



**RATCH-AUSTRALIA CORPORATION PTY LIMITED
MODERN SLAVERY STATEMENT 2020**





INTRODUCTION

This is the first modern slavery statement (**Statement**) for RATCH-Australia Corporation Pty Limited (**RATCH-Australia**), as informed by the Modern Slavery Act 2018 (Cth) (**Act**). It covers the company's financial year ending 31 December 2020.

Modern slavery describes situations where coercion, threats or deception are used to exploit victims and undermine their freedoms.

Modern slavery is an extremely important and complex global challenge.

The Act defines modern slavery as including eight types of serious exploitation: trafficking, slavery, servitude, forced labour, forced marriage, debt bondage, worst forms of child labour and deceptive recruiting for labour and services.

At RATCH-Australia, we recognise that modern slavery can happen in any industry and take many forms. We are committed to conducting business in a responsible way and protecting human rights across all areas where our business operates. This includes minimising the risk of modern slavery in our operational and procurement practices.

The purpose of this Statement is to outline the framework and processes RATCH-Australia has implemented to achieve this.

This Statement covers the activities of RATCH-Australia Corporation Pty Limited and its controlled entities.

OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

OUR STRUCTURE

RATCH-Australia is an independent power producer with a portfolio of energy generation assets totalling more than 1.2GW in capacity. We have been developing, building and operating projects in Australia for over a decade.

The RATCH-Australia fleet comprises both gas-fired and renewable (solar and wind) energy generation, with assets located across the country. RATCH-Australia's interests are managed via 34 subsidiary entities. Each subsidiary's consolidated revenue is below the reporting threshold under the Act.



RATCH-Australia is a wholly-owned subsidiary of RATCH Group Public Company Limited, which is listed on the Stock Exchange of Thailand.



OUR OPERATIONS

As at 31 December 2020, RATCH-Australia had 21 employees based in Sydney, Brisbane or on-site at our operating projects.

Key activities during the period included:

- Construction of Collector Wind Farm, NSW
- Construction of Yandin Wind Farm, WA (a RATCH-Australia/Alinta Energy investment, managed by Alinta Energy)
- Development of new projects
- Operation and maintenance of energy generating assets
- Management of contracts to supply electricity



OUR SUPPLY CHAIN

RATCH-Australia's direct suppliers are predominantly based in Australia. However, a number of suppliers source and manufacture materials overseas, including from countries classified as a higher risk for the prevalence of modern slavery practices than Australia.

RATCH-Australia's supply chain comprises:

- **Asset management:** Locally based engineers and technicians performing on-site maintenance work under long-term contracts. Contractors may also engage local sub-contractors where required, supplemented with specialist technical expertise, typically sourced within Australia. Equipment and parts may be sourced from overseas.

- **Construction:** Australian-based contractors appointed to manage construction of new projects. Contractors engage Australian sub-contractors for specific tasks such as civil engineering, electrical works and haulage. Equipment, such as wind turbines, is typically manufactured overseas and shipped to Australia.
- **Project development:** Australian-based consultants engaged to provide specialist advice to inform development applications and project feasibility studies.
- **Support services / corporate services:** RATCH-Australia engages some external consultants such as financial and legal consultants to support both corporate and project activity.



IDENTIFYING MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAIN

RATCH-Australia conducts its business by prioritising health, safety, the environment and the community, and complies with all labour, employment and whistleblower laws of Australia, across all the states in which we operate.

During this reporting period, RATCH-Australia's modern slavery objective was to understand and identify our modern slavery risks. While we comply with all internal policies and procedures, we acknowledge that modern slavery has the potential to exist in our operations and supply chain through a variety of circumstances.

RATCH-Australia conducted a risk assessment of our operations to identify and consider the risks that could cause, contribute to, or be directly linked to modern slavery practices.

In undertaking this review process, RATCH-Australia's focus was on our largest suppliers by spend i.e. greater than \$1 million. We acknowledge that modern slavery risks are present in all suppliers regardless of spend size and in future statements will demonstrate how we continue to work with suppliers to further understand the vulnerabilities and modern slavery risks across our supply chain. However, this approach enabled us to establish an initial baseline in relation to where modern slavery risks exist that can be built on in future years.

OUR SUPPLY CHAIN

RATCH-Australia's operations span the energy and construction sectors. The company has identified the following areas that may pose risks of modern slavery:

- Labour rights, including forced or compulsory labour, wage rights and work hours;
- Occupational health and safety; and
- Labour practices used by manufacturers and their raw material suppliers, including forced or compulsory labour, wage and benefit rights, work hours and child labour (including unskilled, temporary or seasonal labour).

OUR WORKFORCE

RATCH-Australia considers the risk of modern slavery in its directly employed workforce to be very low, due to the highly regulated nature of the labour market in Australia. Direct employees work in environments with established industrial processes and procedures in place. Their salaries and workplace conditions are consistent with Australian law and reflective of market practices.



ASSESSING AND ADDRESSING THE RISK OF MODERN SLAVERY PRACTICES

ASSESSING RISKS

- A Modern Slavery Working Group was established which included representatives from each business unit, to ensure that all modern slavery risks were identified and considered.

Our identification of the areas of highest risk informed the development of a targeted questionnaire to be completed by selected suppliers (representing approximately 85% of 2020 expenditure) to ensure they had policies and procedures in place to minimise the potential for modern slavery practices to enter our supply chain.

- Responsibility for assessing modern slavery risks was assigned to an identified individual to enable escalation of concerns and awareness of requirements at the Board level, as well as providing a point of contact for all staff.
- Our suite of risk-related policies and governance control measures was reviewed to ensure that modern slavery risk has been adequately considered and appropriately implemented within the business.

ADDRESSING RISKS

RATCH-Australia has addressed the identified modern slavery risks in the following ways:

- Developing and publishing a new *Supplier Code of Conduct*;
- Updating our *Purchase Order Terms and Conditions*, including so that they now expressly deal with modern slavery;
- Starting the process to amend our standard procurement contracts by including contractual clauses addressing modern slavery; and
- Provision of modern slavery training to our staff to reinforce our compliance obligations.

We have set out below in more detail what these changes entail.

SUPPLIER CODE OF CONDUCT

In 2020, we developed, published and issued our first Supplier Code of Conduct which sets out:

- RATCH-Australia's commitment to act ethically and with integrity in all our business relationships;
- RATCH-Australia's expectations of its suppliers with regards to modern slavery and other socially responsible procurement practices; and
- the steps that will be taken by RATCH-Australia against suppliers who do not follow these standards.



UPDATED PURCHASE ORDER TERMS AND CONDITIONS

To reflect the Supplier Code of Conduct, we also updated our purchase order terms and conditions for suppliers to include clauses relating to modern slavery risk.

Under these terms and conditions, suppliers warrant that the goods and services provided comply with RATCH-Australia policies and the Australian law. This is an important element in ensuring that suppliers comply with the intent of the Modern Slavery Act 2018 (Cth).

CHANGES TO STANDARD PROCUREMENT CONTRACTS

RATCH-Australia has started the process of revising standard form contractual arrangements and procurement processes to include contractual obligations relating to modern slavery compliance.

This includes clauses relating to compliance with the Supplier Code of Conduct, remediation actions including termination or suspension for breach of our modern slavery provisions and providing RATCH-Australia with the right to audit suppliers to ensure compliance with modern slavery obligations.

IMPLEMENTED TRAINING FOR EMPLOYEES

To ensure awareness of modern slavery risks and to reinforce the standards of conduct expected from RATCH-Australia employees, a refreshed training program was implemented in 2020.





ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

We believe that ongoing assessment of the effectiveness of RATCH-Australia's processes is critical to ensuring accurate, up-to-date and timely information is available and considered by the organisation in relation to modern slavery risks and compliance.

To ensure its actions minimise the risk of modern slavery in its supply chain, RATCH-Australia will:

- **Continue to require that suppliers complete RATCH-Australia's modern slavery questionnaires**
This will be done using the processes that RATCH-Australia developed in 2020 and on the basis of the Supplier Code of Conduct.
- **Closely scrutinise suppliers' responses to modern slavery questionnaires**
Responses to the initial surveys demonstrated that key suppliers have robust policies in place to prevent modern slavery practices entering the supply chain. These include detailed supplier review mechanisms, thorough screening procedures and comprehensive on-boarding programs.

This approach also enables RATCH-Australia to challenge suppliers in cases where procedures are not in place or fit for purpose. Consideration will be given in the coming year to expanding the reach of this effective tool to ensure we understand potential vulnerabilities in our supply chain.



ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

- **Review policies and procedures**
RATCH-Australia will continue to review and refine its policies and procedures to ensure that measures to monitor and minimise the risk of modern slavery are embedded in our business practices. This includes ensuring that existing reporting avenues are sufficiently well adapted to allow the reporting of modern slavery and that the escalation principles enshrined in our whistleblower policy are effective in addressing and potentially remediating modern slavery incidents.
- **Engage with industry forums promoting best practice in this field:**
In FY20, RATCH-Australia participated in the Clean Energy Council's Risks of Modern Slavery Working Group. We will continue to participate in relevant industry forums as relevant to our business needs.
- **Train and educate:**
Regular training to RATCH-Australia employees on modern slavery risks will be provided so that compliance obligations are communicated to and understood by all members of the business.



CONSULTATION

Yandin Wind Farm, under construction throughout 2020, is a joint investment between RATCH-Australia and Alinta Energy, managed by Alinta Energy.

Consultation between relevant personnel of the joint investment venture participants has been conducted. This included a review of the procedures implemented by the managing party to minimise the modern slavery risks associated with this project. RATCH-Australia is satisfied that the manager's processes are robust.

IMPACT OF COVID-19

The COVID-19 outbreak and subsequent restrictions had a limited effect on RATCH-Australia's operations in 2020. Energy generation was classed as an essential industry, enabling construction and operations to proceed.

Working practices were closely examined and adapted to allow construction to continue safely, with stringent screening and social distancing measures imposed alongside policies introduced to limit visitors to sites.

The majority of the workforce at Collector and Yandin wind farms under construction in the period were based in New South Wales and Western Australia respectively, with relatively few interstate workers.

No new suppliers were engaged as a direct result of the outbreak and travel restrictions, preventing any increased risk of introducing modern slavery into the supply chain.

RATCH-Australia's direct employees were not compelled to work from an office between April and the end of 2020.

GOVERNANCE

This Statement was approved by the Board of RATCH-Australia Corporation Pty Limited on 22 April 2021 for the year ending 31 December 2020.



Thikhumporn Daorote

Managing Director





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RATCH-Australia Corporation