

# **Modern Slavery Statement – FY2024**

Verbrec Limited (ASX : VBC)

ACN 127 897 689

# Contents

Introduction.....2

Mandatory Criteria 1 & 2: .....3

The reporting entity and its structure .....3

Verbrec’s Operations .....4

Verbrec’s Supply Chain .....5

Mandatory Criteria 3: .....6

Risk Statement.....6

Risks in Operating Locations.....6

Risks in our Industry.....7

Risks in our Recruitment Practices.....7

Risks in our Supply Chain .....7

Mandatory Criteria 4, 5 & 6: .....9

Verbrec’s Values .....9

Verbrec’s Commitment.....10

Governance.....10

Due Diligence .....10

Local Procurement .....11

Supply Chain.....11

Whistle-blower Policy .....12

Assessing Effectiveness .....12

Mandatory Criteria 6 & 7: .....12

Consultation .....12

Future Actions and Commitments.....12

# Introduction

Verbrec is a leading mid-tier engineering, asset management, infrastructure, and training company operating across the entire asset life cycle. The company has more than 700 professionals dedicated to innovative thinking and exceptional client service, operating across Australia, New Zealand, PNG, and the Pacific Islands.

This statement has been prepared in accordance with the requirements of the Modern Slavery Act 2018 (Cth) and sets out the actions taken by the Company throughout the reporting period 1 July 2023 to 30 June 2024 ('Reporting Period').

This Modern Slavery Statement is made on behalf of Verbrec Limited (ASX : VBC) ('**Verbrec**' or the '**Company**') and via a process of consultation represents the response from subsidiaries controlled by Verbrec ('**Verbrec Group of Companies**').

This Statement has been approved by a resolution of the Board of Verbrec and is current on 28 January 2025.

By Order of the Board

**Joel Voss**



Company Secretary

Verbrec Limited

28 January 2025

# Mandatory Criteria 1 & 2:

**Identify the reporting entity & describe the reporting entity's structure, operations and supply chains**

## The reporting entity and its structure

The reporting entity for this Modern Slavery Statement is **Verbrec Limited (ASX : VBC) ACN: 127 897 689**. Verbrec Limited has a 100% ownership interest in the following subsidiaries:






**Table 1. Organisational Structure**

NAME	BUSINESS NUMBER / ACN	COUNTRY OF INCORPORATION
Verbrec Australia Pty Ltd	113 919 565	Australia
Verbrec Infrastructure Services Pty Ltd	058 047 046	Australia
Verbrec International Holdings Pty Ltd	078 567 049	Australia
Competency Training Pty Ltd	113 051 139	Australia
StacksOn Operations Pty Ltd		Australia
OSD Asset Services Pty Ltd	117 904 024	Australia
PIPEd Pty Ltd	117 496 741	Australia
OSD Projects Pty Ltd	153 827 279	Australia
LogiCamms Holdings Pty Ltd	163 483 636	Australia
LogiCamms (WA) Pty Ltd	127 715 762	Australia
LogiCamms West Pty Ltd	059 540 831	Australia
LogiCamms Consultants Trust	69 868 703 406	Australia
LogiCamms (CGH) Pty Ltd	103 283 638	Australia
LogiCamms (Central) Pty Ltd	008 190 207	Australia
LogiCamms Shared Services Pty Ltd	101 159 184	Australia
Petromod Pty Ltd	149 788 929	Australia
Stackson IP Pty Ltd	646 392 430	Australia
Energy Infrastructure Management Pty Ltd	100 946 389	Australia
Independent Technology Holdings Limited	640162	New Zealand
ITL Engineering New Zealand Limited	3319572	New Zealand
ITL Limited	3319591	New Zealand
ITL Engineering Australia Pty Ltd	3319649	New Zealand
LogiCamms (PNG) Pty Ltd	3-100769	Papua New Guinea
OSD Chile S.A. (Dormant)		Chile

# Verbrec's Operations

Verbrec is a leading mid-tier engineering, project delivery and operations services business executing work across Australia, New Zealand, PNG and the Pacific Islands. Work carried out in PNG and the Pacific Islands is predominately contracted through an Australian or New Zealand entity with limited procurement conducted locally. Our core industry markets span hydrocarbons, mining and infrastructure.

Our operations can be described under the banner of five main **Service Segments**:

	<p>Innovative engineering and project delivery solutions to clients – through our technical specialities, including <b>Automation &amp; Control, Power, Process Plant and Pipelines.</b></p>
	<p>Specialising in working with owners and operators to provide asset management solutions that <b>increase efficiencies, reduce costs and improve productivity</b>, unlocking higher value from client's assets.</p>
	<p>Providing full life-cycle services for project delivery from inception through procurement, construction and commissioning, <b>specialising in ongoing operations and maintenance of client assets and pipelines.</b></p>
	<p>Competency Training provides a range of <b>hazardous area, high voltage, electrical and renewable energy courses and qualifications</b> to help clients, and their employees advance in the mining, resources, oil, gas, construction and engineering industries.</p>
	<p><b>The digital twin of choice for smarter and more efficient stockyards.</b></p> <p>StacksOn is a digital twin for stockyards enabling on-spec product in challenging conditions, whilst increasing throughput and reducing downtime.</p>

# Verbrec's Supply Chain

Verbrec's procurement activity is primarily linked to the business activities of the following locations:

**Table 2. Verbrec Branch Locations**

BRANCH LOCATIONS	PRIMARY SERVICE SEGMENT
Queensland – Brisbane CBD	Engineering Services Asset Management
Queensland – Salisbury	Industry Training
Queensland – North Lakes	Industry Training
Queensland – Gladstone	Industry Training
Queensland – Mackay	Engineering Services
Queensland – Dalby	Infrastructure Services
Northern Territory – Yarrowonga	Infrastructure Services
Western Australia – Perth	Engineering Services Asset Management
Western Australia – Jandakot	Industry Training
South Australia – Adelaide	Engineering Services
Victoria - Melbourne	Infrastructure Services
New Zealand – New Plymouth	Engineering Services Infrastructure Services



During FY2024, Verbrec spent approximately AU \$38 million on goods and services from approximately 900 suppliers with the vast majority of spend being spent with suppliers in Australia and New Zealand.

The key categories of spend include:

- Procurement of electrical componentry for the development and installation of digital systems and infrastructure
- Procurement of mechanical pipeline materials and ancillary equipment for the development, installation and maintenance of pipeline and process assets
- Procurement of construction consumables for the fabrication, construction and commissioning of a range of plant, facilities and infrastructure across Australia and New Zealand.
- Hire of plant and equipment
- Workforce labour hire
- Travel and accommodation services
- Electronics (IT equipment)
- Facilities (rent, cleaning and other office services) and other corporate overhead expenses.

## Mandatory Criteria 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***

## Risk Statement

Verbrec recognises the modern slavery and human rights risks that may be present in the locations in which we operate, the industries we primarily serve, in our recruitment practices, in our procurement practices and via our supply chain generally, whether direct or indirect.

## Risks in Operating Locations

Verbrec's operations are primarily based in Australia and New Zealand.

Verbrec have assessed the risk of the locations in which we operate and conclude that there is minimal risk in the primary areas in which we provide services, being Australia and New Zealand. Location based risks are generally more evidence in emerging overseas economies, such that some of our operations may have a higher level of risk where offshore labour is employed to provide professional or labour services either to one of our primary locations or to a client project site located in a higher risk region.

# Risks in our Industry

The Company's revenues are derived from a combination of our primary revenue segments of:

- Engineering
- Training

which provide services to the **Energy, Mining** and **Infrastructure** market segments.

There are elevated risks in these industries to the extent that our client or supplier base:

- employs foreign, seasonal or temporary labour
- primarily outsources their requirements without a rigorous process to identifying and mitigating modern slavery risks in the supply chain.

# Risks in our Recruitment Practices

Verbrec has a workforce consisting of approximately 400 personnel as of the end of the reporting period, made up of employees and contingent labour, of which approximately 300 are full time equivalent employees.

Verbrec has assessed the risks in our recruitment processes and has determined that the risk of modern slavery or human rights issues are low based on the types of services we deliver are primarily professional services or services that require skilled trade labour. Risks would be more prevalent if Verbrec operated in other geographic regions or its scope of services was more suited to lower skilled labour activities where risks of modern slavery is more prevalent.

Some of our operations may have a higher level of risk where offshore labour is employed to provide professional or labour services either to one of our primary locations or to a client project site located in a developing country or emerging economy.

# Risks in our Supply Chain

On a risk-based assessment approach, Verbrec considers the high-risk factors to its supply chain to be:

- Category of spend
- Materiality of the spend
- The level in which Tier 1 Verbrec Suppliers assess their own supply chain risks
- Whether the supplier directly supplies its goods or services from any of the high prevalence risk countries listed in the Global Slavery Index
- Whether the supplier indirectly supplies goods which are indirectly (whether deep in supply chain or from raw materials) sourced from any of the high prevalence risk countries listed in the Global Slavery Index

With reference to the nature of goods and services procured by Verbrec, we consider the following risk categorisation:

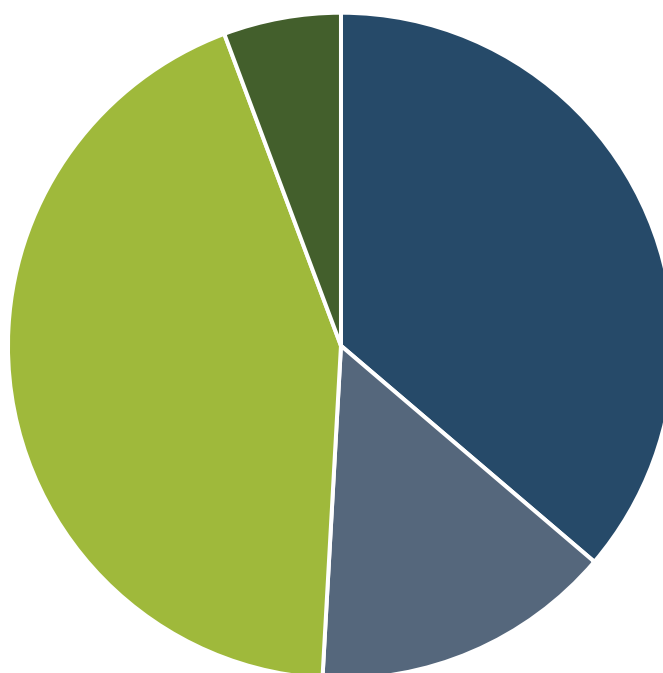


**Table 3 Categories**

CATEGORY	RISK
Corporate Overhead & Software	Low
Local Labour	Low
Materials	Medium
Travel and Accommodation	Low

The following chart provides an indication of proportion of overall procurement expenditure with relation to each of the above categories.

### Supply Category Breakdown



- Local Labour
- Corporate Overhead & Software
- Materials
- Travel and Accommodation

# Mandatory Criteria 4, 5 & 6:

**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**

**Describe how the reporting entity assesses the effectiveness of these actions**

**Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)**

## Verbrec's Values

Everything we do is guided by the Verbrec Way. These values are the core of our culture across the Verbrec group of companies. We use them to structure our objectives, measure our performance, and hold ourselves accountable to our clients.



### Safety

**Zero harm, always.**

Safety is a priority in everything we do to ensure zero harm to our team members, our clients and partners. Our safety culture is leadership-driven and backed up by comprehensive, robust, practical and ISO-certified systems and procedures.



### Team Members

**We value our greatest asset.**

It is our people who deliver for our clients and who go the extra mile to meet their needs. We care for the needs of each other, as well as those of our clients and the communities in which we work.



### Integrity

**We are transparent. We do what is right.**

Our integrity guides all our decisions and the way we interact with each other, our clients, suppliers and community. We pride ourselves on doing what we say we will do.



### Innovation

**Adding value by being a step ahead.**

We constantly challenge ourselves to find smarter ways and better solutions for our clients: safer, lower cost, faster, lower risk and greater output. We work with our clients and measure ourselves on how much value our innovation adds.



## Delivery

**Quality. On time. On budget.**

Providing outstanding service delivery is our mission. We hold ourselves accountable for delivering what we promised, when we promised it, and at the price we promised.

## Verbrec's Commitment

Verbrec is committed to the Verbrec Way core value of integrity. We are transparent. We do what is right.

Our integrity guidelines guide all our decisions and the way we interact with each other, our clients, suppliers and the community.

Verbrec recognises that modern slavery and human rights risks may affect the locations in which we operate and deliver, our workforce, our supply chain and the industries that we service.

Verbrec is committed to minimising modern slavery and human rights abuse risks within its organisation and throughout its supply chain in conformance with the Modern Slavery Act 2018 (Cth) and guided by UN Guiding Principles, and endeavours to continuously improve its governance, controls and due diligence in addressing these issues within its organisation and supply chains.

## Governance

Verbrec's Audit and Risk Committee which is made up of three non-executive directors of Verbrec Limited are responsible for governing risk and audit requirements throughout the business, including guiding and continuous review and improvements of policies related to modern slavery and human rights abuse risks within the Company and its supply chains.

The Managing Director and Company Secretary of Verbrec Limited and its respective subsidiaries are responsible for consultation with internal stakeholders within the business throughout the preparation of this document.

The Managing Director and Company Secretary attended the Board / Committee meeting where this Modern Slavery Statement was tabled for review and approved for release.

## Due Diligence

In the previous reporting period, Verbrec committed to undertaking several actions to improve its assessment and measurement of modern slavery risks within the business.

Verbrec is committed in this reporting period, and those following to continuously improving and refining our due diligence processes to better assess, measure, control and

educate stakeholders with regards to modern slavery and human rights risks within our company and its supply chain.

The following section describes some of the progress made by Verbrec throughout the reporting period.

## Local Procurement

Verbrec is an Australian owned and operated company. We believe that supporting local and indigenous businesses and communities is important to the long term economic, social and sustainable success of our company.

In line with this belief, Verbrec throughout the reporting period updated its Local Industry, Community and Indigenous Participation Policy in support of the Australian Industry Participation National Framework.

## Environment, Sustainability & Governance

Verbrec recognises all aspects of our business and its operations in a responsible and sustainable manner.

We use sound governance practices to provide a framework that prioritises the health and safety of our people, fosters ethical and inclusive business practices, reduces environmental impacts of our operations and our carbon footprint and through our delivery provides a positive social impact for our clients and our community.

Through strong relationships, built on trust, we enable a sustainable future for our clients and their customers.

Throughout the reporting period, Verbrec published its Sustainability & ESG Policy and a Climate & Sustainability Position Statement.

## Supply Chain

Verbrec consistently monitors its supply chain by requiring a comprehensive supplier prequalification process to be undertaken by its supplier-base to be added to its Approved Supplier List.

To extent that supplier is supplying goods of a higher risk category or high value, the prequalification assesses ethical procurement, modern slavery and content of supplier code of conduct.

In addition, Verbrec's Standard Terms and Conditions of Purchase and many of its subcontracts also require suppliers to commit to ethical procurement guidelines in line with Verbrec's own commitment and compliance with the Modern Slavery Act 2018 (Cth).

# Whistle-blower Policy

Verbrec has amended its Whistle-blower policy to specifically address modern slavery, unethical procurement practices and human rights abuses.

## Assessing Effectiveness

Verbrec are committed to continuous improvement across all its business processes, including those related to the identification, analysis and prevention of modern slavery risks. Measurement of performance against standards and procedures is undertaken by various departments including our People & Culture, Health, Safety, Environmental & Quality, Procurement & Contracts departments.

Additionally, we utilise several internal reporting methods to analyse and assess reports of modern slavery risks within the business including our internal improvements and non-conformances register, our enterprise risk register, whistle-blower reports and supplier prequalification's.

## Mandatory Criteria 6 & 7:

**Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)**

**Provide any other relevant information**

## Consultation

The Chief Executive Officer and Company Secretary of Verbrec Limited has consulted the Directors of each of Verbrec's subsidiaries in the preparation of this Modern Slavery Statement.

None of the subsidiaries individually meet the minimum criteria for a Modern Slavery Statement to be produced, such that no joint statement is required.

Various corporate departments were consulted, and their input data and results analysed in the preparation of this report including People & Capability, Health, Safety, Environmental & Quality, Procurement & Contracts departments.

The Board of directors have approved this statement for release.

## Future Actions and Commitments

Verbrec intends to undertake the following continuous improvement actions in the next reporting period:

## Actions for the next reporting periods

RESPONSE CATEGORY	DETAIL / COMMENTARY
Training	Further rollout of training initiatives including leadership training in modern slavery risks
Audit and Risk Committee Charter	The Audit and Risk Committee Charter will be updated to include in its duties the oversight of Modern Slavery risks.
Enterprise Risks	More comprehensive recognition of modern slavery risks in Verbrec's enterprise risk register which is a standing item for review at each Audit and Risk Committee Meeting



**Verbrec Limited**

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