




# Modern Slavery Statement 2024

# Message from the Board

I am pleased to present the joint Modern Slavery Statement for Arrow Energy Holdings Pty Ltd ACN 141 385 293, Arrow Energy Pty Ltd ACN 078 521 936, Arrow CSG Holdco Pty Ltd ACN 075 802 452, Arrow CSG (Australia) Pty Ltd ACN 054 260 650, Arrow (Tipton) Pty Ltd ACN 114 927 507 and Arrow (Tipton Two) Pty Ltd ACN 117 853 755 (together, the **Reporting Entities**).

Arrow Energy is committed to treating all people, inside and outside Arrow Energy, with dignity and respect. This includes respecting human rights across our operations and supply chains as outlined in the UN Guiding Principles on Business and Human Rights (**UNGPs**).

This Statement has been approved by the Board of Arrow Energy Holdings Pty Ltd on behalf of the Reporting Entities.

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Nilofar Shadmaan (Jun 23, 2025 09:45 GMT+10)

**Nilofar Shadmaan**  
**Director**

# 1

## The reporting entities and corporate structure

The Reporting Entities have prepared this joint Modern Slavery Statement for the 2024 calendar year (**Reporting Period**) in accordance with the requirements of the *Modern Slavery Act 2018* (Cth).

Arrow Energy Holdings Pty Ltd was incorporated as part of a 50:50 joint venture between its shareholders which are two of the world's largest oil and gas companies, Shell Energy Holdings Australia Limited (part of the Shell Group of companies) (**Shell**) and PetroChina International Investment (Australia) Pty Ltd (a subsidiary of China National Petroleum Corporation) (**PetroChina**).

Arrow Energy Holdings Pty Ltd is the ultimate holding company of a group of 57 Australian proprietary companies (**Arrow Group**), which includes the Reporting Entities. Where in the Statement we refer to "we", "us" or "our" it is a reference to the Arrow Group.

All of the companies in the Arrow Group operate in Australia as a combined group for the development and production of natural gas and generation of electricity in Queensland, and are collectively referred to as "**Arrow Energy**".



# 2

## Operations of the reporting entities

Arrow Energy is a Queensland-based business that produces natural gas and electricity to power homes, businesses and industries. We operate on some of Australia's most prosperous agricultural land, and we consider it a privilege to work in close partnership with local farming families to produce essential energy. As a joint venture between Shell and PetroChina, we are deeply committed to operating responsibly and sustainably. Our registered office is Level 39, 111 Eagle Street, Brisbane QLD 4000.

We have more than 460 staff and we aspire to create a workplace that reflects the diversity of the communities in which we live and operate, that uses and develops the full potential of our people, is genuinely inclusive and where everyone feels a sense of belonging.

### Our purpose

Natural gas is essential for today's energy needs and will play a key role as society transitions to a cleaner energy future. Our vision is to be the most competitive and respected developer of unconventional gas value chains in Australia. This means bringing our expertise and care to every project. Our mission is to deliver more gas to create shared value and to power the energy transition, ultimately contributing to energy security, economic growth, job creation and improved social outcomes for our communities.

### Our values

Our values guide how we approach our work and interactions:

**Respect:** We treat all people, inside and outside Arrow Energy, with dignity and respect.

**Lead:** We lead by continually seeking ways to improve safety, delivery, cost, quality and teamwork.

**Integrate:** We are seamless in our coordination between departments, groups and systems to drive continuous improvement.

**Solve:** We view challenges not as barriers but as opportunities to improve through innovation and change.

**Own:** We think and act like owners, taking personal responsibility for Arrow Energy's business performance and conduct.

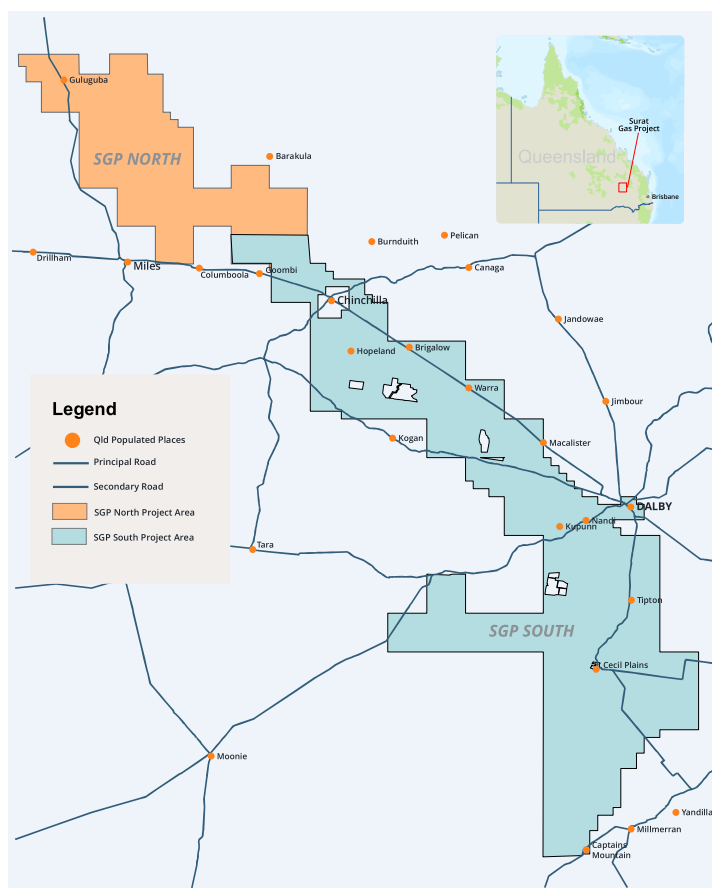
These values underpin our policies and are reflected in our Arrow Energy Code of Conduct, which guides everyone representing Arrow Energy.



## Our operations

Arrow Energy produces natural gas from project areas in the Surat Basin in Queensland. Our Surat Gas Project (**SGP**) is a 27-year project which is expected to produce 4000 petajoules of natural gas over its lifetime.

Our SGP development plans include up to 2500 gas wells, supporting approximately 1000 jobs and contributing to local infrastructure through road upgrades. Beyond our own operations, we also invest more than \$1.5 million each year in community initiatives, working alongside local communities to share the benefits of our presence.



In addition to the SGP, Arrow Energy operates the gas-powered Braemar 2 Power Station near Dalby, which supplies electricity through the National Electricity Market to power homes and businesses in Queensland and other parts of the East Coast of Australia.

We also hold exploration and production permits in the Bowen Basin in Central Queensland, and supply the North Queensland gas market from operating wells in an area north of Moranbah as part of our Bowen Gas Project.

Arrow Energy has offices in Dalby, Chinchilla and Brisbane, and a Community Information Centre in Dalby.

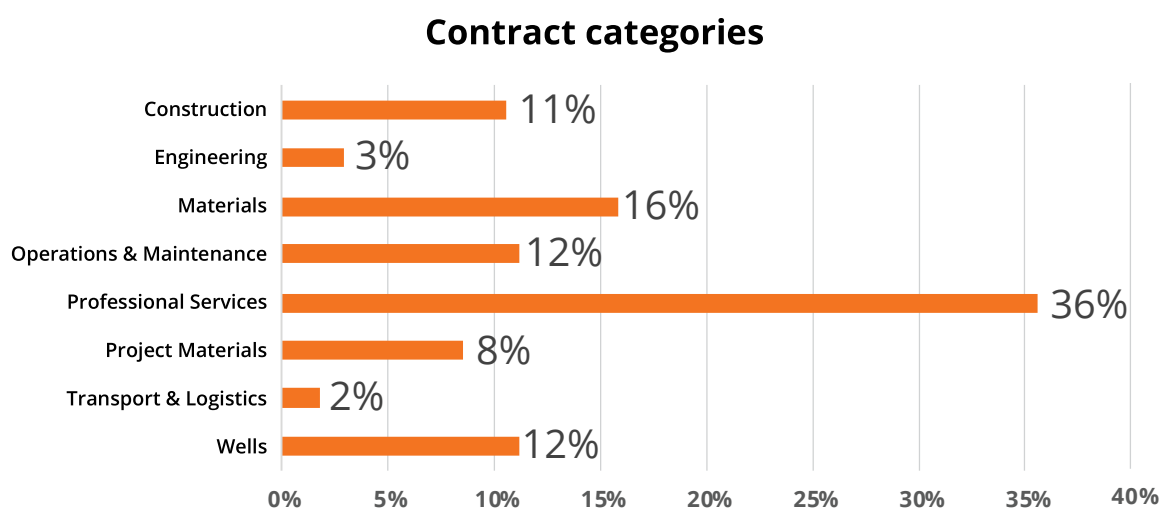
# 3 Supply chains of the reporting entities

## Procurement of goods and services

As a natural gas company, we primarily procure goods and services across the following categories:

- wells, including drill rigs and associated infrastructure
- transport and logistics, including warehouse facilities management
- project materials for our SGP
- professional services
- operations and maintenance
- materials used for operations and maintenance and general business requirements
- engineering
- construction.

The following graph shows the proportion of our contracted suppliers that sit within each of the above goods and services categories.



All new contractors must pass our rigorous health, safety and environment; financial viability; local engagement; modern slavery risk; scope; and program delivery assessments during the request for proposal stage, prior to contract recommendation and award. We also undertake a process of reviewing our existing contractors to determine where follow-up modern slavery risk assessments may be required.

We segment our contracts for goods and services according to the following categories:

- **Strategic:** high-value contracts with a medium to high risk in health, safety and environment, business criticality and commercial complexity.
- **Operational:** low-value contracts with a low to medium risk in health, safety and environment, business criticality and commercial complexity.

During the reporting period, we contracted directly with 170 suppliers, 94 per cent of which were companies domiciled in Australia, with the remainder being companies located in the United States, Canada, China and the Netherlands.

Arrow Energy is committed to creating employment and economic development opportunities for local, regional and Indigenous Australian business. In tenders, Arrow Energy requires, as a minimum, that capable local, regional and Indigenous Australian suppliers be provided a full, fair and reasonable opportunity to compete for all available work where Arrow Energy is the principal in accordance with our Australian Industry Participation Plan (**AIPP**) and Local Content Framework. As shown in the map below, the majority of our suppliers are based in Australia.





However, Australian suppliers are likely to have global supply chains supporting their business operations and supply chains. For example, during the reporting period, materials for a number of our gas wells were supplied from China. The map below depicts the geographic footprint of the supply chains of Arrow Energy's Australia-based suppliers who completed our Modern Slavery Questionnaire (**MSQ**) to date.

### Third parties by countries



### Procurement of gas

We are primarily an upstream producer of natural gas, but we also procure:

- some gas from the domestic market to balance our portfolio and manage our gas supply obligations
- gas transportation services.

All of the gas and transportation services that we procure are supplied by companies located in Australia.

In 2024, our gas procurement generally occurred in the following ways:

- under short-term contracts entered into via Australian gas markets operated by the Australian Energy Market Operator, for example, the Wallumbilla Gas Supply Hub and the Short Term Trading Market
- via bilateral contracts under which we procure gas directly from other domestic gas suppliers.

# 4

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

From our ongoing review of modern slavery risks in our operations and supply chains, we did not identify any factors that gave rise to a change in our risk profile in these areas for 2024 as compared to our risk profile in 2023.

### Operational risks

Enshrined in our Code of Conduct is our commitment to:

- uphold our values of Respect, Lead, Integrate, Solve and Own at all times
- respect human rights across our operations and supply chain as outlined in the UNGPs
- always act with honesty and integrity
- make decisions that are legal, ethical and wise
- ensure that our staff and contractors feel comfortable speaking up when they feel behaviours are not in line with Arrow Energy's expectations
- a safe, secure and healthy working environment
- diversity and inclusion.

The risk of modern slavery occurring within our operations is low, as we operate in Australia, which has a low prevalence of, and vulnerability to, modern slavery risk<sup>1</sup>, combined with the fact that the majority of the employees, secondees and independent contractors who comprise our workforce are skilled professionals such as engineers, operators, technical specialists, administrators and other professionals.

Furthermore, our values, Code of Conduct and robust recruitment programs and processes ensures there is a low risk that we have caused or contributed to modern slavery risks within our operations.

This was further reinforced by the results of our annual staff engagement survey which provides insights into employee sentiment, including confirming that our staff feel safe to speak up and raise concerns, and ethical conduct at Arrow Energy.

We recognise that there may be some risk where we outsource work to contractors or engage labour hire personnel. Further information about those risks is included below in our supply chain risk section.

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<https://www.walkfree.org/global-slavery-index/country-studies/australia/>

Despite the low jurisdiction risk, workforce profile and mitigating policies and controls, we recognise that we operate in a geographic region in Australia with a relatively high proportion of workers supporting the local agriculture and food production sector, which includes beef, field crops and wool. As such, there is a concentration of low skilled workers and those on temporary visas working in the geographic region where our operations are based. Although the workforce in the agriculture and food production sector and our own industry are quite different, we recognise the increased vulnerability to modern slavery within our geographic region.

## Human Rights

Arrow Energy is committed to respecting human rights across both our operations and our supply chain, as outlined in the UNGPs.

We are committed to providing a workplace that respects our employees' human rights. We are opposed to, and will oppose, all forms of slavery, forced or compulsory labour and child labour, both within our organisation and within our supply chain.

Arrow Energy respects the rights and interests of the communities in which we operate, by listening to them, understanding and managing the environment, economic and social impacts of our activities.

We respectfully acknowledge the past and present traditional owners and custodians of the lands on which we operate, and respect their culture and identity.

## Supply chain risks

The UNGPs recommend a framework for how organisations can assess actual and potential adverse human rights impacts, including modern slavery, by reference to the following degrees of involvement:

Cause	Contribute	Directly Linked
An entity may cause modern slavery if its operations directly result in modern slavery practices.	An entity may contribute to modern slavery if, through its actions or omissions, it facilitates or incentivises modern slavery practices.	An entity may be directly linked to modern slavery via a business relationship linked to its operations, products or services, where it does not cause or contribute to the modern slavery risk.
<i>Example: Making people work to pay off debts unfairly</i>	<i>Example: This may include asking a supplier to find the cheapest possible products and turning a blind eye to workers being exploited.</i>	<i>Example: Through the use of products sourced from a third party that are manufactured using materials acquired from another entity which uses forced labour.</i>

Based on our assessment of risk using the above framework, we consider there to be a low risk that our procurement activities have caused or contributed to modern slavery risks. However, there is a latent risk of being directly linked to modern slavery via the supply chains of our suppliers. This risk is not unique to our business but is inherent in global supply chains supporting organisations all around the world.



Based on our research and in collaboration with our external subject matter experts, we consider there to be inherent modern slavery risks in the following sectors for the reasons provided below:

Sectors	Overview of the types of modern slavery risks
<ul style="list-style-type: none"> <li>• Cleaning services</li> <li>• Security services</li> <li>• Food and accommodation services</li> <li>• Agriculture sector (fresh produce)</li> <li>• Labour hire</li> <li>• Waste management services</li> <li>• Construction services</li> <li>• Vegetation management</li> </ul>	<ul style="list-style-type: none"> <li>• Use of low skilled labour, temporary and often transient migrant workers in opaque and complex subcontracting arrangements. As noted in Part 4 above, our local geographic region includes a high proportion of low skilled and temporary migrant workers supporting the agriculture and food production sector. In light of our commitment to best practice in local content procurement, there is a risk that our supply chain includes workers that may be vulnerable to modern slavery in our local geographic region</li> <li>• Working conditions may vary on the continuum of exploitation including forced labour, child labour, debt bondage, exploitative practices including excessive unpaid overtime, abusive working and living conditions, restriction of movement, withholding wages and retention of personal documents</li> <li>• The risks are exacerbated in circumstances where workers are in remote locations with limited avenues to raise grievances or access to support</li> </ul>
<ul style="list-style-type: none"> <li>• IT – supply of hardware and support services</li> <li>• Primary metal and metal product manufacturing, including machinery and parts</li> <li>• Construction materials and supplies</li> </ul>	<ul style="list-style-type: none"> <li>• The manufacturing sector accounts for nearly one-fifth of all forced labour exploitation of adults according to the 2021 Global Estimates of Modern Slavery. Most forced labour cases occur in the lower tiers of global supply chains</li> <li>• Sourcing of raw materials that make their way into finished products via multiple supply chain layers, including from ‘hot spots’ where the risk of forced labour is highest due to poverty, conflict, corruption, inequality and limited protections for workers</li> <li>• Low visibility over multi-tiered supply chains</li> <li>• Processing and manufacturing products in countries where:             <ol style="list-style-type: none"> <li>a. forced labour is used under the guise of legitimate employment programs; or</li> <li>b. foreign workers are used via subcontracting arrangements that mask debt bondage, deceptive recruitment and human trafficking</li> </ol> </li> </ul>
<ul style="list-style-type: none"> <li>• Mining services</li> <li>• Construction services</li> <li>• Transport and logistics services</li> <li>• Mechanical engineering services</li> </ul>	<ul style="list-style-type: none"> <li>• Workers, particularly those on temporary visas, performing low skilled labour in circumstances where they are unable to leave, due to situations such as the seizure of their passports or accumulation of ‘debts’ owed to third parties for job placements, may be at higher risk of exploitation leading to modern slavery</li> <li>• The risks are exacerbated in circumstances where workers are in remote locations with limited avenues to raise grievances or access to support</li> </ul>
<ul style="list-style-type: none"> <li>• Fuel supply</li> </ul>	<ul style="list-style-type: none"> <li>• Fuels that either originate from, or are processed in countries with a higher prevalence of modern slavery such as forced labour</li> <li>• Transportation of fuels also has increased modern slavery risks where there is a reliance on low skilled labour and a transient workforce</li> </ul>
<ul style="list-style-type: none"> <li>• Consumables, including personal protective equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Manufacturing in countries where vulnerable categories of workers, such as migrants or ethnic minorities, are used to keep prices down for the production of consumables for the export market</li> </ul>

## Supply chain due diligence measures

As noted earlier in this statement, the bulk of our procurement spend is with Australian suppliers. However, our Australian-based suppliers are likely to procure goods or services from suppliers located overseas or source from suppliers overseas, so inevitably, there are inherent risks of modern slavery at the lower levels of our supply chain irrespective of the low risk profile of Australia as a country of domicile for the vast majority of our suppliers. For this reason, we have used the results from a MSQ to conduct due diligence on our suppliers, better understand our supply chain and the operations of a cohort of our suppliers where we have a high value procurement spend (typically, where we spend over \$1,000 with a supplier). 95% of Arrow Energy's contracted suppliers have completed the MSQ, and the remaining 5% are in the process of completing the questionnaire.

As outlined in our previous modern slavery statements, the MSQ is an online questionnaire designed to ascertain where our suppliers source the goods or services supplied to us and the measures, they have in place to prevent, mitigate, assess and address modern slavery risks in their operations and supply chains. The data analytics of the MSQ are driven by global indices on modern slavery and human rights risks, including the:

- Global Slavery Index
- Global Estimates of modern slavery: forced labour and forced marriage
- US Department of Labor List of Goods Produced by Child Labor or Forced Labor
- US Department of State Trafficking in Persons Report
- World Bank Governance Indicators
- Corruption Perception Index of Transparency International

The MSQ scoring is driven by the following indicators:

- **Jurisdiction** of operations *and* headquarters
- **Industry** of supplier / industry of goods and services supplied
- **Products** linked to high risks of forced or child labour
- **Workforce** characteristics i.e. the utilisation of vulnerable workers
- **Risk mitigating measures** specific to the individual supplier

The risk rating of high, medium or low is underpinned by the weighting that each question-and-answer combination is assigned. Each answer is weighted appropriately to avoid a result, for example, where a mining company headquartered in Australia but with operations in the Congo is listed as medium risk.

## Overview of MSQ data to date

The average modern slavery risk rating, based on these suppliers that completed the MSQ remains unchanged from previous years, namely five out of 10, which represents

an overall moderate risk rating. If a supplier receives a risk rating of greater than five out of 10, we conduct other reviews and consult other reports available to us to determine whether the supplier's modern slavery risk is unacceptable.

All but one of the suppliers that completed the MSQ confirmed that they would adhere to our Contracts, Procurement and Logistics Framework (**CPL Framework**) when providing goods and services to us and we are investigating this further. The CPL Framework articulates that we conduct business with suppliers that have similar values, ethics and sustainable business practices, including those related to human rights and modern slavery. Accordingly, we expect our suppliers to respect human rights in their business and supply chains and have measures in place to mitigate, assess and address modern slavery. Further, our Whistleblower Policy (discussed below) provides that employees or subcontractors of our contractors, consultants, suppliers or service providers can report any conduct which is illegal, unethical or potentially damaging to third parties (including unsafe work practices). Our suppliers include those operating in industries with an increased exposure to modern slavery risks by virtue of their own operations or their complex supply chains in higher risk countries. These industries include:

- petroleum and coal product manufacturing
- polymer product manufacturing
- basic ferrous metal product manufacturing
- specialised machinery and equipment manufacturing
- retailers of fasteners and fixings, abrasives, cutting tools, sealants, adhesives, lubricants, hand tools, safety, construction chemicals, materials handling, petrochemical and special manufacture
- irrigation and pump services.

Through the MSQ process, we were able to identify that some of our suppliers operating in the abovementioned industries provided us with products containing components with potential links to modern slavery, such as:

- rubber
- steel/iron
- nickel
- graphite
- aluminium/bauxite
- tin
- lithium
- copper
- tantalum.



We continue to work with our external subject matter experts to review the results of the MSQ and identify the suppliers requiring further due diligence. We remain firmly committed to working with our suppliers to promptly address issues so as to prevent and remedy any actual impacts.

### **Case study: BPO industry risks**

Following Arrow Energy's recent appointment of the two business process outsourcing (**BPO**) vendors located in India for the supply of corporate support services such as information technology and finance services, we took a closer look into the potential modern slavery risks in the BPO sector. The BPO industry has evolved and rapidly expanded over the years. There have been reports in the media bringing to light issues such as excessive working hours, living wage concerns, lack of job security, poor working conditions and withholding of wages in BPO operations. Growth in BPO operations in countries like India are accelerated by workforce availability (by volume) and low cost of labour.

As part of the BPO, both vendors engaged by Arrow Energy confirmed their compliance with, and ongoing application of, Arrow Energy's corporate governance framework policies and procedures including the CPL Framework.

We will continue to assess the potential risks of modern slavery in the BPO services we receive and vendor compliance with our corporate governance framework and procedures.

# 5

## Actions taken to assess and address modern slavery risks

Our assessment and management of modern slavery risks is underpinned by our Corporate Management Framework and Compliance Framework.

Our commitment to human rights is reflected in our Code of Conduct and our CPL Framework. We also have a Whistleblower Policy under which people can report any instances of suspected or actual misconduct, including unethical behaviour.

To assess and address modern slavery risks we:

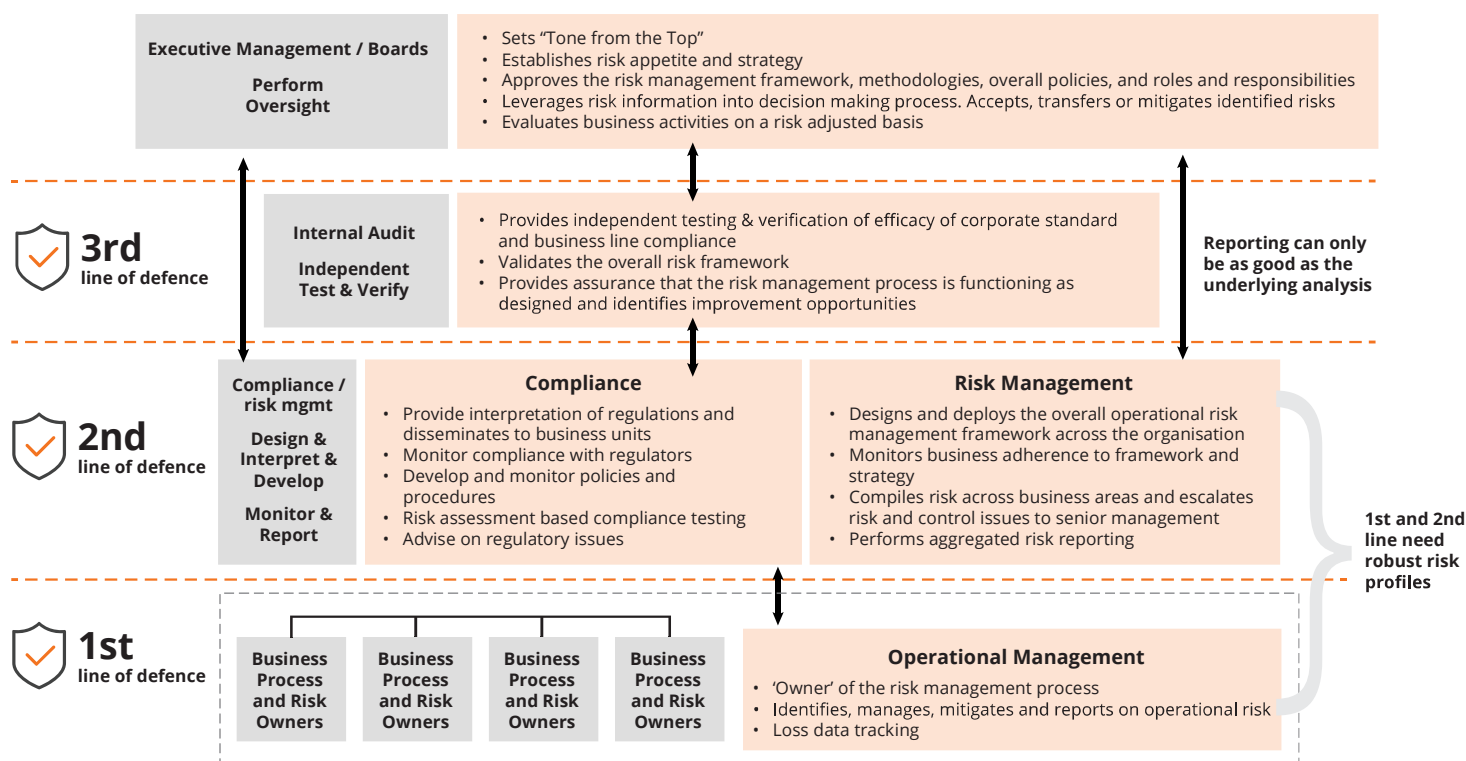
- provide targeted modern slavery awareness training to relevant staff
- negotiate the incorporation of modern slavery terms and conditions in existing supply arrangements when varied or renewed
- continue to use the services of a third-party modern slavery risk management platform for supplier screening and the MSQ, which included an enhancement to the level of monitoring undertaken by the platform
- conduct our annual staff engagement survey which provides insights into employee sentiment regarding whether they feel safe to speak up and raise concerns, and into the perception of the extent to which ethical conduct exists at Arrow Energy
- publish further guidance for our staff on workplace behaviours and how to raise complaints and concerns.

# 6

## How the effectiveness of actions are assessed

All of our departments have a role to play in ensuring compliance with modern slavery requirements, identifying and managing modern slavery risks, and reporting material risks.

Our assessment of the effectiveness of actions taken to manage modern slavery risks is conducted in accordance with our Corporate Assurance Framework. The framework provides an informed and independent view of whether risk-based controls are in place and working as intended. The framework is based on the 'Three lines' model illustrated below, wherein each line of assurance provides a higher level of independence and objectivity.



\*Adapted from the Institute of Internal Auditors Position Paper: The Three Lines of Defence in Effective Risk Management and Control (January 2013)



In particular, we:

- have focal points in relevant areas of our business who are involved in managing and monitoring our obligations under the *Modern Slavery Act 2018* (Cth)
- have a Diversity and Inclusion Council which reviews Arrow Energy's working practices and makes recommendations to improve diversity and inclusion outcomes
- have a whistleblower service that all staff are aware of
- completed an internal audit review of the Contracts, Procurement & Logistics Outsourcing Model in December 2024, which gave satisfactory rating regarding the performance of our internal controls.

We also assess the effectiveness of our actions by working towards new goals. Going forward, we will:

- continue to assess the potential risks of modern slavery in the BPO services we receive and vendor compliance with our policies and procedures
- continue to utilise wherever practicable our template procurement contracts which contain robust modern slavery and reporting provisions, and to track the extent to which modern slavery terms and conditions are being included in our supply arrangements overall
- conduct a deep dive review into our suppliers' MSQ responses
- provide bespoke refresher training for Arrow Energy employees with a procurement function on how to assess the risks of modern slavery and respond to identified risks.



## Process of consultation with owned or controlled entities

All of the companies in the Arrow Group operate under a common set of policies and procedures, and are managed by the same Chief Executive Officer and Leadership Team.

The Directors of all 57 Australian proprietary companies under Arrow Energy Holdings Pty Ltd are the same two people who also hold the positions of Chief Executive Officer and Chief Financial Officer of Arrow Energy.

Consultation on the contents of this Modern Slavery Statement involved engagement with:

- relevant departments, including Contracts, Procurement and Logistics, People and Culture, and Corporate Affairs
- our Leadership Team, members of which include the Chief Executive Officer and Chief Financial Officer who are also the Directors of all of the 57 companies under Arrow Energy Holdings Pty Ltd.









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