



LMS<sup>TM</sup>  
ENERGY

# Modern Slavery Statement





### **Modern Slavery Act 2018 (Cth)**

This statement discloses the actions taken by LMS Energy Pty Ltd to address modern slavery in our business and supply chain, during the year ending 30 June 2023.

This statement has been prepared to align with the requirements of the Modern Slavery Act 2018 (Cth) and has been approved by the LMS Energy Board.

# Message from the CEOs

At LMS Energy (LMS), we are passionate about reducing the environmental impact of waste through methane abatement. But we know that pursuing a more sustainable future goes well beyond reducing Australia’s emissions through decarbonised energy solutions and methane abatement.

We are pleased to release the 2023 Modern Slavery Statement which outlines our commitment to combat modern slavery within our operations and supply chains.

As an industry leader in the generation of renewable energy and abatement of carbon pollution, LMS is committed to continuous improvement, including in ethical practices. We recognise the critical importance of ensuring that our operations and supply chains remain free from exploitation. Our approach to achieve this focuses on building our understanding and capabilities, improving our policies and processes, and enhancing engagement with our suppliers.

In 2023, we took important steps to implement a modern slavery framework for future years, including setting up a committee, drafting a policy and reviewing our supply chains for key risk areas. We are proud of the progress the company has made in our first year and look forward to further progress in 2024.

This statement was prepared in consultation with key stakeholders and executive management across LMS Energy Pty Ltd. This statement for the financial year ending 30 June 2023 is made pursuant to section 14 of the Modern Slavery Act 2018 (Cth) and has been approved by the LMS Energy Board.



**Matthew Falzon**  
Co-Chief Executive Officer



**James McLeay**  
Co-Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Matthew Falzon', written over a horizontal line.

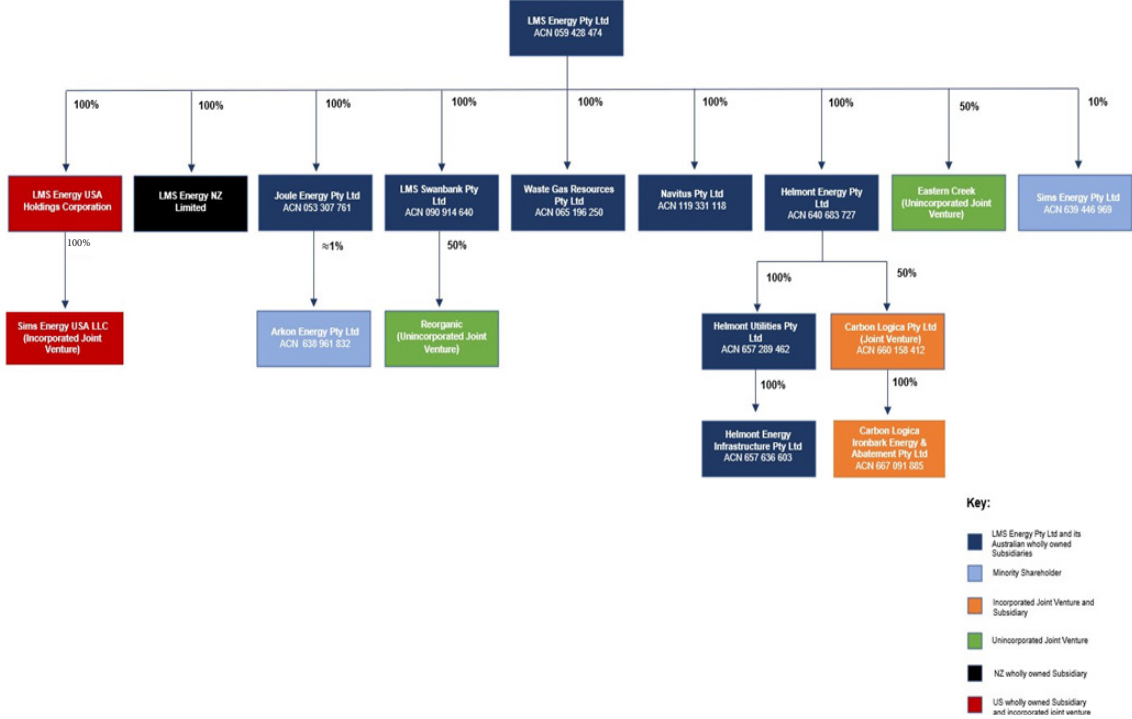
A handwritten signature in blue ink, appearing to read 'James McLeay', written over a horizontal line.

# Who We Are

## Our Operations

LMS Energy is Australia’s largest and most experienced landfill biogas company. The recovery of landfill biogas reduces methane emissions and provides a reliable source of renewable energy. Each year, LMS’ projects prevent more than 4 million tonnes of greenhouse gases from being released into the atmosphere, making LMS one of Australia’s largest emissions reducers. LMS has successfully delivered more landfill biogas projects than any other Australian company and is highly recognised as an innovator in the industry.

## Our Structure



LMS Energy Pty Ltd (ABN: 39 059 428 474) is the parent company in the above group that is required to report under the Australian modern slavery laws. LMS Energy is owned 50% by J&D Falzon Nominees Pty Ltd and 50% by Pacific Equity Partners (Pacific 2023 HoldCo A Pty Limited).

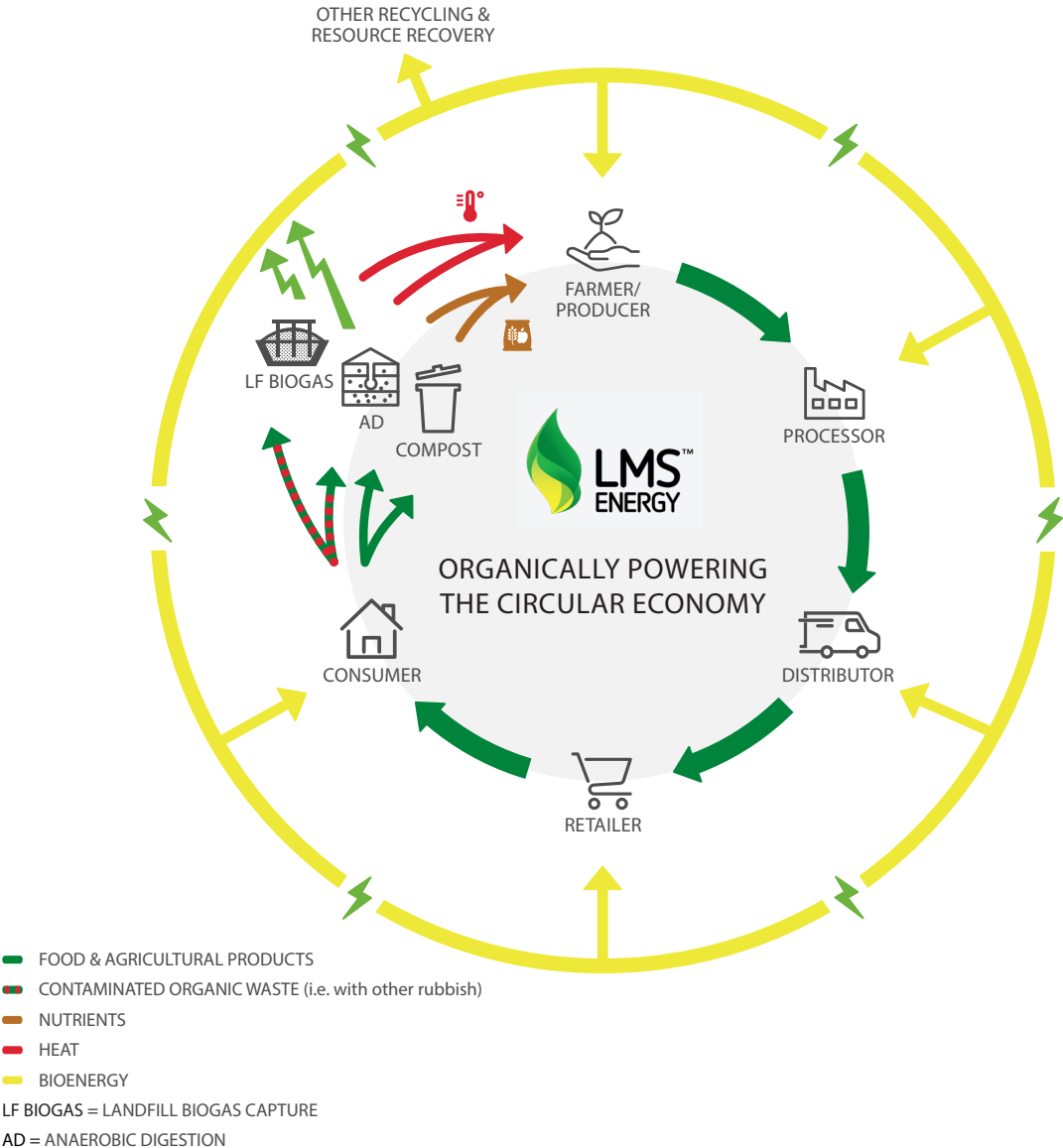
# Our Purpose, Vision & Values

## Purpose

- To protect our environment from the impact of waste.
- To be a great business for our people, our clients and the community.
- To constantly challenge the status-quo through innovation.

## Vision

Our Vision is to be the leading bioenergy and methane abatement company, powering a circular economy.



# Values



## Integrity

PROTECT OUR REPUTATION

- Doing what is right
- Conducting ethical business
- Establishing long-standing partnerships
- Demonstrating ongoing resilience



## Development

GROW OUR PEOPLE

- Retaining excellent employees
- Maximising employee strengths
- Achieving high engagement
- Rewarding employees who create value



## Safety

NEVER COMPROMISE

- Putting safety first
- Protecting our people
- Leading by example
- Striving for exceptional results



## Teamwork

ONE TEAM, ONE COMPANY

- Working together, not alone
- Respecting individual differences
- Sharing and transferring knowledge
- Displaying a positive mindset



## Innovation

THINK SUSTAINABLY

- Challenging the status-quo
- Adapting to change
- Developing new technologies
- Solving problems creatively



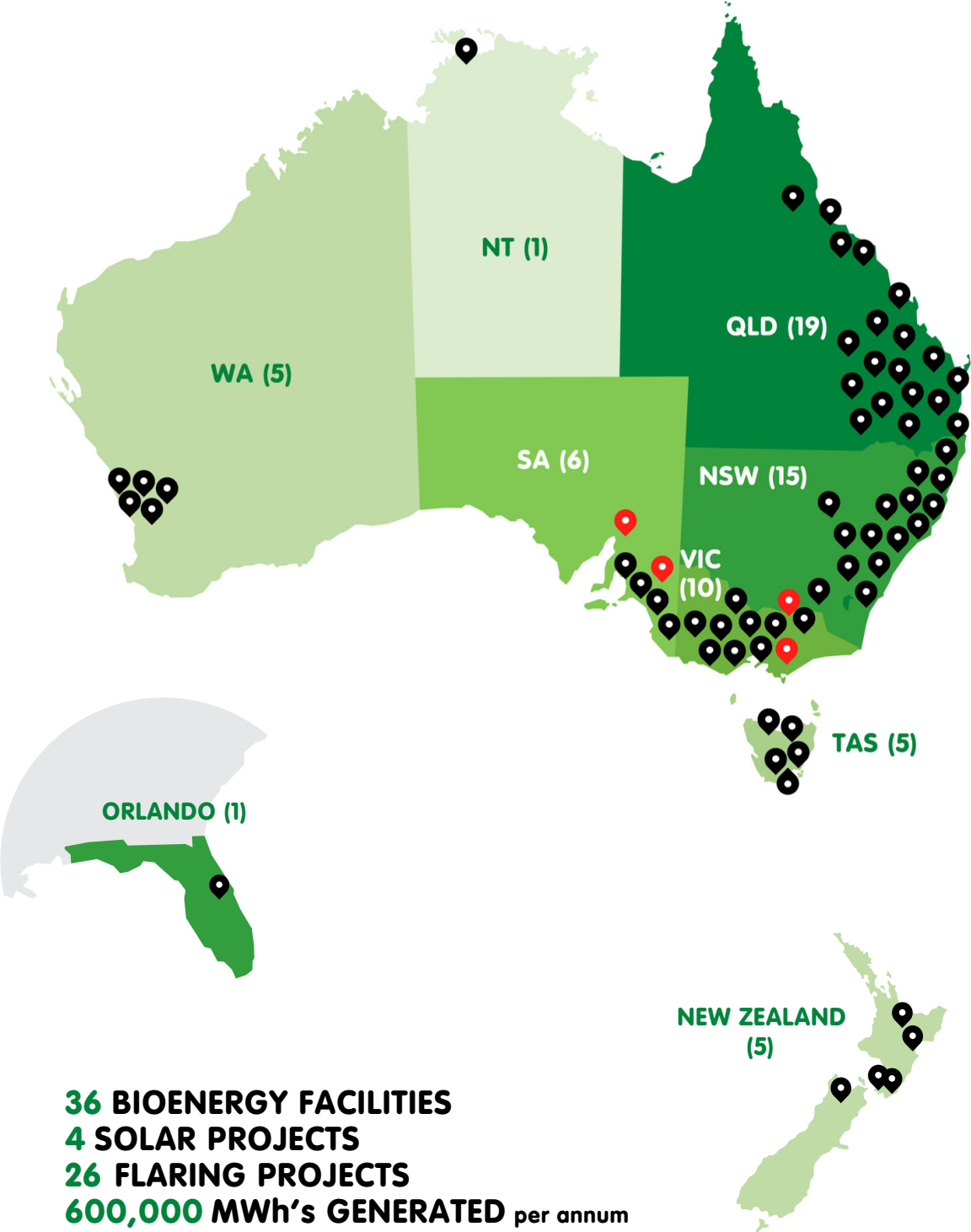
## Commitment

BUILD TO LAST

- Pioneering excellence
- Delivering industry-leading projects
- Dedication to being the best, not the biggest
- Having a "can do" attitude

# Where We Operate

As identified in the map below, LMS operates in Australia, New Zealand, and the United States of America. The Global Slavery Index 2018 suggests that these countries are assessed as having low jurisdictional risk for modern slavery.



# Our Position On Modern Slavery

## Steps taken

LMS is committed to minimising and abolishing modern slavery in our supply chain or any part of our business. To deliver this commitment, LMS has taken the following steps to address modern slavery:

- LMS formed an internal working group to thoroughly assess the modern slavery risks in the LMS supply chain. The working group meets regularly to work on the reporting aspect and continue to develop actions for the company moving forward.
- Working group members undertook training through the University of Technology Sydney to further their understanding of the risks of modern slavery and to assist them in identifying risks in the LMS supply chain.
- A modern slavery policy was developed by the working group and will be distributed business-wide to reinforce LMS' stance and dedication to eradicating modern slavery from our supply chain. Our procurement policy has also been updated in line with the modern slavery statement.
- Modern slavery statements and/or policies were sought from LMS' top 10 suppliers, which make up 45% of our overall expenditure. It was identified that a majority of our major suppliers have modern slavery statements and frameworks in place.



# Policy

LMS is in the process of developing a company-wide policy that supports our commitment and underpins our annual modern slavery statement as required by Modern Slavery Act 2018 (Cth).

The policy will inform all employees that LMS recognises the fundamental importance of respecting and protecting the human rights of our employees, our clients, our community, and the suppliers/supply chains that we engage with. We are committed to treating all people with respect and providing workplaces and relationships that are safe, respectful and ethical.

The policy also outlines the steps taken to limit risks of modern slavery practices in our business and supply chain.

Included in our policy is:

- Setting up a Modern Slavery Committee
- Identifying and addressing modern slavery risks in our business and supply chain
- Taking steps to raise employees' awareness of modern slavery risks, including by having this policy
- Providing information and resources to employees to report any modern slavery concerns
- Preparing a Modern Slavery Statement annually as required by Australian law.

# Risk Management

## Supply chain risk assessment

We assessed some of our key industry sectors to identify risks in the context of modern slavery.

<b>Areas of Supply</b>	
<b>Landfill gas capture</b>	LMS uses a variety of landfill gas capture equipment and infrastructure in our operations. These items are sourced both in Australia but also manufactured in other countries, which may have greater modern slavery risks. Additionally, some raw materials used in the landfill gas capture infrastructure could originate from countries known to have high risk of modern slavery (e.g. metals).
<b>Power station consumables</b>	LMS uses a number of power station consumables and fuels in our operations. Gas from landfill gas originates in the countries where we operate (which have low jurisdictional risk of modern slavery). Other power station consumables either originate in countries where we physically operate or are imported. The imported products potentially pose a higher jurisdictional risk of modern slavery compared to the countries where our operations are based.
<b>Professional and technical services</b>	We outsource various professional and technical services such as legal, financial and engineering. Due to the location and nature of the professional services provided, we assess the risk of modern slavery to be low.
<b>Fleet and transportation services</b>	LMS supplies company vehicles to employees where required, and currently there are around 145 vehicles in our fleet. The modern slavery risk in the production of these vehicles would be moderate, as parts of the creation would be outsourced to countries with lower governance.  Freight is often used when purchasing items and sending completed items to site that have been manufactured in-house. Due to freight mainly being serviced in Australia, New Zealand and the United States, there is low risk of modern slavery in this area.
<b>Office services</b>	This includes all office information technology supplied to staff, which is inherently a high risk of modern slavery due to the outsourcing from IT companies in producing elements of computer equipment.
<b>Personal protective equipment (PPE) and uniforms</b>	Personal protective equipment is required for many LMS employees who work at landfill sites and in workshops where manufacturing is undertaken. Corporate uniforms are also provided to staff. The risk of modern slavery in this supply chain is high as the products are generally produced overseas with lower levels of governance.

# Plans for 2024

1. Gap analysis – LMS will review our policies and procedures for any more changes that need to be made, in line with our new modern slavery policy. Any risks identified (potentially with external assistance) will be sought to be reduced.
2. Supplier contract review – LMS will insert modern slavery clauses into our legal contracts going forward in consideration of our expectation that counterparties are committed to minimising modern slavery in their business where possible.
3. Finalising procurement and company policy – The draft policies to be finalised and distributed company-wide. We will also consider any other company policies that may need to be amended to address modern slavery.
4. Business-wide training – LMS will provide modern slavery training so employees are aware of what it is, the associated risks to the business and how to take action if required.
5. Contractual review – LMS will review contracts in our supply chains to understand relative risk.



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**LEADERS IN METHANE ABATEMENT AND BIOENERGY**

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