

STATEMENT

CORP-LEG-STM-002

Modern Slavery Statement

This modern slavery statement is made by Energy Power Systems Australia Pty. Ltd. (EPSA) as required by the *Modern Slavery Act 2018* (Cth) and describes EPSA's current approach and policies with suppliers and methods of implementing a robust plan to ensure that the risk of modern slavery does not encroach into EPSA's supply chain.

EPSA holds a zero-tolerance approach to modern slavery in any form. This statement confirms EPSA's commitment and approach to modern slavery and associated human rights' breaches.

It is recognized that there are certain areas within EPSA's business model which may have the potential to increase the risk of modern slavery. EPSA's risk mitigation strategy includes using reasonable endeavors to allocate adequate resources and implement relevant procedures to safeguard its people and manage the business' supply chain.

EPSA acknowledges that while its business cannot abolish slavery on its own it can monitor and engage with its suppliers and contractors to mitigate the risk of any modern slavery practices within its supply chain.

EPSA's structure and operations

EPSA is the authorised supplier of Cat® engines, generators and power solutions in Australia. The Company was founded in 1992, is headquartered in Melbourne, Australia and operates from 15 branches.

EPSA has a wholly-owned subsidiary in Papua New Guinea. Energy Power Systems PNG Ltd (Tax Identification Number 50003345) (EPSA PNG), is located on Spring Garden Road, Hohola, Papua New Guinea. EPSA PNG is the authorised supplier of Cat® engines, generators and power solutions in Papua New Guinea and the Solomon Islands.

Unless the context otherwise requires, all references to "EPSA" in this statement are references to EPSA and EPSA PNG, collectively.

EPSA provides Cat® products for all power generation requirements across all industries. EPSA is owned by the four Cat® machinery dealers in Australia (**Shareholder Dealers**). The Shareholder Dealers provide after-sales and services for Cat® products sold by EPSA.

EPSA also has a product support agreement with MWM GmbH for parts and services of MWM manufactured generators in Australia, Papua New Guinea and the Solomon Islands.

Cat® is owned by Caterpillar Inc. (Caterpillar). Caterpillar is a leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines diesel-electric locomotives and batteries with 156 independently owned Cat® dealers serving 192 countries.

EPSA operates in accordance with Caterpillar's strict dealer requirements, policies and procedures.

EPSA Supply Chain

EPSA recognizes the latent risks within its supply chain and is continuously assessing those risks that have the potential to harm people.

EPSA's supply chain includes:

- Mechanical and electrical components sources from Caterpillar from Americas, Asia Pacific, Europe and the middle East regions.
- Mechanical and electrical equipment sources from other regions including Europe and South-East Asia; and
- Various Australian / New Zealand and Papua New Guinea suppliers / contractors who support other regional purchases.

It is considered that the risk of modern slavery existing directly in the EPSA business is low, however there is potential that modern slavery could occur further down the supply chain particularly with respect to:

- The manufacture of mechanical and electrical components sought from overseas and imported to Australia; and
- The prevalence of modern slavery in overseas regions in which EPSA's suppliers are based, such as in South-East Asia.

Actions taken (and proposed to be taken) by EPSA to assess and address the risks of modern slavery

As at the date of this statement, EPSA assesses and addresses the potential modern slavery risk in its supply chain by requiring identified major suppliers to complete a detailed questionnaire that deals with the following:

- Health, safety, environment and quality issues.
- Finance matters.
- Human resources; and
- Modern slavery risks.

With respect to the modern slavery in the EPSA questionnaire, all EPSA suppliers are required to respond to questions dealing with:

- Supply chain management.
- Child labour.
- Forced labour, bonded labour and human trafficking.
- Employment conditions; and
- Grievance and redress mechanisms.

EPSA's engagement with a prospective supplier is, in part, based on the supplier's response to this questionnaire.

In accordance with the requirements of the *Modern Slavery Act*, and in the interests of ensuring EPSA's procurement practices are consistent with relevant laws and community expectations, EPSA will during the course of 2024 implement a new system that will require the majority of its major suppliers / contractors to register through an onboarding process and provide details on the following:

a) Human Rights

EPSA will request its major suppliers to conduct the necessary due diligence with their suppliers to ensure all human rights are protected throughout the supply chain, and that all relevant laws are adhered to.

b) Conflict Free Sourcing

EPSA will request its major suppliers to conduct the necessary due diligence over their supply chain to ensure that conflict free sourcing is maintained and that responsible sourcing is validated.

c) Health, Safety, Environment and Quality

HSEQ is a priority for EPSA; supplier due diligence requires suppliers to submit their HSEQ policies and any relevant supporting system documents.

d) Conflicts of Interest

Significant internal and external EPSA stakeholders will be asked to declare, when necessary, whether there is any conflict of interest in dealing with EPSA, the nature of that conflict and how the risk can be mitigated and managed.

e) Fair Competition

All EPSA stakeholders are treated on the same basis; competitive practices are based on price, quality, service and lead time and all stakeholders will be reviewed on this equivalent basis.

f) International Trade Laws

EPSA operates in accordance with the policies of the Australian Government and world Trade Organisation to support free trade between countries and the same will be required from its suppliers.

g) Diversity and Inclusion

EPSA supports and implements a diverse workforce and it will require that its major suppliers promote a diverse workforce where possible.

h) Fairness and Discrimination

All EPSA stakeholders are treated fairly and consistently, and it will require that its major suppliers do the same.

How EPSA assesses the effectiveness of its actions to assess and address modern slavery risks

As stated above, EPSA has a supplier questionnaire with a supporting supplier handbook which outlines EPSA minimum requirements in assessing the modern slavery risks within its supply chain.

EPSA will in addition implement a new system for its major suppliers / contractors to further assess the effectiveness of its actions to address modern slavery risks through policies, training programs and supplier engagement as described below.

EPSA's Policies

The prevention, detection and reporting of modern slavery in EPSA's business or supply chain is the responsibility of all EPSA employees. EPSA employees are required to abide by the Employee Code of Conduct and the Corporate Social Responsibility Policy.

EPSA will request its major suppliers and contractors to:

- Abide by the minimum wage requirements imposed by their respective governing laws / awards and to state how their employees are paid.
- Where appropriate, provide appropriate living conditions for their employees.
- State their awareness and compliance with the *Modern Slavery Act 2018 (Cth)*.
- Confirm they have policies in place to mitigate any risk associated with the use of slave labour.
- Provide evidence of the level of due diligence they undertake on their own suppliers; and
- Allow EPSA to carry out its own enquiries and / or audits if required, state whether they have previously been involved in human trafficking, debt bondage and any other acts of employee exploitation.

Supporting documents available to our suppliers will include but not be limited to:

- Standard Purchase Terms.
- Subcontract Terms.
- Code of Conduct.
- Supplier Handbook.
- Supplier Questionnaire; and
- Whistleblowing Policy.

Training

EPSA is committed to developing and implementing training and awareness programs for key employees to address the risks, identify and manage modern slavery. EPSA provides its employees with modern slavery training as part of its onboarding mandatory compliance training.

Employees responsible for onboarding suppliers will receive appropriate training to ensure applicable due diligence is carried out on the supplier and a corresponding risk profile is completed and documented.

Supplier Engagement

EPSA will use reasonable endeavors to identify any issues with modern slavery practices, including taking appropriate remedial action where possible.

As part of this implementation, EPSA will attempt to conduct ad-hoc audits or surveys of its suppliers which may include site visits where possible; it may develop additional risk assessments or controls based on the supplier questionnaire responses in order to work transparently and monitor its suppliers.

EPSA is committed to continual improvement and monitoring of its own practices and evaluation of its supply chain so that its legal and ethical obligations regarding modern slavery are adhered to. EPSA will not knowingly engage with third parties who do not have safe working practices or who exploit human beings.

This Statement was approved by the board of EPSA on 13 December 2023.

A handwritten signature in black ink, appearing to read 'Chris Murray'.

Chris Murray
Managing Director
Energy Power Systems Australia Pty. Ltd.