

Beach Energy

FY22 Modern Slavery Statement

December 2022



Kupe Gas Plant, New Zealand

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About this statement

This statement sets out Beach's commitment and progress in the identification and elimination of modern slavery in its operations and supply chains. It is provided in accordance with the requirements of the *Modern Slavery Act 2018 (Cth)*.

This statement is approved by the Board of Beach Energy Limited.



Cooper Basin,
South Australia

Letter from the CEO



Dear Reader,

Beach Energy is committed to playing its role in addressing modern slavery.

As a company headquartered in Adelaide, with operations across Australia and New Zealand, and a global supply chain, we are mindful of our impact and ability to drive positive change.

In line with the requirements of the *Modern Slavery Act 2018 (Cth)*, our Modern Slavery Statement describes the actions Beach has undertaken over FY22 to strengthen our practices, policies, and performance. It describes our continued effort to engage with our suppliers, identify modern slavery risks and enhance internal processes to mitigate these risks within our business operations and supply chain.

We remain driven by our purpose to sustainably deliver energy for communities. As Beach's new Chief Executive Officer, I want to assure you

of our enduring commitment to improving our understanding and management of modern slavery risks within our operations and supply chains. I am encouraged by the progress we have made to address modern slavery to date, and look forward to commencing the delivery of our next three-year roadmap.

As you read through this statement, I invite you to provide your thoughts and comments via sustainability@beachenergy.com.au.

Morné Engelbrecht
Chief Executive Officer

December 2022



Kupe Gas Plant,
New Zealand



Our FY22 achievements

In FY22, Beach continued to strengthen our processes, practices and policies related to modern slavery risk management.

We have addressed all actions outlined in the three-year action roadmap defined in the FY20 statement. Further information on our roadmap is provided on [page 17](#).

Beach's actions in FY22

- Updated Beach governance documents to ensure that the requirements of the *Modern Slavery Act 2018 (Cth)* are considered in decision-making.
- Included a mandatory online training module as part of our onboarding process for all new starters, including contingent workers.
- Commenced work on a process to strengthen our supply chain due diligence by facilitating on-ground supplier audits.
- Continued to engage and assess Beach's suppliers for potential modern slavery exposure, covering suppliers representing 97% of FY22 spend.
- Determined that more than 98% of our primary suppliers comply with the United Nations International Labour Organization (ILO) conventions.
- Collaborated with suppliers and other organisations to share knowledge and best practices.





The reporting entity

Reporting Criteria 1

For the purposes of the Act, the reporting entity is Beach Energy Limited.

Reporting Entity:

Beach Energy Limited

ACN: 007 617 969

Registered office:

Level 8, 80 Flinders Street,
Adelaide SA 5000

This statement covers all entities under Beach Energy Limited's group structure (controlled entities). A list of these controlled entities is available under the heading 'Subsidiary Companies' on page 106 of Beach's FY22 Annual Report. It does not cover our non-operated joint venture operations.



Cooper Basin,
South Australia



Our business structure, operations, and supply chain

Reporting Criteria 2

Our Business Structure and Operations

Beach is an ASX listed oil and gas exploration and production company headquartered in Adelaide, South Australia.

Founded in 1961, Beach has operated and non-operated, onshore and offshore, oil and natural gas production from five producing basins across Australia and New Zealand¹. Beach is a key supplier to the Australian east coast natural gas market.

Beach also has a suite of exploration permits across the onshore Cooper and Perth basins,

onshore and offshore Otway Basin as well as offshore acreage in the Bonaparte (Australia) and Taranaki (New Zealand) basins. Exploration and production activities are often conducted through joint arrangements governed by joint operating agreements.

For more information on our operated and non-operated assets, refer to the [FY22 Annual Report](#) available on the company website.

Beach's operational activities include exploration, development, production and processing of hydrocarbons at our Australian and New Zealand assets. The infrastructure and activities associated with exploration and production operations typically comprises seismic surveys, development

of access tracks, roads and drill pads, drilling well completions, testing, wellheads, processing facilities, pipelines, storage facilities, and accommodation facilities.

Beach is on target to enter the global Liquefied Natural Gas (LNG) markets in the second half of 2023, when it will commence export of its share of LNG volumes from the Waitsia Gas Project Stage 2 in the Perth Basin, operated by joint venture participant Mitsui E&P Australia (MEPAU). The LNG Sale and Purchase Agreement signed with BP Singapore Pte. Limited, a subsidiary of BP plc ("bp") will see bp purchase all 3.75 million tonnes of Beach's expected LNG volumes from the Waitsia Stage 2 project.

Beach contributes to its local and regional communities through taxes, royalties, job creation, supporting local suppliers where possible and through investments in local infrastructure.

As of 30 June 2022, Beach had a total of 537² direct employees across Australia and New Zealand.

A list of Beach's controlled entities is available under the heading 'Subsidiary Companies' on page 106 of the FY22 Annual Report. All controlled entities operate under the direction and governance of Beach Energy Limited.

¹ These include production facilities in the Cooper, Bass, Otway (SA & Victoria), Perth and Taranaki Basins.

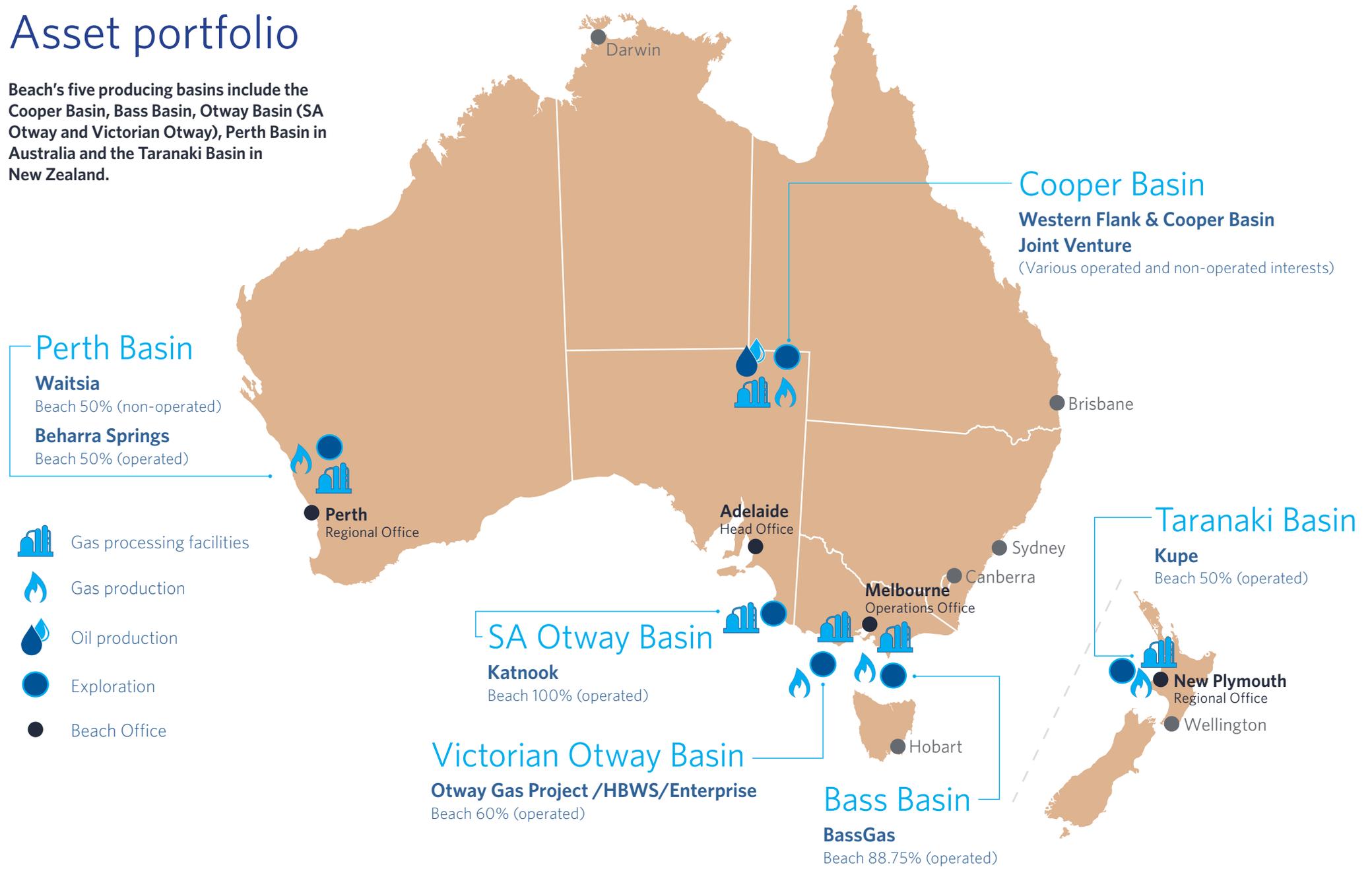
² Includes international employees and excludes non-executive directors.



Waitsia Stage 2
Western Australia

Asset portfolio

Beach's five producing basins include the Cooper Basin, Bass Basin, Otway Basin (SA Otway and Victorian Otway), Perth Basin in Australia and the Taranaki Basin in New Zealand.



- Gas processing facilities
- Gas production
- Oil production
- Exploration
- Beach Office



Our supply chain

Beach continues to engage a diverse range of suppliers from established oil and gas companies to local family-owned businesses, located in Australia and other countries, for an array of goods and services.

In FY22, Beach had about 1,400 primary suppliers¹ across our assets with an aggregated spend of ~\$865m.² Our supply chain data in FY22 shows:

- 79.1% of spend was with suppliers directly based in Australia, compared to 69.5% in FY21.
- Engagement with suppliers in the United States has decreased from 15% in FY21 to around 10.5% in FY22.
- Beach entered into ~750 new contracts and had ~1480 active contracts.
- Top-spend categories were drilling and completions and wells interventions, corporate services, subsea, transport and professional services.

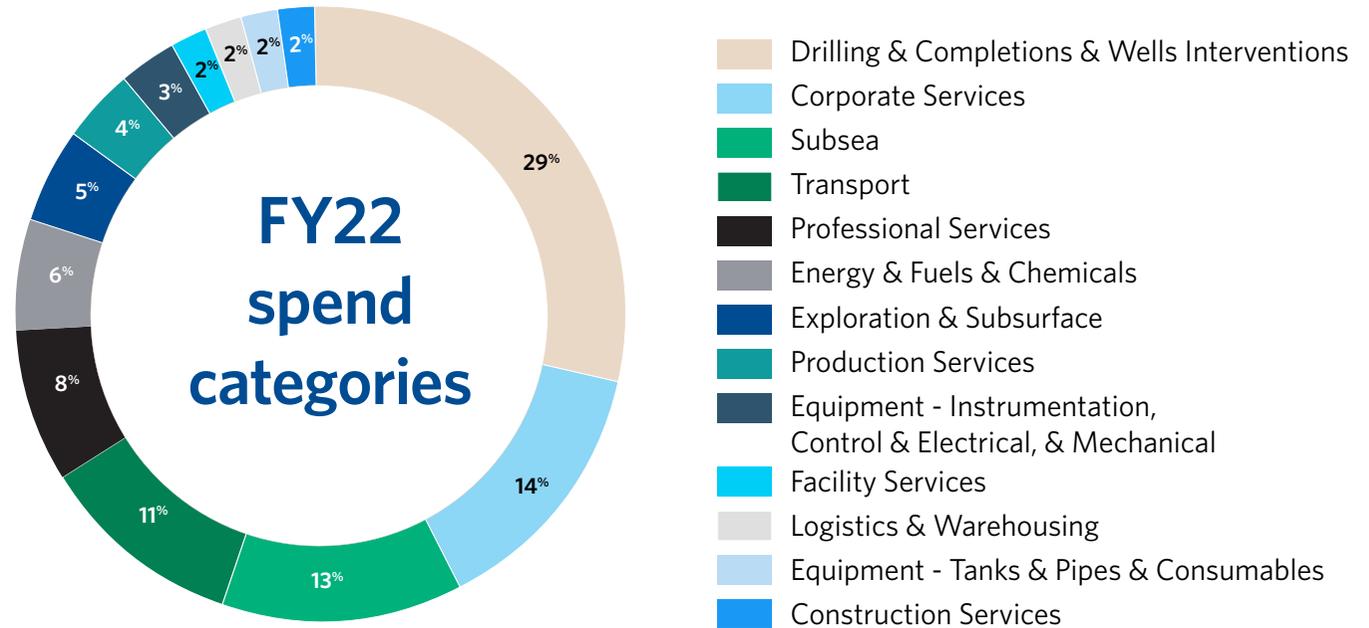


Figure 1 FY22 spend categories

Primary supplier base in FY22	Spend
Australia	79.1%
United States	10.5%
New Zealand	4.9%
Singapore	2.9%
United Kingdom	2.1%
Bermuda	0.2%
Netherlands	0.1%
Other ³	<0.1%

Table 1 Supplier expenditure across countries

Tier	Tier description	Criteria for FY22 supplier engagement with questionnaire						
1	All suppliers with an aggregate annualised spend over \$1m	Suppliers who scored a 'High' potential exposure rating during Beach's FY21 engagement with Beach's Supplier Questionnaire, or suppliers with FY22 spend between \$250k to \$1m, previously unrated, and scored a 'Medium' or 'High' potential exposure rating in Beach's internal Rapid Risk Assessment.						
2	Suppliers with an aggregate annualised spend between \$500k and \$1m							
3	Suppliers with an aggregate annualised spend between \$250k and \$500k							
4	Suppliers with an aggregate annualised spend over \$100k in top six higher-risk sub-categories							
		Suppliers in top 6 high-risk sub-categories:						
		<table border="0"> <tr> <td>1. Facility/Camp Management</td> <td>4. Engineering Services</td> </tr> <tr> <td>2. Information Technology</td> <td>5. Travel & Events</td> </tr> <tr> <td>3. Marine</td> <td>6. Personal Protective Equipment & Safety</td> </tr> </table>	1. Facility/Camp Management	4. Engineering Services	2. Information Technology	5. Travel & Events	3. Marine	6. Personal Protective Equipment & Safety
1. Facility/Camp Management	4. Engineering Services							
2. Information Technology	5. Travel & Events							
3. Marine	6. Personal Protective Equipment & Safety							

Table 2 Breakdown of supplier tiers by spend level

¹ Primary suppliers are suppliers directly engaged by Beach.

² Based on extrapolating invoices paid from 1 July 2021 until 30 April 2022.

³ Consolidated spend across Norway, Canada, Bahrain, Malaysia, Luxembourg, Tanzania, Thailand, Italy was less than 0.1% of total spend.



Risks of modern slavery practices in our supply chains and operations

Reporting Criteria 3

Supply Chain Assessment

Beach's Modern Slavery Risk Framework, based on the four high-risk indicators (industry/category, entity risk, workplace conditions, and geographical locations)¹ governs the method of our supplier assessments. Selected suppliers are internally assessed against this framework in our desktop Rapid Risk Assessment to produce a preliminary rating of low, medium or high.

All suppliers with a medium or high rating are then issued Beach's Modern Slavery Supplier Questionnaire (a detailed examination against our framework) which is then actively assessed by our

Contracts & Procurement team before a finalised rating is confirmed.

The questionnaire requires suppliers to provide details about business structure, internal processes and policies, supply chain visibility (including secondary suppliers'² locations), employee training, internal and external audit provision and employee entitlements.

Supplier responses are then analysed internally for potential modern slavery risks in their operations and/or supply chain. Where required, Beach will then seek additional supporting information and clarification from the supplier.

Proactive due diligence and assurance activities are then established with these suppliers. Renewal of assessments are completed as follows:

- Low rating – Rapid Risk Assessment within two years.
- Medium rating – detailed questionnaire within two year.
- High rating – detailed questionnaire within one year.

In FY22, Beach engaged 97%³ of its suppliers in its modern slavery risk assessment. 48% of respondents⁴ were found to be high or medium

risk after the Rapid Risk Assessment and therefore were subject to the more intensive Modern Slavery Supplier Questionnaire process. Following completion of the questionnaire, 2% of suppliers were classified to be at potential high risk and 39% suppliers to be at a potential medium risk. The remaining 59% were deemed to be at low risk.

¹ Beach has adopted, with minor changes to reflect its industry, the high-risk indicators from the *Commonwealth Modern Slavery Act 2018: Guidance for Reporting Entities, Appendix 1, Table 6.*

² Secondary suppliers: sub-suppliers of our primary suppliers.

³ Renewal of assessments basis, by spend.

⁴ 80% of top suppliers responded to the questionnaire.

Risks of modern slavery practices in our supply chains and operations

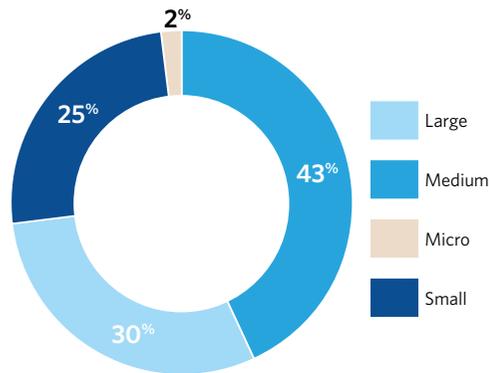


Figure 2 Business size of primary suppliers

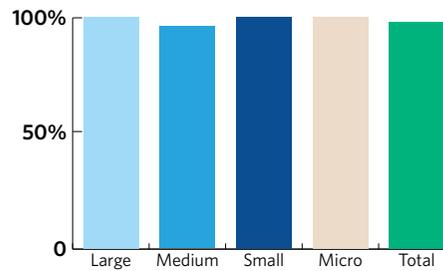


Figure 3 Primary suppliers indicating compliance with ILO conventions

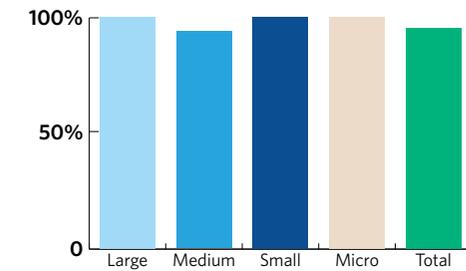


Figure 4 Primary suppliers providing clear employee contracts

Industry/Category

Certain sectors and industries may have high modern slavery risks because of their characteristics, products and processes. They may use unskilled or seasonal labour, outsourced labour or child labour. Beach works with suppliers of all sizes⁵ and across a broad range of categories that employ both high and low-skilled labour. Large and medium-sized businesses have greater resources and more mature business processes whereas small and micro-sized businesses are less likely to have robust processes. The sizes of our suppliers are shown in figure 2.

Across our primary supplier base 74% of personnel were employed, which is down from 82% in FY21. Seasonal contract workers represented 23% of personnel, up from 16% in FY21, and 4% were through labour broker and/or outsourced labour, up from 2% in FY21.

Entity/Workplace Considerations

In our assessment of primary suppliers, both domestic and international, the majority indicated that they comply with the United Nations International Labour Organization (ILO) conventions relating to worst forms of child labour, hazardous child labour and minimum age for work, as shown in figure 3.

The *Declaration on Fundamental Principles and Rights at Work* underpins the conventions of the ILO.

This declaration contains five fundamental principles:

- Freedom of association and the effective recognition of the right to collective bargaining.
- The elimination of all forms of forced or compulsory labour.
- The effective abolition of child labour.
- The elimination of discrimination in respect of employment and occupation.
- A safe and healthy working environment.

More than 96% of our primary suppliers indicate that they provide their employees with a written contract in a language they understand, where terms of employment and/or contractor engagement (if applicable) including wage rates and hours of work are clear ensuring minimal requirements, such as rates, within the relevant jurisdiction are met. This is shown in figure 4.

Almost half of our supplier base provides some form of direct modern slavery training to their employees.

⁵ Australian Bureau of Statistics (ABS) defines business size by employee population as follows: Micro - 4 and under / Small - 5-19 persons / Medium - 20 - 199 persons / Large - 200+ persons



Cooper Basin
South Australia

Supply Chain Geography

Beach's suppliers are spread across 15 different countries globally that we directly procure from with majority of the primary suppliers (1148 out of 1400) located in Australia.

As per the Global Slavery Index (2018), modern slavery risks can vary depending on the country from which goods and services are procured. According to this Index, Australia, which is home to more than 79% of our primary spend, is considered to be a low-risk country for modern slavery. Around 30% of our spend is based in other low-risk countries such as the United States, New Zealand, Singapore, the United Kingdom, Bermuda

the Netherlands. The remainder of Beach spend (0.1%) is spread across both low-risk countries such as Norway, Canada, Bahrain, Luxembourg, Italy and high-risk countries like Tanzania, Malaysia and Thailand.

Beach's spend in high-risk countries include legal and consultancy services in Tanzania, specialist engineering services in Malaysia and mechanical and industrial equipment from Thailand. Beach's cumulative spend across these high-risk countries is approximately 0.02% of spend in FY22; a decrease of 0.01% as compared to FY21.

Operational Assessment

As an upstream oil and gas company that employs highly skilled and professional employees and operates in low-risk countries Australia and New Zealand, Beach considers the risk exposure of modern slavery within its direct business operations to be low.

This assessment has not changed since our last Modern Slavery Statement, published in December 2021, as there have not been significant changes in our operations which would alter the risk exposure for Beach.



Actions we have taken to assess and address risks of modern slavery practices

Reporting Criteria 4

In FY22, Beach maintained its focus on further understanding modern slavery risks in our supply chain. We have worked to mature our approach to conducting due diligence with suppliers with greater exposure to the risk of modern slavery in their supply chains.

Due diligence actions in our supply chain Beach's Supplier Expectations

Since the release of our first Modern Slavery Statement in FY20, Beach has implemented contractual obligations within key and critical contracts. We have also implemented a clear set of [Beach Supplier Expectations](#).

In FY22 we have identified the opportunity to strengthen our supply chain due diligence by facilitating on-ground supplier audits, with a focus on modern slavery and human rights assessments.

This requires the development of appropriate systems and process to ensure that they occur at the correct time during operations and project activities, with reasonable budgets and time allowed for both the audit and corrective action as required.

Beach has conducted an expression of interest process with multiple service providers for these audits, which have both a global presence and a deep understanding of human rights across various jurisdictions.

Once established, this facility will be available to operations and projects, to ensure compliance with ethical and sustainable sourcing principles.



Actions we have taken to assess and address risks of modern slavery practices

Due diligence actions in our operations

Governance

Beach's [Human Rights Policy](#) helps improve employee awareness and compliance with our position on modern slavery and ethical conduct.

We have updated Beach governance documents including the Beach Code of Conduct, Sustainability Policy, Community and Stakeholder Engagement Policy and the Whistleblower Policy to ensure that our obligations under the *Modern Slavery Act 2018 (Cth)* are considering in decision-making.

More information on our [corporate governance](#) is available on our website.

Training

Education and training are key to addressing the risk of modern slavery and Beach recognises the need to build the capability of our personnel to help them identify, mitigate and remedy modern slavery risks within our supply chain and operations.

In FY22, Beach included an online training module to be completed by all new starters, including contingent workers. These employees will be required to complete the modern slavery training module as part of their induction process.

The online training module has also been rolled out to all staff across Beach, with a two-year refresh cycle. By the end of FY22, there had been 585 successful completions of the training module. There are 102 current employees who have not yet completed the training. This represents 85% of our staff; we are aiming to increase this to 90% in FY23 as our process matures.

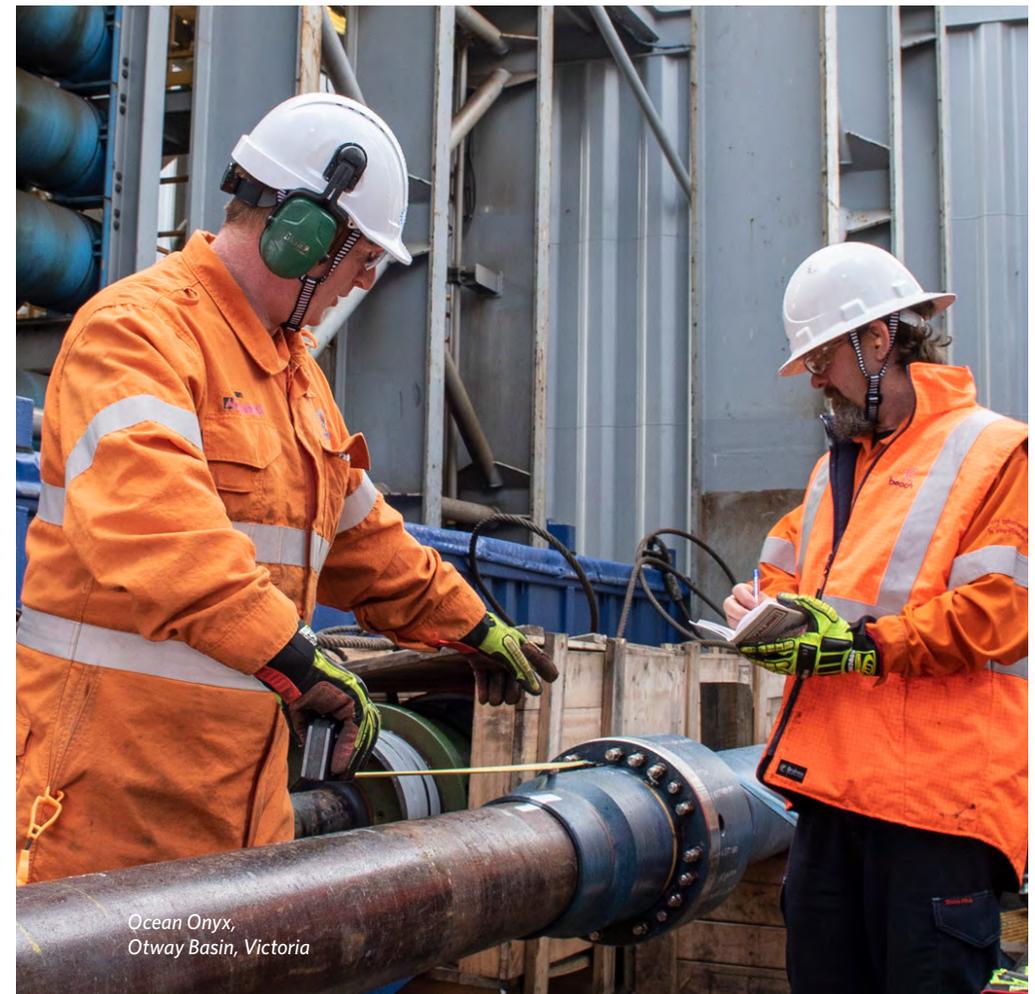
At present, the modern slavery training module is not included in the onboarding process for supplementary workers, suppliers, or consultants. We will review this process and consider whether contracted providers have appropriate training already in place through other means.

Remediation

In addition to our processes to find and mitigate modern slavery in our supply chains and operations, Beach encourages all personnel to report instances, or suspected instances, of modern slavery.

Employees, contractors and third parties continue to have access to mechanisms to help them raise grievances and report any concerns regarding modern slavery, human rights violations or other illegal conduct to their manager. There is also provision under the [Beach Whistleblower Policy](#) to make an anonymous report by a variety of means.

No modern slavery related grievances or reports were received in FY22. Where instances of modern slavery are reported, Beach will work with our stakeholders to remedy adverse human rights impacts.



Ocean Onyx,
Otway Basin, Victoria

Assessing effectiveness of actions

Reporting Criteria 5

Beach has established key performance indicators (KPIs), as defined in our FY21 statement, to track our performance and assess the quality and effectiveness of our actions to address modern slavery.

Suppliers assessed for modern slavery risk

Our suppliers are categorised into tiers as described on page 8. Suppliers in tiers 1-4 are assessed for modern slavery risk; in FY22, this cohort represents 97% of our spend.

We are committed to assessing all suppliers in tiers 1-4 according to our modern slavery risk framework. In FY22 our target was to assess 100% of these suppliers; this was achieved.

Modern slavery training

In FY22, we implemented the modern slavery training module as part of the onboarding process for all Beach staff, as described on page 13. Now that the training program is established, we will work to ensure employees remain up to date with the training, which has a two-year refresh cycle.

Enhanced risk assessment

In FY22, 6% of direct suppliers were subject to an enhanced risk assessment. Beach undertakes this additional level of scrutiny for all suppliers meeting defined criteria in our modern slavery risk framework.

As we undertake this in response to our findings, we do not set a forward target. We anticipate that as suppliers improve their response to managing the risk of modern slavery, this number will reduce, and we are committed to working with suppliers to improve their processes.

Supplier audits

We are working towards conducting on-ground supplier audits for high-risk locations and/or subcategories, as described on page 12. In FY22 we completed preparatory work, and this will be further developed in FY23.

Key performance indicators	FY22 result	FY23 target
Tier 1, tier 2, tier 3 and tier 4 suppliers assessed for modern slavery risk	100%	100%
Employees with current modern slavery awareness training	85%	90%



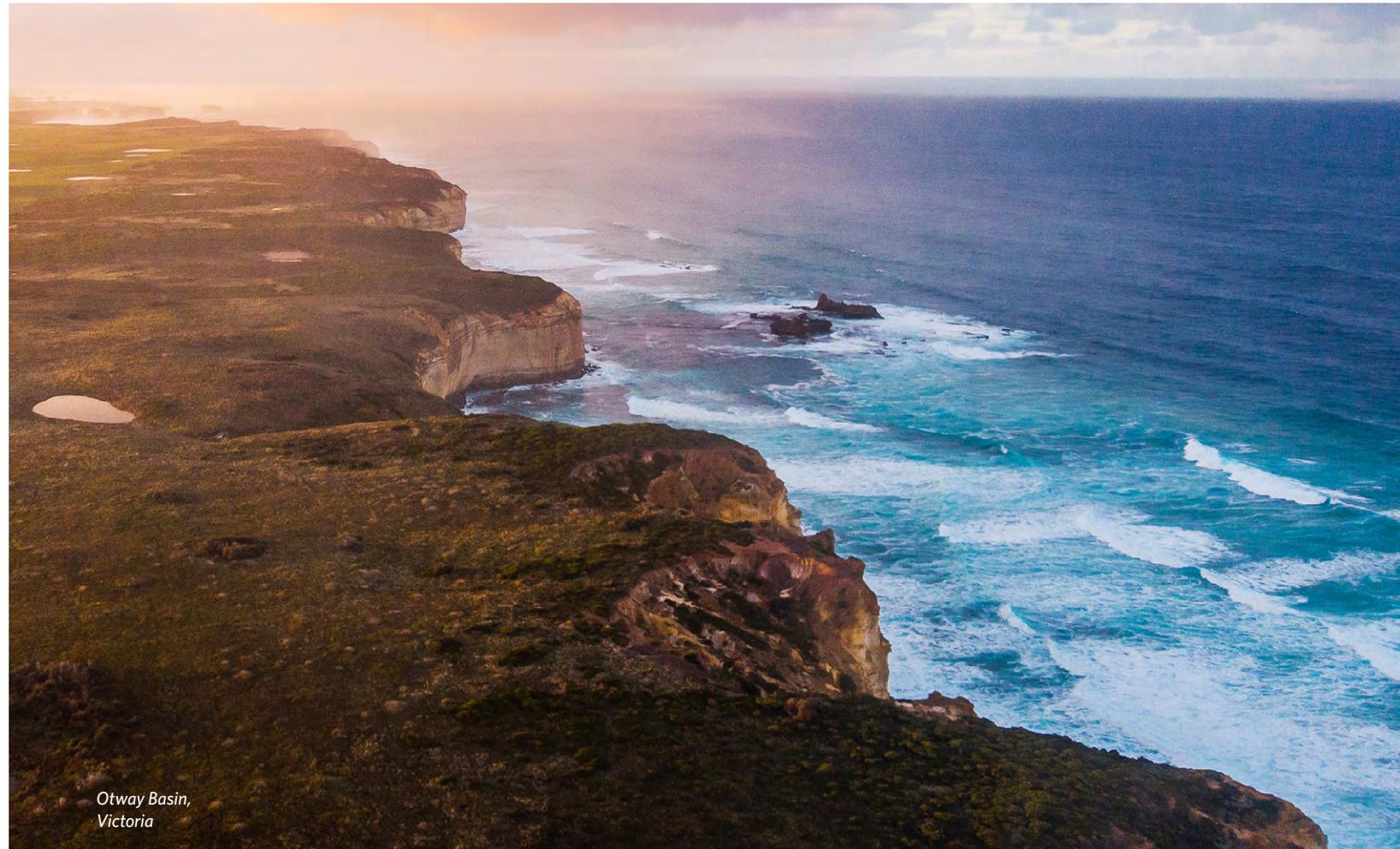


Consultation with Beach owned entities

Reporting Criteria 6

This statement covers all entities under Beach Energy Limited's group structure. A list of all controlled entities is available under the heading 'Subsidiary Companies' on page 106 of the FY22 Annual Report.

These entities are covered by Beach's policies, procedures, standards and systems including those relating to Contracts and Procurement, Health and Safety and Human Resources. The controlled entities all operate under the direction and governance of Beach Energy Limited.



Otway Basin,
Victoria

Other information

Reporting Criteria 7

Other matters considered in FY22

During FY22, Beach was an active participant in the Modern Slavery Working Group of Seven Group Holdings. This working group meets quarterly and is a place to share insights, information and best practice. It has proved to be a useful platform for rapidly distributing information about common suppliers, and provides an opportunity to increase leverage on non-compliant suppliers through collaboration.

Given geopolitical tensions and trade sanctions that were implemented in FY22, we are monitoring the situation. At present, we are not seeing impacts to our international shipments, as they do not come from countries affected by trade sanctions.

Beach recognises the risk of modern slavery may be heightened by COVID-19 and continues to monitor for supply chain impacts due to the pandemic.



*Kupe Gas Plant,
New Zealand*

Modern slavery action roadmap

In our first Modern Slavery Statement, we described a three-year roadmap with steps that we would take to address modern slavery risks. We are pleased to advise that all actions on this roadmap have been

addressed. We are now moving to a rolling three-year roadmap format. Each year we will report on the actions that are complete and add new actions as opportunities are identified.

Action roadmap FY20-FY22¹

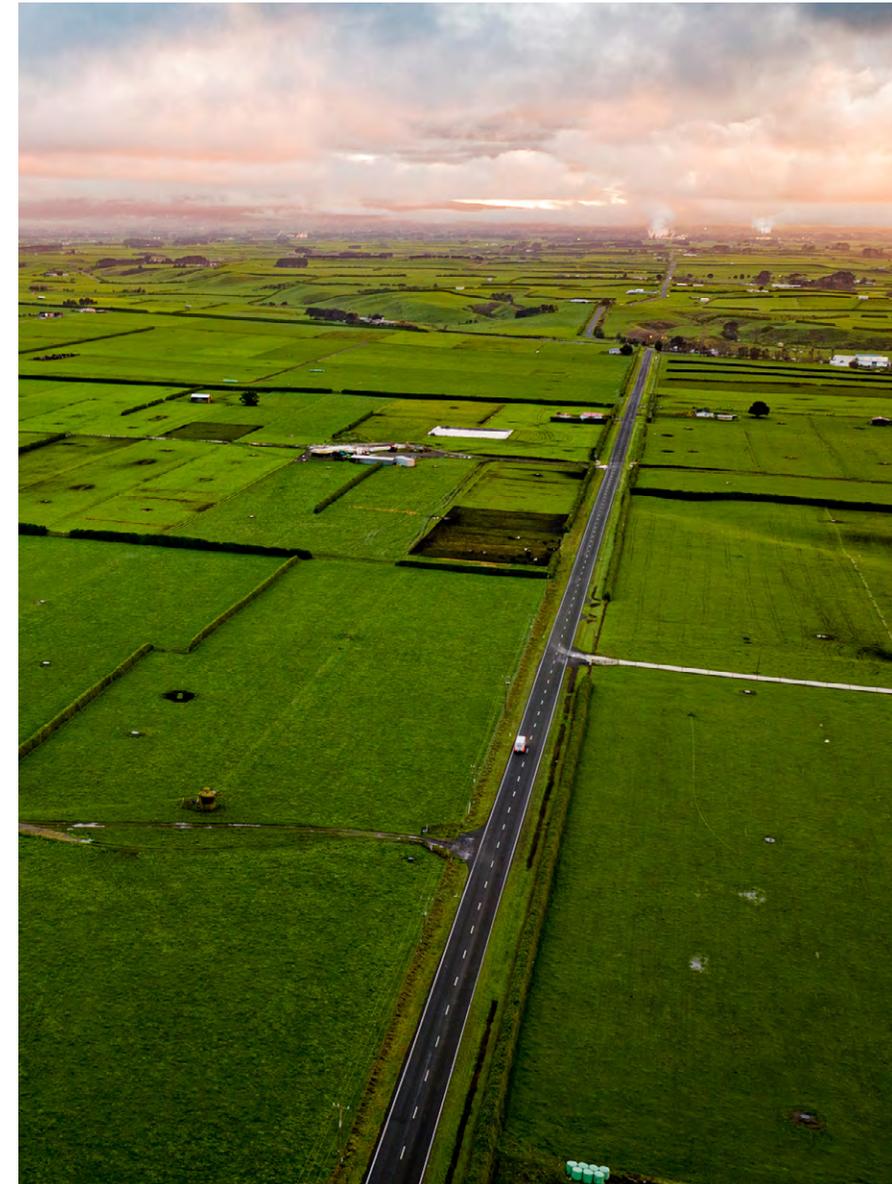
	Status	
	Start of FY22	End of FY22
Update governance documentation in relation to the Act	●	●
Implement modern slavery supply chain procedure including guidance to key suppliers with medium and high potential exposure, report and respond to incidents, establish monitoring practice for sub-categories with potential exposure	●	●
Formalise industry peer engagement to drive collaboration and develop industry benchmarks	●	●

¹ Only showing items not complete at the start of FY22

Action roadmap FY23-FY25

	Start of FY23
Further embed the modern slavery training module across Beach, including a review of the onboarding process for supplementary workers, suppliers, and consultants	●
Expand the scope of our Contracts & Procurement team, with a dedicated focus on responsible sourcing which includes consideration of human rights issues	●
Build collaboration with industry groups and key stakeholders such as Seven Group Holdings	●
Establish a process for engaging a third party to conduct modern slavery specific assessments at suppliers/sub-suppliers locations (nationally and overseas)	●
Strengthen our internal modern slavery working group by including members from wider business groups such as Operations, Human Resources and Assurance	●
Expand Beach's operational assessment to enhance the identification and management of modern slavery risks within our operations, both directly, working with groups such as employees, contractors, service providers or indirectly, via sub-contractors or sub-sub-contractors	●

● Achieved ● Commenced ● Not commenced





Modern Slavery Statement

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