

Verbrec Limited

(formerly LogiCamms Limited)

ACN 127 897 689

Modern Slavery Statement FY20

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Introduction

This Modern Slavery Statement is made on behalf of the Verbrec Group (Verbrec Limited (ASX: VBC) and all subsidiaries as listed below). The statement is Verbrec's first Modern Slavery Statement developed in accordance with the requirements of the Modern Slavery Act 2018 (Cth) and sets out the actions taken by Verbrec for the financial year ending 30 June 2020 as well as addressing future commitments.

Our Business

Verbrec is a leading mid-tier engineering, project delivery and operations services business executing work across Australia, New Zealand, PNG and the Pacific Islands. Work carried out in PNG and the Pacific Islands is predominately contracted through an Australian or New Zealand entity with limited procurement conducted locally. Our core industry markets span hydrocarbons, mining and infrastructure.



Our Services (spanning all phases of the life cycle of assets)



Project Development



Project Delivery



Commissioning



Engineering / Design



EPC/M



OPS & Maintenance



Project Management



Construction



Training



Innovation Products



Asset Management



Commercial Services

Our 6 Technical Specialities are as follows:



Asset Management Providing reliability engineering, asset inspection and integrity services, maintenance strategies and database development and condition monitoring and assessment expertise.



Digital Industry Specialist engineering and project delivery (including Engineering Procurement Construction (EPC) delivery) in controls and automation, data acquisition, industry digitalisation (including IIOT – Industrial Internet of Things), industrial data analytics and advanced algorithms. This is provided for a wide range of industries with particularly strong experience in mining and minerals processing (including mobile machines), oil and gas (upstream and downstream), petrochemicals and water.



Pipelines Full life-cycle services to all aspects of pipelines including conceptual studies, engineering design, EPC delivery, commissioning, operations & maintenance, commercial services, condition assessment and repairs. We specialise in gas, oil, water and hydro-transport (slurry) pipelines including all associated facilities including compressor stations, pumping stations, terminal facilities, pigging systems, metering systems, SCADA systems and tie-ins.



Power Specialist engineering and project delivery (including EPC delivery) in low voltage and high voltage electrical systems. This includes electrical distribution and reticulation, grid connections, switchboards and motor control centres, protection systems, as well as specialist expertise and tools in electrical equipment in hazardous areas.



Process Plant Full multi-disciplinary engineering, design and procurement capabilities for all oil and gas and chemical facilities including well-head systems, gathering networks, processing facilities (physical and chemical processing), compression and pumping facilities, tank farms and distribution systems. We are specialists in cost-effective, fit-for-purpose designs and in the use of modular/package equipment.



Competency Training A Registered Training Organisation (RTO) providing specialist training – particularly in the areas of electrical and instrumentation, controls and automation, switchgear and electrical equipment for hazardous areas. Competency Training has dedicated, fully-equipped training facilities (allowing for 'hands-on' training with equipment) and also provides extensive and customised on-site training courses at client's own sites as well as live-streamed virtual training and the use of virtual reality and e-learning. In FY21 Competency Training purchased the training assets of Site Skills Group Pty Ltd which further enhances our training offering.

Verbrec Limited was established in 1988 and is the parent company to the following subsidiaries:

	Australian Company/ Business Number	Country of Incorporation	Ownership Interest 2020 (%)
OSD Pty Ltd	ACN 058 047 046	Australia	100
OSD Asset Services Pty Ltd	ACN 117 904 042	Australia	100
PIPEd Pty Ltd	ACN 117 496 741	Australia	100
OSD Projects Pty Ltd	ACN 153 827 279	Australia	100
OSD Velocity Pty Ltd	ACN 611 464 996	Australia	100
GWB Engineering Pty Ltd	ACN 058 405 762	Australia	100
LogiCamms Holdings Pty Ltd	ACN 163 483 636	Australia	100
LogiCamms (WA) Pty Ltd	ACN 127 715 762	Australia	100
LogiCamms West Pty Ltd	ACN 059 540 831	Australia	100
LogiCamms Consultants Trust	ABN 69 868 703 406	Australia	100
LogiCamms (PNG) Pty Ltd	ACN 078 567 049	Australia	100
Competency Training Pty Ltd	ACN 113 051 139	Australia	100
LogiCamms Australia Pty Ltd	ACN 113 919 565	Australia	100
LogiCamms (CGH) Pty Ltd	ACN 103 283 638	Australia	100
LogiCamms (Central) Pty Ltd	ACN 008 190 207	Australia	100
LogiCamms Shared Services Pty Ltd	ACN 101 159 184	Australia	100
LogiCamms Consulting Pty Ltd	ACN 604 427 894	Australia	100
Petromod Pty Ltd	ACN 149 788 929	Australia	100
Stackson IP Pty Ltd	ACN 646 392 430	Australia	100
Energy Infrastructure Management Pty Ltd	ACN 100 946 389	Australia	100
LogiCamms New Zealand Limited		New Zealand	100
Independent Technology Holdings Limited		New Zealand	100
ITL Engineering New Zealand Limited		New Zealand	100
ITL Limited		New Zealand	100
ITL Engineering Australia Pty Ltd		New Zealand	100
OSD Pipelines Corporation (dormant)		Canada	100
OSD Chile S.A. (dormant)		Chile	100

Verbrec's head office is located in Brisbane, Queensland. All policies and processes are the same for each of the above-listed companies and as such this Modern Slavery Statement provides a consolidated description of Verbrec's actions to address modern slavery.

As at 30 June 2020, Verbrec had approximately 380 employees, 25 contingent workers and 76 casuals engaged within the business.

Our Suppliers

During FY20, Verbrec spent ~AU\$50 million on goods and services from over 350 suppliers with the vast majority of spend being spent with suppliers in Australia and New Zealand.

The key categories of spend include:

- Procurement of electrical componentry for the development and installation of digital systems and infrastructure
- Procurement of mechanical pipeline materials and ancillary equipment for the development, installation and maintenance of pipeline and process assets
- Procurement of construction consumables for the fabrication, construction and commissioning of a range of plant, facilities and infrastructure across Australia and New Zealand.
- Hire of plant and equipment
- Workforce labour hire
- Travel and accommodation services
- Electronics (IT equipment)
- Facilities (rent, cleaning and other office services)

Supply Chain Risks

On a risk-based assessment approach, Verbrec considers the high-risk factors to its supply chain to be:

- Category of spend
- Materiality of the spend
- The level in which Tier 1 Verbrec Suppliers assess their own supply chain risks
- Whether the supplier directly supplies its goods or services from any of the high prevalence risk countries listed in the Global Slavery Index
- Whether the supplier indirectly supplies goods which are indirectly (whether deep in supply chain or from raw materials) sourced from any of the high prevalence risk countries listed in the Global Slavery Index

More specifically, with reference to the goods and services procured by Verbrec, the high-risk categories are:

- The procurement of goods with componentry from various foreign manufacturing sources
- The direct manufacturing of materials directly from foreign entities
- The engagement of local / domestic fabrication and manufacturing (to the extent that the raw materials being used are of an unknown or high-risk nature)
- The engagement of professional labour from foreign entities

Future Commitments and Continuous Improvement

Verbrec's future commitments are as follows;

1. Supplier on-boarding – the Contracts and Procurement Team as part of normal due-diligence of on-boarding new tier 1 suppliers will seek confirmation through a standardised questionnaire that the suppliers are not engaging in Modern Slavery. Questionnaires will also be sent to existing suppliers.
2. Amendment of Verbrec's standard Purchase Order terms and conditions to include references to Modern Slavery.
3. Amendment of Verbrec's subcontract templates to include commitments regarding Modern Slavery and Human Rights.
4. Training – the Contracts and Procurement Team will undertake training on Modern Slavery which will then be rolled out to relevant staff to increase awareness across the Verbrec group. As part of the on-boarding of appropriate new staff, Modern Slavery and Human Rights training will be undertaken. The training will cover:
 - a. An understanding of Modern Slavery
 - b. Education on the 8 serious forms of criminal exploitation
 - c. Understand Verbrec's obligations under the Modern Slavery Act 2018
 - d. Outline the key risk areas for the Verbrec Group
 - e. Provide guidance to staff and suppliers where suspected non-compliance of the act is taking place
5. Policies – Verbrec's current Whistleblower Policy will be expanded to specifically address Modern Slavery
6. The Audit and Risk Committee Charter will be updated to include in its duties the oversight of Modern Slavery risks. A standing agenda item on this topic will also be added to the agenda.

Effectiveness of Actions

Verbrec plans to measure the effectiveness of its actions by monitoring and reporting to the Audit and Risk Committee annually an update of the commitments outlined above. Any other measures taken by the Group to improve the overall effectiveness in complying with the Modern Slavery Act will also be reported on.

Verbrec is committed to continuous improvement in its organisation and shall measure, assess and report in accordance with government guidelines and the requirements of ISO9001:2015.

Approval

Verbrec makes this Modern Slavery Statement in accordance with section 14 of the Modern Slavery Act 2018 (Cth) and constitutes Verbrec's Modern Slavery Statement for the year ended 30 June 2020.

This Modern Slavery Statement was approved by the Board of Verbrec Limited on 24 May 2021.



Phillip Campbell

Chair of the Board
Verbrec Limited

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