct sets high expectations for our employees and our suppliers to ensure they continue to conduct themselves ethically and with integrity.

Employees are encouraged to raise concerns regarding conduct occurring at Pacific Energy or in relation to Pacific Energy. This can be done via our internal grievance procedures where an employee is encouraged to report concerns to their immediate supervisor or manager. Employees are also able to report concerns to the People and Culture team members or to members of the Executive directly. All reported concerns are taken seriously and addressed in a timely manner.

Employees and suppliers, contractors and other stakeholders are also encouraged to report any issues of concern via the steps outlined in the confidential Whistle-blower policy and process.

No grievances relating to human rights or modern slavery were raised via the internal grievance process or the Whistle-blower process during the 2022 reporting period.

4.5 Remediation

4.5.1 Corrective Actions

Pacific Energy is committed to addressing any instances where we may have caused or contributed to modern slavery or any other human rights violations. Immediate and appropriate steps will be taken where such violations identified.

As outlined in our grievance and Whistle-blower policies Pacific Energy will treat each and all instances raised seriously and sensitively. Investigations will be conducted promptly, and outcomes and actions will be identified fairly and objectively.

As noted in section 4.4.1 no instances relating to modern slavery were raised via the grievance processes during the reporting period.

Pacific Energy is continuing to understand those suppliers with the highest risk of modern slavery in their supply chains. As noted in section 4.2.2 deep dive audits have been conducted in a focused way to further understand modern slavery risks. Pacific Energy is also working with suppliers who may be considering social compliance audits to better understand concerns and mitigation actions required.

4.6 Building Capacity & Capability

4.6.1 Education and Awareness

A Modern Slavery working group was established which included a cross section of staff from various areas of the business. Training was conducted to increase the understanding and the Company's responsibility regarding Modern Slavery. As part of our continual improvement approach, the MS working group will continue to meet, with a key focus on contractual elements and SAQs for major suppliers going forward. Ongoing MS training for workforce including an annual refresher session to ensure the issue remains front of mind and becomes part of daily operations.

4.6.2 Stakeholder Engagement

Pacific Energy recognises that the path to eradicating modern slavery will be complex and requires a concerted effort for all segments of the community worldwide. Pacific Energy is committed to

continuing to work with all relevant stakeholders, contractors, suppliers and community partners to better understand the complex nature of modern slavery and to raise ongoing awareness of this issue. Modern Slavery will continue to be a focus of discussion in all stakeholder relationships going forward.

4.7 Monitoring and Reporting

4.7.1 Reporting Dashboard

Accurate and timely information about the potential and risk of modern slavery is a critical enabler to focus attention and understanding of modern slavery. As mentioned in section 4.2 Pacific Energy has been accessing resources provided by Fair Supply to maintain a dashboard. This dashboard shows risk of theoretical slavery in our supply chain by country of origin, industry and supply chain tier. This information will continue to be updated as suppliers are added or amended and will be a key source of information going forward.

4.7.2 Tracking Improvements

Providing current updates on key metrics obtained via reporting dashboards and ongoing supplier relationship interactions will be a key to understanding where improvements have been made and the opportunity for further progress. Having timely information about suppliers and their supply chains during key negotiations and discussions are critical to continue to highlight the importance of a focus on modern slavery.

5. FUTURE OUTLOOK

During 2022-23 focus will be on the following:

- Achievement of the remaining 'common practice' items in the Social – Modern Slavery components of Pacific Energy's ESG shaping plan
- Focus on moving into the 'Next Level' practice of Pacific Energy's ESG shaping plan
- Continuing the education and awareness of staff
- Increasing management focus on procurement and contracting strategies to continue to understand and reduce our modern slavery risk
- Periodic reporting on ESG progress including Modern Slavery, to the SIC and Pacific Energy's Board
- Continue to build our supplier relationships and engaging in modern slavery discussions
- Refining reporting dashboards and information to track modern slavery risks and improvement made via remediation and corrective action

CHAIRPERSON APPROVAL



This statement was approved by the Board of Pacific Energy including all companies listed in section 3.1 on 15 December 2022.

A handwritten signature in black ink, appearing to read 'Cliff Lawrenson'.

Cliff Lawrenson
Chairman