



Modern Slavery Statement

Financial Year 2023

This Modern Slavery Statement (**Statement**) is made in accordance with *the Modern Slavery Act 2018* (Cth) (**Act**) and submitted as a joint statement on behalf of the reporting entities outlined in Appendix One (collectively the **Energy Locals Reporting Entities**). The Statement applies to, and outlines the steps taken, by the Energy Locals Reporting Entities and their related entities (collectively, Energy Locals) for the period of 1 July 2022 to 30 June 2023 (**Reporting Period**), to assess and address modern slavery risks in their operations and supply chains. References to “we”, “us” or “our” in this Statement refers to Energy Locals, unless stated otherwise.

Contents

Contents	2
A note from our CEO	3
Our structure, operations and supply chain	4
1. Group structure	4
2. Operations	5
3. Supply chain	5
Potential modern slavery risks in our operations and supply chain.....	8
1. Risk assessment.....	8
2. Potential risks in our operations	10
3. Potential risks in our supply chain.....	11
Actions addressing modern slavery risks in our operations and supply chain	12
1. In our operations	12
2. In our supply chain.....	14
3. Remediation.....	16
Assessing the effectiveness of our actions	16
1. Continual assessment.....	16
2. Key performance indicators	16
Consultation and approval.....	17
Appendix one – Energy Locals Reporting Entities	18
Appendix two – Mandatory criteria	19

A note from our CEO

I am pleased to release the Energy Locals Group's Modern Slavery Statement for Financial Year 2023.

At Energy Locals, we are unwavering in our commitment to ethical business practices and social responsibility. As an organisation deeply rooted in the energy industry, we understand the importance of not only providing sustainable and reliable energy solutions but also ensuring that our operations adhere to the highest standards of ethical conduct.

Modern slavery is a grave and pressing global issue that violates fundamental human rights and contravenes the values we hold. It is a challenge that transcends industries and borders, demanding vigilance, and action from responsible businesses. In our pursuit of a sustainable and socially responsible energy future, we recognise the need to address modern slavery comprehensively and transparently.

This Modern Slavery Statement serves as our pledge to combat modern slavery in all its forms within our operations and supply chain. It outlines our commitment to identifying and eradicating instances of modern slavery, our due diligence processes, and the measures we are taking to ensure our business practices are aligned with international standards and legislation.

At Energy Locals, we acknowledge the critical role we play in fostering a global community that stands united against modern slavery. We are committed to leveraging our influence and resources to drive positive change, not only within our organisation but across the broader energy sector.

As we strive to provide sustainable energy solutions to our customers, we do so with the firm belief that sustainability extends beyond environmental concerns – it encompasses the social well-being of all individuals involved in our operations. This Modern Slavery Statement reflects our dedication to upholding human rights, promoting fairness, and contributing to a world free from modern slavery.



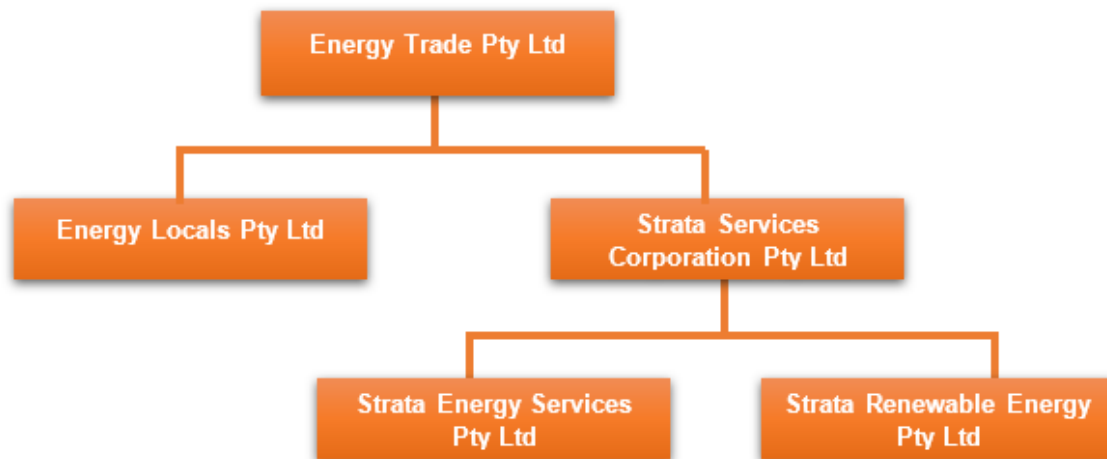
Adrian Merrick
Chief Executive Officer
Energy Locals Group

Dated 20 December 2023

Our structure, operations and supply chain

1. Group structure

The group structure of the Energy Locals Reporting Entities is displayed below:



The Energy Locals Group is at the forefront of the energy sector, each specialising in different aspects of the industry:

a) Energy Locals

Energy Locals Pty Ltd (ACN 606 408 879) is an energy retailer proudly 100% based and operated in Australia, which provides individuals, small businesses, and larger commercial enterprises with cleaner, reliable, and cost-effective energy.

Energy Locals Pty Ltd has been a licenced electricity retailer since 2016, launching initially to customers in New South Wales and south-east Queensland in January 2017. We have since expanded to cover all remaining states and territories across the National Energy Market – Victoria, South Australia, ACT & Tasmania – for both residential and small-medium business customers. It is also licensed to sell gas and holds an Australian Financial Services License.

b) Energy Trade

Energy Trade Pty Ltd (ACN 165 688 568) is an embedded network services provider specialising in energy procurement and management, energy generation and the provision of energy efficient technologies for residential, commercial, and industrial projects. Energy Trade has extensive expertise in the management and implementation of embedded networks, which include electricity, gas, hot water, solar PV, electric vehicle charging, battery storage and telecommunications.

c) Strata Energy Services

The Strata Energy Services group, made up of Strata Services Corporation Pty Ltd (ACN 622 568 718), Strata Energy Services Pty Ltd (ACN 622 570 156) and Strata Renewable Energy Pty Ltd (ACN 637 530 235), focuses on the specific energy requirements of multi-unit residential communities. Their services encompass energy audits, consumption analysis, and the implementation of energy-saving initiatives. Strata Energy Services empowers property managers and residents to make informed decisions, reduce their environmental impact, and create comfortable, energy-efficient living environments.

2. Operations

The Energy Locals group employs approximately 130 people. Most of our workforce are engaged directly via employment contracts on a permanent, fixed/maximum term or casual basis. Our employment contracts and workplace policies are regularly reviewed to ensure compliance with workplace laws, including the *Fair Work Act 2009* (Cth) and National Employment Standards.

All forms of modern slavery and related behaviour are forbidden under the Energy Locals Code of Conduct, Performance and Behaviour Policy and Modern Slavery Policy. We also have a comprehensive Work Health and Safety (WHS) Policy and site-specific WHS procedures regarding working conditions. Our direct employees and extended workforce undertake mandatory annual training in relation to the Code of Conduct.

3. Supply chain

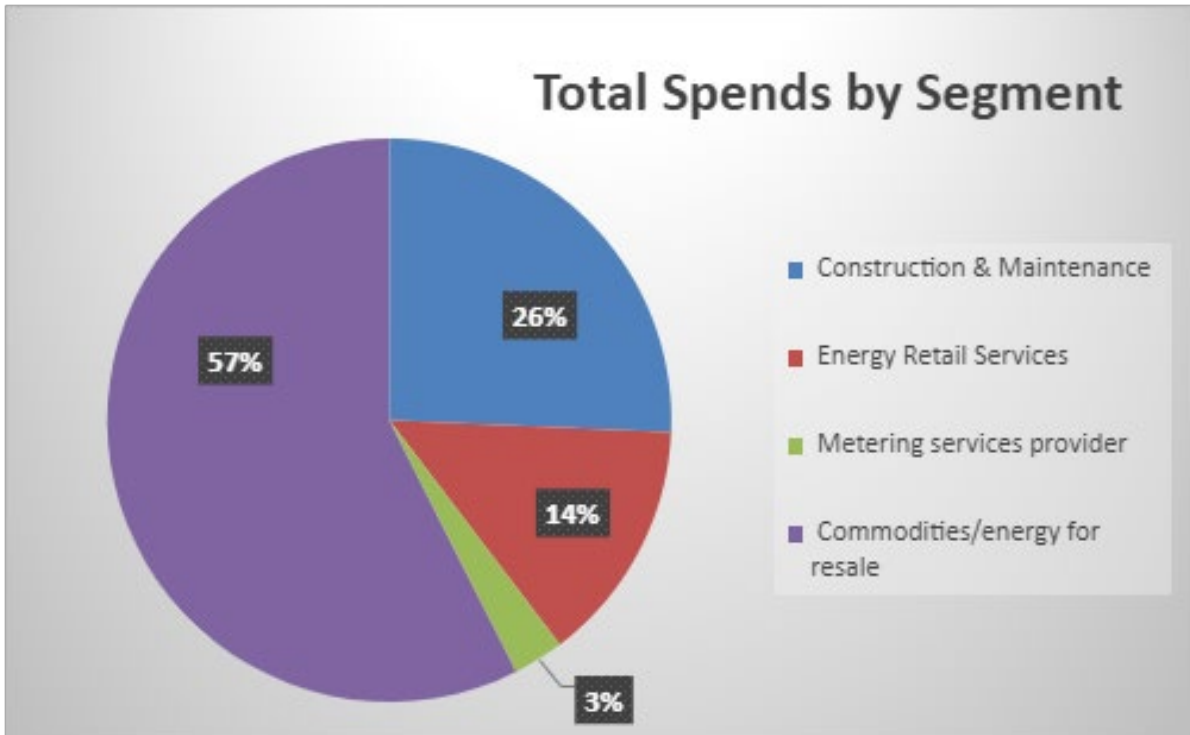
Energy Locals collaborates with a diverse network of energy suppliers, carefully selected to offer a range of competitive and accessible goods and services.

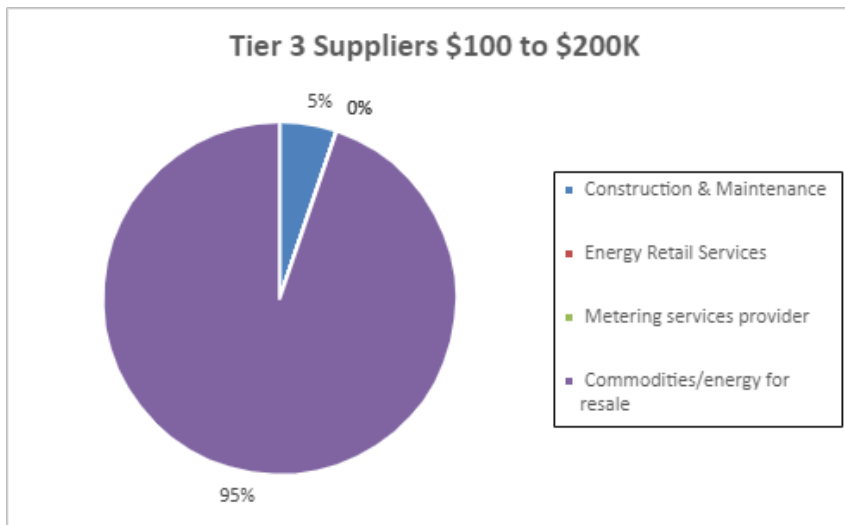
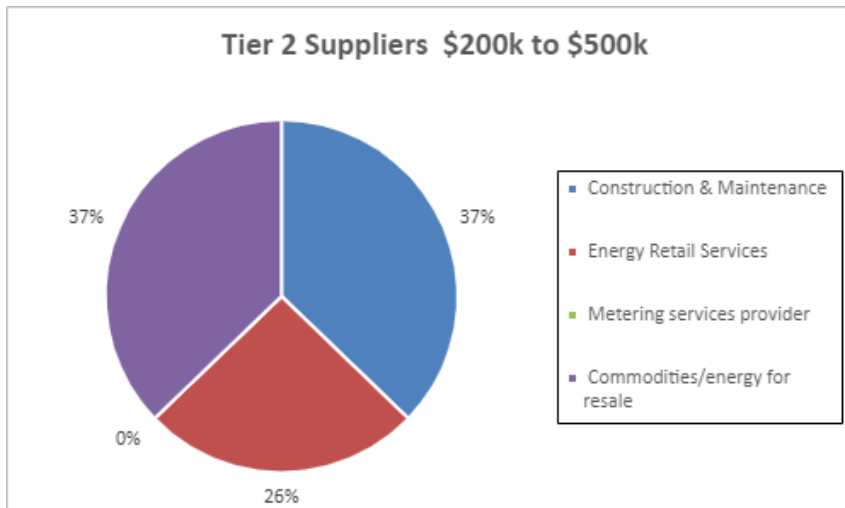
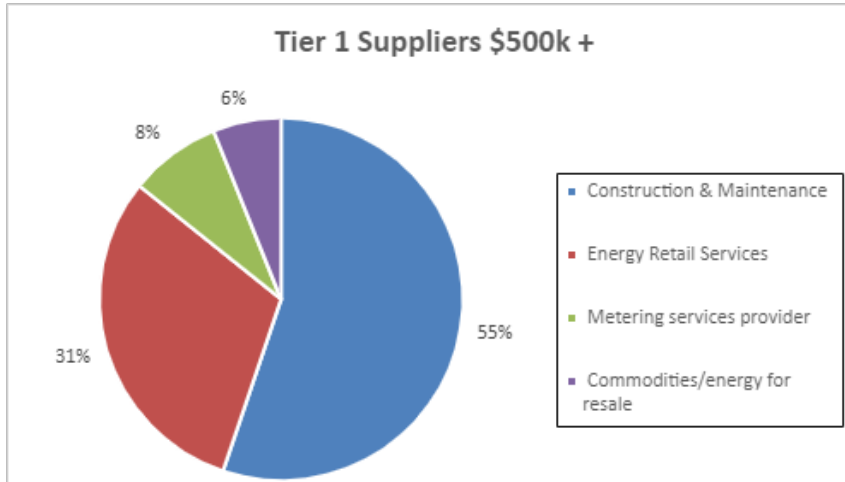
Our supply chain is comprised of the procurement of components, finished goods and commodities & energy for resale, as well as professional services and business support. Further description of these categories is set out below:

- **Construction and Maintenance** – Components and finished goods required for establishment and operation of embedded networks and associated installation and maintenance services.
- **Energy Retail Services** - Services required to operate an energy retail business including metering and billing services.
- **Commodities / Energy for resale** - Wholesale electricity and gas.
- **Professional Services** - Specialised services provided by experts in fields such as law, accounting, information technology, marketing, human resources, and consulting.
- **Business Services** - Services required for the operational of the business including logistics and warehousing services.

We engaged approximately 37 suppliers, all of which are based in Australia, minimising the risk of modern slavery in our supply chain. Regardless of this, we recognise the importance of supply chain due diligence to ensure that risks of modern slavery further up the chain are properly managed.

The breakdown of all suppliers with an associated annual spend of over \$500,000 (**Tier 1 Suppliers**), \$201,000 to \$500,000 (**Tier 2 Suppliers**) and \$100,000 to \$200,000 (**Tier 3 Suppliers**) is set out by percentage and category below.





Potential modern slavery risks in our operations and supply chain

1. Risk assessment

As part of our commitment to ethical business practices and social responsibility, Energy Locals takes a proactive approach to identifying and mitigating key risks within our operations and supply chains. In line with this commitment, we have developed a comprehensive risk assessment framework which we present in the following flowchart. This flowchart outlines the key steps we take to systematically assess, identify, and address potential risks related to modern slavery and other ethical concerns in our business operations and supply chain.



During the reporting period, our risk assessments included (but were not limited to) the following actions:

a) Guidance from authorities

Our legal and compliance teams are responsible for ensuring that all relevant stakeholders in the business are across the most recent guidance from government authorities and prominent industry associations concerning control measures for combating modern slavery.

In particular, we find the Global Slavery Index most useful as it provides us with a detailed picture of modern slavery as it exists across industries and countries today. The Index enables to the Energy Locals Group to identify key risk areas based on global trends that may be relevant to our own supply chains.

b) Supplier assessment

Modern slavery risk assessment is conducted on all major suppliers and embedded in the Energy Locals Group decision-making processes. A detailed modern slavery questionnaire is typically required prior to the selection of major third-party providers, whether it be at the tender evaluation stage, the onboarding of a new supplier, regular reassessment of an ongoing supplier, or the assessment of an investment opportunity.

When considering the level of modern slavery risk associated with engaging with a particular supplier, we focus on four key factors which elevate the risk of modern slavery. Where multiple high-risk factors co-exist, there is a greater likelihood that actual harm is being experienced and we look to implement additional controls to ensure that risk does not become harm.



High-risk geographies



High-risk business models



Vulnerable populations



High-risk procurement strategies

c) Reporting mechanisms

We ensure that all information reported through our various grievance or whistleblower mechanisms is scrutinised and aim to identify any recurring patterns that may indicate the presence of modern slavery risks within our operations and supply chains.

d) Human resources processes

In the context of evaluating our recruitment processes, employee engagement strategies, and remuneration practices, we've made a concerted effort to address and mitigate the risk of modern slavery within our operations. Regarding employee engagement, our strategies were designed to create a supportive environment that encourages employees to report any concerns or signs of modern slavery, fostering a culture of awareness and vigilance. In terms of remuneration practices, our evaluations included reviewing remuneration packages and ensuring the application of correct employment awards. These measures were integral in our commitment to actively managing and mitigating the risk of modern slavery, fostering a responsible and ethical workplace.

We acknowledge that continuous updating of the risk assessment process is paramount for maintaining the relevance and efficacy of our strategy in addressing modern slavery risks within our operations and supply chain. Recognising the dynamic nature of both our business operations and global modern slavery trends, we understand the necessity of a flexible and current risk assessment framework.

Regular review and updates will allow us to adapt swiftly to changes without our supply chain, operational practices, or emerging patterns in modern slavery, thereby ensuring that our strategy remains robust and responsive. This ongoing assessment will involve revisiting and refining our risk indicators, monitoring mechanisms, and evaluation criteria to reflect evolving trends and challenges. By staying current and agile in our risk assessment approach, we can proactively identify and address potential risks, reinforcing our commitment to ethical practices and the protection of human rights within our supply chain.

2. Potential risks in our operations

Following our risk assessment, we determined that the overall risk of modern slavery occurring within the operations of the Energy Locals Group is low. The Energy Locals Group workforce operate almost exclusively in Australia, which has the lowest levels of vulnerability to modern slavery in the Asia and the Pacific region according to the Global Slavery Index.

The Energy Locals Group recognises that, while no current significant risks were uncovered in our risk assessment of our operations, this does not mean that instances of modern slavery cannot occur. We will therefore continually monitor risks and review our internal policies and practices to ensure compliance.

3. Potential risks in our supply chain

a) Procurement of goods

While we do not have any direct relationships with suppliers in potential high-risk geographic locations, we do procure some products and services which can be considered high risk for modern slavery. The Energy Locals Group acknowledges this risk and has created, and maintains, a list of ‘blacklisted’ suppliers, which the Group refrains from procuring renewable energy materials in particular from. This blacklist includes all suppliers operating in the Uyghur region.

The goods procured by the Energy Locals Group that are high risk based on these sources are:

Product	Risk
Solar Panels	Solar panels are within the top five at-risk products for Australia due to the need for a silica-product (polysilicon) derived from quartz sand. China is the market leader in polysilicon production and in 2021 about 45 per cent of the world’s polysilicon supply originated from the Uyghur region. Forced labour permeates all businesses operating in Uyghur region, including those that are part of the solar panel supply chain, from the collection of raw quartz and its purification into solar grade polysilicon to its transformation into ingots, wafers, cells, and eventually solar panel modules. ¹
Batteries	Energy companies face significant modern slavery risks concerning the sourcing of cobalt used in batteries. The labour involved in mining and supplying cobalt is frequently linked to modern slavery practices such as forced labour and the use of child labour.
IT Equipment	Electronics remain the highest value at-risk important for the majority of G20 countries, worth an estimated US\$243.6 billion. ² Laptops, computers and mobile phones are within the top five at-risk products for Australia.

¹ Walk Free, *Global Slavery Index 2023*, <https://cdn.walkfree.org/content/uploads/2023/05/17114737/Global-Slavery-Index-2023.pdf>, p 149,
² Ibid.

a) Procurement of services

As stated previously, we do not have any direct relationships with suppliers in high-risk geographic locations. However, we acknowledge that, our operations in the construction sector are heavily based on outsourcing, which increases the complexity of operations and supply chains and decreases the visibility of labour risks and impacts.

Our risk assessment has demonstrated that modern slavery risks may arise in respect of procurement of the following services:

Product	Risk
Cleaning	As a sector, cleaning is considered high-risk for modern slavery and exploitation due to the complexity of the industry, the nature of the workforce, and the often-opaque nature of operations.
Construction labour	The Energy Locals Group engages contractors in the construction industry to support with the installation and maintenance of equipment. Due to the construction industry's highly competitive and cost-driven bidding process, social risks (including modern slavery and other human rights issues) are rarely prioritised in procurement risk frameworks.

Actions addressing modern slavery risks in our operations and supply chain

Ongoing assessment of the risk of modern slavery in our business operations is a critical step in ensuring ethical and responsible practices. The Energy Locals Reporting Entities have adopted the measures set out below to ensure that we can effectively assess and mitigate the risk of modern slavery within our operations and supply chain.

1. In our operations

a) Governance and policies

The Energy Locals Group has a framework of policies and processes in place to identify and mitigate potential and actual human rights impacts, including modern slavery, resulting from our business operations as well as the relationships associated with our operations.

Our policies include:

- **Code of Conduct** – the Code of Conduct contains standards of behaviour that are expected of employees of the Energy Locals Group.
- **Supplier Code of Conduct** – the Supplier Code of Conduct is designed to articulate our expectations and requirements for all suppliers, a terms which includes all companies or individuals (other than Energy Locals Group Employees) that supply goods, materials, or services to the Energy Locals Group.
- **Whistleblowing Policy** – the purpose of this policy is to explain how employees should address a situation where they suspect that something unlawful or unsatisfactory is happening within the Energy Locals Group.
- **Environmental, Social and Governance and Sustainability Policy** – this policy outlines the Energy Locals Group’s commitment to responsible business practices and sustainability. It serves as a guiding document to inform decision-making, improve transparency, and communicate the company’s commitment to stakeholders, including investors, customers, employees, and the public.
- **Modern Slavery Policy** – this policy is a set of guidelines established to demonstrate the Energy Locals Group’s commitment to combatting and preventing modern slavery and human trafficking in its operations and supply chains. The policy outlines the group’s stance against these unethical practices, affirming a zero-tolerance approach towards any form of forced labour, human trafficking, or exploitation.
- **Workplace Health and Safety Policy** – this policy serves as a guiding document that establishes the Energy Locals Group’s dedication to preserving the well-being of its workforce, preventing workplace accidents, and ensuring compliance with health and safety regulations.

The Energy Locals Group policies are all easily accessible having been published on the company’s respective website, or on the intranet where more appropriate.

The group’s Compliance function is responsible for identifying and managing risks, compliance obligations and other issues relating to our modern slavery obligations. The Compliance function reports directly into the Energy Locals Group’s executive leadership team and provides updates to the Energy Locals Group Board of directors when relevant.

b) Training and capacity building

We have implemented training and provided resources to key high-risk functions within the business, such as procurement, asset delivery and leadership, on supply chain risks and supplier due diligence strategies. The Legal and Compliance teams have undertaken a knowledge building exercise to ensure that those teams have a strong understanding of relevant local and international regulations, standards and legal requirements applicable to modern slavery risks in the group’s supply chains.

c) Reporting mechanisms

Any concerns related to human rights impacts in the Energy Locals Group's operations or in its supply chain are reported in accordance with its whistleblowing framework. All team members are expected to report known or suspected violations of applicable laws, regulations, policies, and the companies' broader ethical standards.

d) Employee recruitment and remuneration

The Energy Locals Reporting Entities have processes in place to ensure compliance with applicable workplace relations laws and regulations. Our recruitment processes ensure that all recruitment is consistent and fair and in accordance with our values of diversity and inclusion. Checks are undertaken during the recruitment process to verify age and rights to work.

We intend to expand the ways in which employees and suppliers are engaged in modern slavery awareness in the 2024 financial year. This will likely include running workshops, introducing further feedback mechanisms, and devising other collaborative initiatives.

2. In our supply chain

a) Supplier due diligence processes

Our supplier due diligence process is a crucial component of our commitment to ethical and responsible sourcing. We conduct a thorough evaluation of potential and existing suppliers to ensure they align with our sustainability and ethical standards. As part of this process, we utilise a modern slavery questionnaire designed to assess and mitigate the risk of forced Labour and human trafficking in our supply chain. This questionnaire is a comprehensive tool that requests information from suppliers regarding their labour practices, recruitment procedures, and adherence to international labour standards.

Preliminary due diligence

The responses provided by suppliers are meticulously reviewed to identify any red flags or areas of concern. Based on this assessment, preliminary due diligence is performed on major or assessed high risk third parties and seeks to assess modern slavery risk in the early stages of scoping out whether or not to:

- onboard a new supplier;
- continue with an existing supplier at contract renewal point;
- progress particular bidders in the tender evaluation process; or
- progress investment opportunities.

A six-step process is implemented in preliminary due diligence to assess the risk profile of a third party, including policy review, desktop searches, as well as geographic and sectoral

exposure assessments. If the party receives a low preliminary risk profile, the third party can be progressed to the decision-making process. A medium or high preliminary risk profile, however, necessitates detailed due diligence assessment.

Detailed due diligence

Detailed due diligence entails providing the third-party organisation with a detailed modern slavery questionnaire and related FAQs, requesting its completion and submission within a specified timeframe. The Energy Locals Reporting Entities will also conduct further desktop searches using any additional search portals/subscription sites/resources that were not previously made available during the preliminary due diligence. After this additional information and documentation gathering, a final risk rating is assigned to the third party.

High-risk suppliers

Findings assessed to be high risk (or at times all levels of risk) will then be raised to the Board, where it is elected that suppliers may be taken further in the tender process, whereupon a decision will be made on a case-by-case basis by the Board and external advisers as to whether the consideration of the third party should be discontinued. While ongoing purchases are relatively limited in the business, engaged third parties will be subject to the ongoing risk assessment and management processes outlined in the section above.

b) Supplier code of conduct

New and existing contracted suppliers are required to comply with our Supplier Code of Conduct and demonstrate their commitment to doing so.

Suppliers who engage sub-contractors in the course of providing goods or services to us must make them aware of this code, monitor compliance with this code and to notify us of any breaches and take reasonable steps to address, remedy and prevent repetition of any breach of this code or possible breaches of this code.

Compliance with our code is used as part of our supplier evaluation, selection, and contract management process. This is complemented by a modern slavery questionnaire which is completed by suppliers as part of the procurement process.

When a supplier does not meet our requirements, corrective action plans may be established and monitored for progress. We may terminate the relationship or seek other courses of action with suppliers that violate our code and are suspected of committing any human rights violations.

c) Procurement contracts

Our procurement teams already work hand in hand with members of our Legal department and the Compliance function to ensure that our contracts appropriately manage supply chain risk. We have included clauses expressly requiring supplier compliance with modern slavery and anti-bribery/anti-corruption laws and our Supplier Code of Conduct in our template contracts and purchase terms. To the extent they are not already included, we are

working to have these requirements included in executed supplier contracts wherever possible.

3. Remediation

In preparation for potential identification of modern slavery risks within our operations and supply chain, our approach to remediation involves a proactive and comprehensive strategy. Should any risks be identified, our immediate response prioritises engaging with affected parties, including works and local communities, to swiftly offer support and resources.

Subsequently, thorough investigations into the root causes of any identified risks will be conducted, facilitating the implementation of tailored corrective measures. These actions may involve renegotiating supplier contracts to enforce ethical guidelines, strengthening monitoring systems, and providing further training to both our suppliers and internal teams on ethical practices.

Assessing the effectiveness of our actions

1. Continual assessment

The Energy Locals Group consistently monitor the effectiveness of the processes and procedures to address the modern slavery risks that our business causes, contributes to or is directly linked to. We will continually assess the effectiveness of our actions in identifying and managing modern slavery risks by:

- tracking our actions and outcomes;
- partnering with suppliers and other external partners; and
- undertaking regular internal governance and external assurance processes.

Based on the results of these processes we will adapt and strengthen our actions to continually improve our response to modern slavery.

2. Key performance indicators

In addition to continuing to monitor the effectiveness of our controls, we will use key performance indicators to measure how effective our actions to identify and address modern slavery practices in any part of our operations and supply chain have been.

We have developed the following key performance indicators for use in Financial Year 2023.

KPI	Objectives
Training	Provide appropriate levels of modern slavery training to employees, including: <ul style="list-style-type: none"> • New starters • Teams considered 'at higher risk' of slavery • Teams and key decision makers involved in supply chain selection and assessment • Directors and board members
Continued investigation into modern slavery	<ul style="list-style-type: none"> • Engage directly with suppliers in relation to human rights issues, where deemed particularly high risk or appropriate. • Take remedial actions necessary during initial and ongoing due diligence processes.
Risk management and monitoring for modern slavery risks	<ul style="list-style-type: none"> • Maintain due diligence records on suppliers and embed modern slavery risk monitoring into broader risk management governance forums.

Consultation and approval

All Energy Locals Reporting Entities were actively engaged with and consulted in the development of this statement.

The Board of directors of each Energy Locals Reporting Entity approved the contents of this statement and for the Chief Executive Officer of the Energy Locals Groups to sign this statement on their behalf on the dates set out below:

Reporting Entity	Date of Approval
Energy Trade Pty Ltd	7 December 2023
Energy Locals Pty Ltd	7 December 2023
Strata Services Corporation Pty Ltd	7 December 2023
Strata Energy Services Pty Ltd	7 December 2023
Strata Renewable Energy Pty Ltd	7 December 2023

Appendix one – Energy Locals Reporting Entities

- Energy Locals Pty Ltd (ACN 606 408 879)
- Energy Locals BTR Pty Ltd (ACN 664534 098)
- Energy Trade Pty Ltd (ACN 165 688 568)
- Strata Services Corporation Pty Ltd (ACN 622 568 718)
- Strata Energy Services Pty Ltd (ACN 622 570 156)
- Strata Renewable Energy Pty Ltd (ACN 637 530 235)

Appendix two – Mandatory criteria

Mandatory Criteria	Page number(s)
Identify the reporting entity	1
Describe the reporting entity's structure, operations, and supply chains.	4 - 7
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	8 - 12
Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	12 - 16
Describe how the reporting entity assesses the effectiveness of these actions.	16 - 17
Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	17



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