



Modern Slavery Statement

**Financial year ending
30 June 2024**

Lochard Energy's stance on modern slavery

Lochard Energy is opposed to modern slavery in all its forms and recognises the important role that business can play in helping to combat modern slavery. Our governance and risk management framework helps ensure our organisation takes a proactive approach to identifying and avoiding instances of modern slavery in our operations and supply chain.

The *Modern Slavery Act 2018* (Cth) (**Act**) came into effect on 1 January 2019 and Lochard Energy has reported under the Act since its inception. Lochard Energy will continue to take proactive measures to avoid causing, contributing to, or being directly linked to modern slavery practices. This is consistent with Lochard Energy's broader approach to taking sustainability, environmental, social, and corporate governance (**ESG**) factors into account in its operations and decision making.

Developments during the reporting period

In May 2024, the *Modern Slavery Amendment (Australian Anti-Slavery Commissioner) Act 2024* (Cth) passed Federal Parliament and will commence by 11 June 2025. The Act will result in the appointment of a Commonwealth Anti-Slavery Commissioner as an independent statutory office holder within the Attorney-General's portfolio. It is anticipated that, in due course, the Commissioner will encourage and conduct education and awareness initiatives and develop guidance material and resources for the business community to support compliance with the Act. The passage of this Amending Act and the introduction of an Anti-Slavery Commissioner follows the 2023 review into the effectiveness of the Act which made 30 recommendations for amendments to the Act. The Federal Government has not yet announced whether it will seek to implement additional recommendations from the statutory review. Lochard Energy will continue to monitor for further legislative reform to the Act.

In December 2023, the office of the NSW Anti-slavery Commissioner published guidance on reasonable steps to address the risks associated with procurement affected by modern slavery. While Lochard Energy is not required to comply with the NSW legislation, the NSW guidance material is widely recognised as helping to provide guidance for any entity that wishes to implement best practice modern slavery risk management principles. Lochard has utilised the guidance materials to enhance its understanding of modern slavery risk management frameworks and procedures.

About this document

This document is Lochard Energy's modern slavery statement for the purposes of the Act for the 1 July 2023 to 30 June 2024 reporting period. It addresses each of the following mandatory reporting criteria in the Act:

1. Identify the reporting entity (page 3);
2. Describe the structure, operations, and supply chain of the reporting entity (page 3);
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls (page 4);
4. Describe actions taken by the reporting entity and any entities it owns or controls to assess and address such risks (including due diligence and remediation processes) (page 5);
5. Describe how the reporting entity assesses the effectiveness of actions taken (page 9);
6. Describe the process of consultation with any entities that the reporting entity owns or controls (page 9);
7. Include any other information that the reporting entity considers relevant (page 9).

1. Identification of the ‘reporting entity’

Lochard Energy (Iona Operations Holding) Pty Ltd (ACN 608 441 041), as trustee for the Lochard Energy (Iona Operations Holding) Trust, is the ‘reporting entity’ that is required to prepare this modern slavery statement under the Act. This reporting entity in turn owns 100% of the Lochard Energy (Iona Operations) Trust which, through its trustee, Lochard Energy (Iona Operations) Pty Ltd, undertakes the core business activities of Lochard Energy including the employment of employees and entering into contracts with suppliers.

References to ‘Lochard Energy’ in this statement refer to the activities and actions of the various Lochard Energy entities described in section 2.1, taken as a whole.

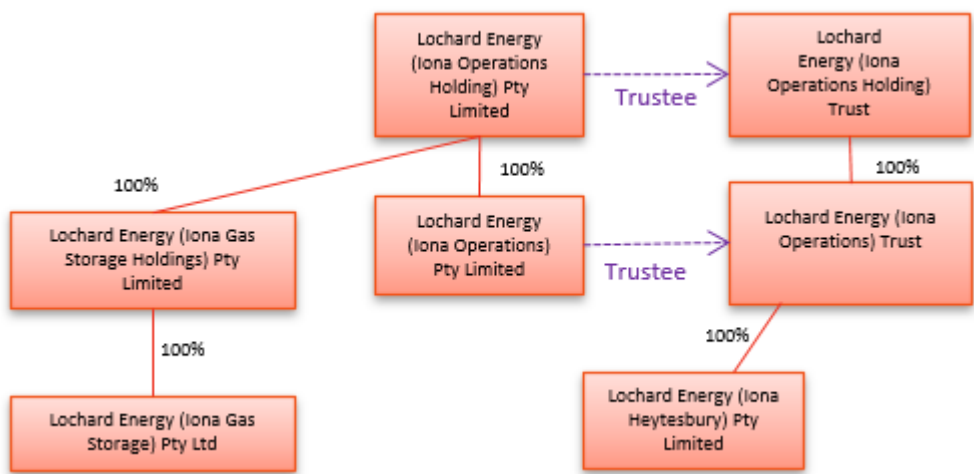
2. Description of the structure, operations and supply chain of Lochard Energy

2.1 Lochard Energy’s structure

The reporting entity, Lochard Energy (Iona Operations Holding) Pty Ltd (ACN 608 441 041) (as trustee for the Lochard Energy (Iona Operations Holding) Trust), owns or controls the following Lochard Energy entities, also depicted in the corporate structure chart below:

- Lochard Energy (Iona Operations) Pty Ltd (ACN 608 441 729) (as trustee for the Lochard Energy (Iona Operations) Trust);
- Lochard Energy (Iona Gas Storage Holdings) Pty Ltd (ACN 085 235 749);
- Lochard Energy (Iona Gas Storage) Pty Ltd (ACN 079 089 311);
- Lochard Energy (Iona Heytesbury) Pty Ltd (ACN 010 728 962).

Corporate structure chart



Each Lochard Energy company has a Board of Directors responsible for directing and overseeing its activities (supported by a Board Audit and Risk Committee), while the day-to-day business of Lochard Energy is managed by the Lochard Energy Management Team, headed by the Chief Executive Officer.

As at the date of this statement, Lochard Energy has approximately 110 employees.

Each Lochard Energy entity has its registered office/head office at Level 10, 2 Southbank Boulevard, Southbank, Victoria.

2.2 Lochard Energy’s operations

All of Lochard Energy’s operations occur within Australia. Our two business locations are the Iona Gas Storage Facility, near Port Campbell, Victoria and Lochard Energy’s corporate headquarters in Southbank, Victoria.

The Iona Gas Storage Facility comprises a gas plant and a number of natural underground gas reservoirs that provide large-scale gas storage services supporting Eastern Australia's energy security. The key operations conducted at the Iona Gas Storage Facility are:

- operating, maintaining and, from time to time, undertaking expansions of, the Iona Gas Storage Facility;
- providing gas storage services and/or compression services to customers, who are generally wholesale gas market participants who wish to inject gas at the Iona Gas Storage Facility, store gas within the underground reservoirs at the Iona Gas Storage Facility and/or withdraw gas from the Iona Gas Storage Facility; and
- providing gas processing services for the processing of raw gas supplied to the Iona Gas Storage Facility into pipeline quality gas.

The Lochard Energy head office at Southbank in Melbourne is the principal business location for Lochard Energy's Management Team, corporate services (such as finance, risk, legal, and human resources), as well as our commercial team and certain of our engineering and projects personnel.

The Southbank location also includes personnel who are involved with developing projects to support the transition to a lower carbon future. These projects remain in the development phase and, in the 2023-2024 reporting period, did not expand Lochard Energy's supply chain.

2.3 Supply Chain

In the 2023-2024 reporting period, the Lochard Energy supply chain consisted primarily of procuring:

- services such as engineering, technical support, maintenance support and corporate and site services (including waste management, land management and security services, payroll and information technology services);
- contract labour services for the provision of additional capability or expertise and professional and consulting services;
- the supply of specialised equipment for the 'business as usual' operation of the Iona Gas Storage Facility;
- specialised services and contracting teams to carry out projects relating to the potential longer-term capacity and role of the Iona Gas Storage Facility; and
- clothing, footwear, and other PPE items (e.g. safety glasses, heat resistant gloves) and consumables that are involved in catering for an onsite workforce.

3. Description of the risks of modern slavery in Lochard Energy's operations and supply chain

3.1 Risks of modern slavery in Lochard Energy's operations

Lochard Energy considers there to be negligible risk of modern slavery practices in Lochard Energy's own operations. Factors supporting this assessment include:

- Lochard Energy is a relatively small organisation in terms of employee numbers;
- Lochard Energy's operations are solely Australian-based at two well-managed locations which have high standards of working conditions that can be readily overseen by all levels of management; and
- employees and contractors are largely highly-skilled, in a sophisticated industry, engaged primarily under direct employment contracts or direct contracting/consulting arrangements.

3.2 Risks of modern slavery in Lochard Energy's supply chain

Lochard Energy's key areas of procurement and its supply chain are outlined in section 2.3 above.

To the extent that there may be potential risks of modern slavery practices, these are considered most likely to fall within two key categories:

- **Offshoring:** industries where certain work may be conducted or outsourced offshore by our suppliers (including for corporate and support services); and
- **Geographic risk:** where goods and equipment are sourced from certain countries, including in Asia, which have a higher geographic modern slavery risk. (Noting that this risk may be mitigated in some instances by the highly technical and specific nature of certain goods and equipment that Lochard Energy sources, requiring highly specialised suppliers.)

Lochard's assessment

Lochard Energy has carried out an assessment of modern slavery risks in its supply chain against the indicators suggested by the "Commonwealth Modern Slavery Act 2018, Guidance for Reporting Entities May 2023", as well as the products category and geographical locations prone to modern slavery as per findings of the "US Department of Labour's List of Goods Produced by Child and Forced Labour" and the "Global Slavery Index (GSI)" (Walk Free, 2023). The findings of Lochard Energy's internal risk assessments suggest that the likelihood of modern slavery in Lochard Energy's supply chain remains low.

4. Description of the actions taken to assess and address modern slavery risks

Lochard Energy has a multi-pronged approach to assessing and addressing modern slavery risks. This includes our corporate governance and risk framework, corporate values, and policies and procedures that help to identify and mitigate a broad range of risks, including modern slavery risk. We also carry out risk management measures that are specifically targeted at assessing and addressing modern slavery risks.

4.1 Lochard Energy's approach to governance, risk management and standards of operating

Risk management

Lochard Energy places considerable importance on effective risk management and has adopted a risk management approach for the oversight and management of material business and operational risks. Lochard Energy's risk management approach is designed to proactively identify, assess and manage risks.

Our risk management approach is considered at least annually by the Audit and Risk Committee and/or the Board of the relevant Lochard Energy companies.

Lochard Energy's Management Team reports regularly to the Audit and Risk Committee and/or the Board of the relevant Lochard Energy companies on key operational and strategic risks.

Lochard Energy has a working group (made up of members from the risk, procurement, sustainability and legal teams), which provides input to Lochard Energy's Management Team on the management of modern slavery risk.

Our Values



At Lochard Energy, our principles and values guide our decision-making and behaviours that reflect our commitment to our customers, the community and each other. We are committed to conducting our business with honesty, integrity, in accordance with high legal and ethical standards, and with respect for each other and with those with whom we do business.

Code of Conduct

Lochard Energy has a Code of Conduct that aims to promote and strengthen our reputation by establishing a standard of performance, behaviours, professionalism and integrity for all our people with respect to their conduct. Employees are encouraged to report matters or behaviours that they believe to be in contravention of Lochard Energy’s Code of Conduct, policies, or the law.

Lochard Energy welcomes employees and contractors to share any concerns relating to work practices or potential instances of modern slavery within Lochard Energy’s operations or supply chain to senior managers if they feel comfortable doing so.

Supplier Code of Conduct

Lochard Energy also has a Supplier Code of Conduct which articulates Lochard Energy’s expectation that its suppliers conduct their operations to high legal and ethical standards. The Supplier Code of Conduct deals specifically with Lochard Energy’s expectation that all workers in Lochard Energy’s supply chain should be treated with dignity and respect and requires its suppliers to comply with the Act and not engage in or tolerate modern slavery.

The Supplier Code of Conduct is available on Lochard Energy’s publicly available website. Suppliers who contract with Lochard Energy on our purchase order terms and conditions or using Lochard’s preferred supply agreements have a contractual obligation to comply with modern slavery laws and Lochard Energy’s modern slavery policies and procedures, and to implement an appropriate system to ensure compliance.

Whistleblower Policy

Lochard Energy has a Whistleblowing Policy which is available on its intranet and publicly available website such that it can be readily accessed by Lochard employees and contractors and third parties (such as customers and suppliers). Whistleblowing laws are intended to help uncover and deter wrongdoing. Lochard Energy encourages whistleblowers to utilise whistleblower mechanisms, including our independent external whistleblowing hotline, for any potential wrongdoing that relates to modern slavery, if they do not feel comfortable reporting modern slavery concerns through other forums.

4.2 **Lochard Energy completed its targeted modern slavery risk assessment activities for the 2023 – 2024 period**

In the 2023 – 2024 reporting period, Lochard Energy completed each of the targeted continuous improvement actions it committed to carry out, as detailed below.

Monitor Modern Slavery Act Review

We continued to monitor developments in relation to the Federal Government's response to the statutory review of the Act. We note the significant development in the 2023-2024 reporting period of the passage of the *Modern Slavery Amendment (Australian Anti-Slavery Commissioner) Act 2024*. On commencement of this amending legislation (which is expected to be during the 2024-2025 reporting period), the Anti-Slavery Commissioner's role will begin. The core functions of the Commissioner are expected to include engaging and supporting victims and survivors of modern slavery and supporting business to address risks of modern slavery practices in their operations and supply chains. Lochard Energy anticipates that the Anti-Slavery Commissioner will also play a key role in helping shape future legislative reform and we will continue to monitor for these developments.

Reconsidering Supplier Questionnaires

We reviewed the role our existing supplier questionnaire should play in Lochard Energy's modern slavery risk identification actions both for the 2023-2024 reporting period and going forward, including having regard to the interplay between the questionnaire and our Supplier Code of Conduct and procurement processes. On the basis of the significant coverage achieved across Lochard Energy's supplier base over the period since Lochard Energy commenced preparing modern slavery statements under the Act and the deep dive analysis completed in the prior period, the decision was taken not to repeat or extend the request to complete a modern slavery supplier questionnaire at the present time. We elected to focus our engagement on certain suppliers (see below) based on the results of the previous deep dive exercise.

Engage with Certain Suppliers

Lochard Energy used the results from its 2022-2023 supplier deep-dive analysis to reach out with targeted messages to a small number of suppliers who we considered may benefit from a greater awareness of modern slavery risk and identification. We sought to understand any developments in their approach to modern slavery since that analysis and to provide access to information and education materials to help increase awareness of modern slavery risks among our supplier group.

Supplier Due Diligence and Tendering Processes

We deepened our supply chain due diligence systems and processes relating to any feasible material modern slavery risks in a targeted area in the Lochard Energy supply chain. This work included ensuring modern slavery risk had a more prominent role in tendering and procurement associated with Lochard Energy's proposed development projects beyond the Iona Gas Storage Facility. The provision of information relating to modern slavery practices and policies was mandated at RFP stage for potential vendors to allow this information to form part of Lochard's vendor selection processes

Lochard Energy notes that a requirement for reporting entities to have stronger due diligence frameworks (and the potential for penalties for a failure to have or comply with such a framework) was one of the recommendations arising from the 2023 statutory review into the effectiveness of the Act. Lochard Energy will monitor for any legislative response to this recommendation and will seek to continue to mature its due diligence work in response to any new legislative initiatives and emerging practices that are relevant and appropriate, considering the nature of Lochard's operations.

Working group

During the 2023-2024 reporting period, the working group that leads Lochard Energy's modern slavery risk activities was extended to include personnel with risk and ESG experience (in addition to the existing legal and procurement expertise). The working group continues to monitor for legislative change, seeks to identify best practice guidelines and remains apprised of relevant publications and seminars. It meets frequently throughout each reporting period, and reports annually to Lochard Energy's Audit and Risk Committee or Board when it presents the draft Modern Slavery Statement for consideration.

The working group has sought to stay informed of best practices in the identification and management of modern slavery risks and to understand how to apply those in the Lochard Energy context, including by way of the following.

- (a) NSW Anti-Slavery Commissioner Guidance on Managing Modern Slavery Risks:** While Lochard Energy is not an entity covered by the NSW legislation, we have noted the December 2023 publication of the Guidance on Reasonable Steps in the context of managing modern slavery risks and which references other relevant resources. These materials have been considered and discussed by the working group and will be used to inform future approaches within our operations and supply chain.
- (b) Industry Engagement:** Relevant personnel have attended industry forums to share practices and continue to build a community of connected individuals able to promote the mitigation and management of modern slavery risks within organisations. This has included involvement in in-person seminars run by Fair Supply and the Sustainable Professionals Association and engagement and membership with the Energy Procurement Supply Association.

Commitment to Continuous Improvement –2024-25 Reporting Period – targeted actions

In the next reporting period, Lochard Energy plans to undertake the following activities in relation to continuing to assess and respond to modern slavery risk:

- **Modern Slavery Act Legislative Developments:** We will monitor for commencement of the Amending Act, the appointment of the Commissioner and developments within the Commissioner's prescribed areas of activity. Lochard Energy will also monitor for any additional legislative responses to the 2023 report from the review of the statutory effectiveness of the Act.
- **Working group:** We will enhance our approach to modern slavery risk management by continuing to ensure working group participation draws from legal, procurement, ESG and risk functions so that Lochard Energy's modern slavery management initiatives are informed by the expertise of each of these disciplines.
- **Supplier Engagement:** We intend to continue to review and consider how we can engage most effectively with existing vendors in relation to modern slavery risks in their operations and supply chain. We will again assess whether further benefits can be gained from a form of supplier questionnaire for certain vendors (which could involve utilising the questionnaire used by members of Fair Supply/Sustainable Procurement Association). We will investigate other options for education and awareness raising with respect to modern slavery risks. This could include

involvement in Lochard's Contractor Forum, which enables interaction between Lochard Energy and its suppliers in relation to key issues.

- **Regulatory and Industry Engagement:** We will continue to engage via both formal and informal networks to enhance our understanding of best practices in relation managing modern slavery risks.

5. **Description of how Lochard Energy assesses the effectiveness of actions taken**

Lochard Energy's modern slavery working group is tasked with assessing the effectiveness of its activities that are aimed at identifying and mitigating modern slavery risk. Some of the tools used in its assessment in the current reporting period have included:

Industry publications and involvement: Lochard Energy has appraised its approach to modern slavery statements and its modern slavery risk identification activities against guides published by government and industry groups such as Australian Border Force (prior to the Modern Slavery Unit moving to the Attorney-General's Department), the Australian Council of Superannuation Investors, issues papers released in connection with the 2023 statutory review of the Act and, most recently, guidance issued by the NSW Anti-Slavery Commissioner and ACSI's review of the ASX200's modern slavery reporting. That appraisal has continued to suggest that Lochard Energy is performing well having regard to the size of our organisation and nature of our operations. We note that, in an industry forum Lochard Energy attended in the current reporting period, a common experience shared by participants was that many organisations face challenges in assessing the effectiveness of their actions to combat modern slavery. As a result of that common experience, Lochard Energy expects that there may be developments in terms of industry guidance on this topic in the next reporting period. We will continue to monitor for any further industry developments on this matter.

Engagement with Fair Supply: The organisation, Fair Supply, which specialises in combining business data with supply chain mapping technology, provided Lochard Energy with a pilot analysis of a selected group of Lochard Energy suppliers and provided an enhanced view of data in relation to this selected group over prior year analysis. This view confirmed assessments previously undertaken by Lochard Energy of very low estimated slave numbers in our supply chain. It also provided supplier risk profile information that also confirmed Lochard's internal analysis in relation to risks arising in certain sectors and locations.

Lochard Energy's Management Team also maintains oversight of Lochard Energy's modern slavery risks through our established policies and frameworks. Regular reporting to the Audit and Risk Committee or the Board of the relevant Lochard Energy entities further supports this.

6. **Describe the process of consultation with any entities that the reporting entity owns or controls**

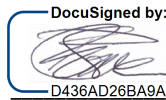
Lochard Energy (Iona Operations Holding) Pty Ltd (as trustee for the Lochard Energy (Iona Operations Holding) Trust) has a small number of other entities under its ownership and control, as described in section 2.1. Each of these entities is governed by a Board with identical membership and is led by a single Lochard Energy Management Team. These entities use the same policies and processes, operate within the same business environment, and share suppliers.

As such, this statement reflects the perspectives of the various Lochard Energy entities under the control or ownership of the reporting entity, satisfying the consultation requirement in relation to the development of this statement.

7. **Include any other relevant information that the reporting entity considers relevant**

Lochard Energy does not consider there to be additional information that needs to be included in this statement.

This statement was approved by the Board of Lochard Energy (Iona Operations Holding) Pty Ltd (in its own capacity and as trustee for the Lochard Energy (Iona Operations Holding) Trust), and the Board of each of the other companies described in section 2.1 of this statement, on 12 November 2024.

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Peter Lowe

Chairman of the Lochard Energy Boards

Date: 15/11/2024 | 3:16 AEDT