



QUANTEM
BULK LIQUID STORAGE & HANDLING

MODERN SLAVERY STATEMENT

2021

Introduction

Quantem does not condone any form of modern slavery in its business or supply chain and believes modern slavery is a grave and serious violation of basic human rights.

As part of our values of Safety, Leadership, Excellence, Accountability and Partnering, Quantem is committed to working with our customers and suppliers to identify and mitigate modern slavery risks within our operations and supply chains and to strive for continuous improvement in our goal of eliminating modern slavery within our business.

The 2022 Quantem Modern Slavery Statement sets out the work Quantem has done in 2021 to:

- Strengthen the governance processes which underpin our response to modern slavery risks within our business;
- Refine and improve the identification and assessment of modern slavery risks in our operations and supply chain; and
- Assess the effectiveness of our response to modern slavery.

This statement was approved by the Quantem Board on 16 March 2022.

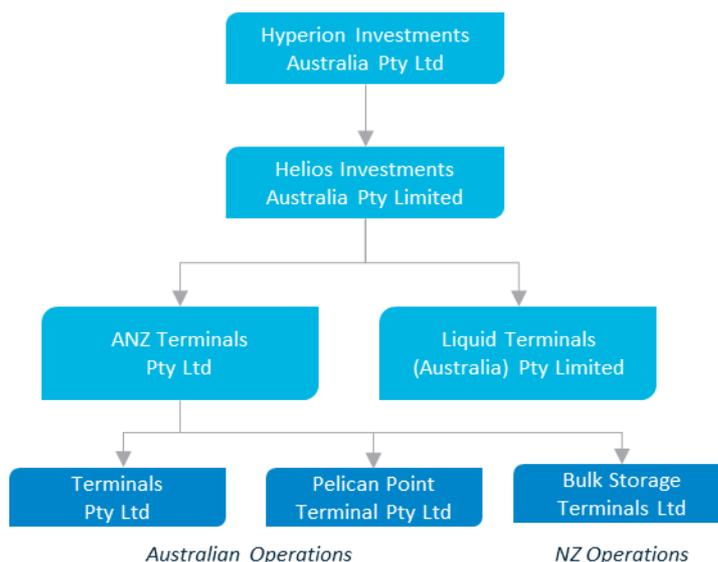
About this Statement

This Modern Slavery Statement is made in accordance with the *Modern Slavery Act 2018 (Cth)* (**the Act**). Under the Act, Hyperion Investments Australia Pty Ltd trading as Quantem (**Quantem**), is a reporting entity and required to submit a Modern Slavery Statement for the financial year ended 31 December 2021.

Quantem Ownership Structure

Hyperion Investments Australia Pty Ltd is the holding company for the following subsidiaries:

- Helios Investments Australia Pty Ltd ACN 600 077 352 (reporting entity);
- Terminals Pty Ltd ACN 000 348 407 (operating entity);
- Liquid Terminals Australia Pty Ltd ACN 001 849 805 (operating entity);
- Pelican Point Terminal Pty Ltd ACN 144 651 132 (operating entity); and
- Bulk Storage Terminals Ltd Company Number 24280 (NZ) (operating entity) (collectively, **Quantem Subsidiaries**).



Above: Abridged Corporate Structure Diagram

About Our Operations and Supply Chain

Our Operations

Quantem is a leading bulk liquid storage and handling business with operations around Australia and New Zealand. Our vision is to be a leading bulk commodities storage company in Asia Pacific and a trusted sustainable partner in customers' supply chain through strategically advantaged infrastructure.

Following the successful acquisition of GrainCorp Liquid Terminals in 2019, Quantem today operates nine terminals in Australia and three in New Zealand.

We store a variety of products on behalf of our customers, including chemicals, bitumen, edible fats and oils, petroleum and base oils at our strategic port side locations throughout Australia and New Zealand.

We offer the following services to our customers:

- ✓ **Storage and handling of bulk liquids** – provision of storage space in Quantem tanks and as well as for the handling of product volumes or throughput at the port terminals over the wharf and road tankers
- ✓ **Logistical services** – Receipt or redelivery of products via vessels, tank barges, rail cars, trucks and pipelines
- ✓ **Operational services** – Blending, mixing and testing products on behalf of our customers
- ✓ **Administrative services** – Order processing and invoicing. Surveying services are usually provided as an additional service
- ✓ **Customs services** – Coordinating obligations related to import duties and VAT



Our Supply Chain



794
Directly engaged
suppliers (Tier 1)

More than **630**
engaged within Australia,
157 in New Zealand

Less than **1%**
of spend with suppliers
outside of these regions

Our supply chain predominately comprises of Australian and New Zealand based businesses across a wide range of categories. As Quantem source goods and services locally, this enables us to work closely with our suppliers and understand their operations. In 2021, 25% of Quantem's total procurement spend in Australia was with small business suppliers.

Quantem's procurement is managed through a centre-led function. Our supply arrangements ensure we have a balanced supplier base and operational sites can source goods and services directly from a centralised supplier and local suppliers where required. All arrangements must follow our processes and procedures to ensure compliance with our Procurement Standard.

An area of focus for us is to deepen our understanding and assessment of our Tier 1 suppliers to improve transparency of our Tier 2 and 3 suppliers.

The primary industries we procure goods and services from are as follows:

- Electrical, Mechanical and Construction works;
- Energy and utilities;
- Electrical, Instrumentation Mechanical and Product handling equipment;
- Waste collection and disposal;
- Labour hire;
- Chemicals;
- Professional Services including engineering, project management, environmental, financial, and legal;
- Information technology services; and
- Supplies and Consumables inc. tools and personal protective equipment.



Modern Slavery Risks in Quantem's Operations and Supply Chains

Quantem Workforce Risks

Quantem employs approximately 165 number of employees and independent contractors at our locations throughout Australia and New Zealand.

Quantem has a number of employment and HSEQ policies, procedures and systems which ensures that all Quantem employees are:

- ✓ Provided with safe and healthy work conditions.
- ✓ Paid in accordance with Australian industrial awards or Enterprise Agreements (where applicable).
- ✓ Paid above the New Zealand minimum wage (where applicable).
- ✓ Not restricted from access to union representation or any worker's right to collective bargaining or wage or employment conditions.
- ✓ Of a minimum age that is legal for them to be employed.

As part of our quality assurance, we audit our payroll processes on an annual basis to ensure our employees are correctly paid and all Enterprise Agreements are reviewed when they are renegotiated with our employees to ensure compliance with the relevant legislation.

To the extent we require additional labour, Quantem engages contract labour from pre-qualified labour hire service providers (preferred suppliers), who are paid at or above award wage rates.

All our labour service providers are subject to our standard Labour Hire Services Contract which requires suppliers to:

- ✓ Comply with modern slavery obligations.
- ✓ Advise of any historical breaches of modern slavery laws.
- ✓ Advise of any breaches of modern slavery laws as soon as they are aware of any breaches.

We are confident there is no slavery or human trafficking in our employment practices.

Supply Chain Risks

In the 2021 financial year, approximately 99% of our total procurement spend was paid to entities located in Australia or New Zealand. Both these jurisdictions are considered low risk for modern slavery. According to the Global Slavery Index, Australia and New Zealand rank 163 and 164 respectively out of 167 countries on the 2018 Prevalence Index Rank¹. Consequently, we do not believe we have a high risk of modern slavery in our business.

However, we believe we can still have an impact on reducing modern slavery risks by focussing our efforts on areas of higher risk in our supply chain including progressing our understanding and assessment of the Tier 2 suppliers. In 2021, we continued to focus on the following areas of our supply chain:

- Cleaning and security services;
- Construction and maintenance (labour and raw materials);
- Labour hire and short-term contract workers
- Manufactured equipment (Electrical and Instrumentation);
- PPE and Garments;
- Professional Services; and
- Supplies and Consumables.

¹ <https://www.globallslaveryindex.org/2018/data/maps/#prevalence>

We are also working to better understand the risks associated with our suppliers sourcing inputs such as equipment, materials and components from high-risk geographies principally through detailed questionnaires to key suppliers. This work will continue to be refined in 2022 and beyond.

Ongoing Impact of COVID -19

Quantem acknowledges that COVID-19 has continued to have an impact on the ability for Quantem to manage its modern slavery risks.

Disruption to supply chains continues to provide challenges to source PPE and other materials to manage the COVID-19 pandemic, which has potentially increased modern slavery risks within our supply chain. Restrictions on travel has prevented Quantem from being able to conduct in-person overseas supplier audits and due diligence processes. We continue to manage these risks by prioritising the sourcing of these items from Australian suppliers.

Ongoing uncertainty regarding Australian state border restrictions have also meant that during 2021, implementation of processes, training and reviews have been conducted virtually rather than in person.



Assessing and Mitigating Modern Slavery Risks

Quantem has adopted a continuous improvement, risk-based approach to modern slavery compliance within our operations and supply chain.

During the 2021 financial year, Quantem continued to build on the Modern Slavery policies and processes by undertaking a number of projects to continue to improve Quantem's oversight of modern slavery risks within our business as set out below.

Strengthening Governance Frameworks

We believe that Modern Slavery risks can be reduced where there are appropriate governance frameworks and policies in place that empower people to speak up without fear of reprisal and where people have confidence that any issues raised, including modern slavery concerns, will be appropriately managed.

We believe in a Quantem culture which is based on safety and partnering. In the modern slavery context, this means that as a business partner, we understand our role in the supply chains of our customers. We are also committed to ensuring that every facet of our business is underpinned by the safety (including avoidance of modern slavery) of the people that are part of our business. These things are critical to our success.

In 2020, to improve our governance of Modern Slavery risks, we introduced a new Modern Slavery Policy and Supplier Code of Conduct.

In continuing to strengthen our governance processes, in 2021, we have taken the following steps to strengthen our governance frameworks:

- ✓ Updated our Code of Conduct to, amongst other things, strengthen focus on our Values and "speak up" culture.
- ✓ Roll out of mandatory whistleblower e-learning training module to be completed by all Quantem employees.

Refining Identification and Assessment of Modern Slavery Risks

Quantem continues to refine and improve the processes it uses to identify and assess modern slavery risks within its operations and supply chain.

Suppliers are assessed for risk against our Risk Assessment tool which incorporates our existing enterprise risk management framework to determine a Suppliers risk score. Assessments consider geographic region, industry and sector risk, services risk, and product risk. Suppliers are then classified by spend to enable Quantem to designate a priority rating from 1-4.

We prioritise our supplier's based on risk and spend to ensure we focus our efforts on those that present the highest exposure to Quantem. As the composition of our suppliers changes from year to year, during each reporting period, we conduct a refresh of the top suppliers by value to the Quantem Group.

In addition to our risk assessment process, Quantem assesses suppliers in high-risk industries during each reporting period. We have identified the following key industries that have elevated risk of modern slavery and will audit as follows:

- 2020** Contingent Labour.
- 2021** Supplies & Consumables (including PPE and Uniform).
- 2022** Cleaning and Security Services.
- 2023** Electrical, Instrumentation, Mechanical and Product Handling equipment.

In 2021, Quantem designed a risk questionnaire to be issued to Priority 1 and 2 Suppliers and those in the high-risk focus industry for each reporting period to better understand:

- Modern slavery risks within our suppliers' business;
- Modern slavery risks within our suppliers' key suppliers (ie risks in tier two suppliers);
- Steps taken by our suppliers to understand and mitigate their modern slavery risks; and
- Exposure to supply chains located in high-risk geographies.

Our review of these responses will assist us in determining if further audits are required or actions placed on the suppliers and inform future questionnaires.

In future reporting periods, we will be seeking to progress our understanding and assessment of the tier 2 suppliers within our supply chain. This will include detailed assessments of our Priority 1 and 2 Suppliers to improve transparency of tier 2 suppliers and associated risks.

Outcomes

The focus of 2020 was to perform a modern slavery risk assessment of the suppliers that represented approximately 80% of the total supplier spend by the Quantem Group and conduct an in-depth analysis of suppliers in the labour hire industry. As part of our specific forced labour supply risk evaluation, all suppliers providing Contingent Labour were required to complete an evaluation questionnaire and primary suppliers were recontracted under Quantem's new standard form of agreement for Labour Hire.

In 2021, we extended our modern slavery risk assessment to include suppliers that represents approximately 85% of total supplier spend by the

Quantem Group and issued a modern slavery risk questionnaire to the identified Priority 1 or 2 Suppliers and those in the Supplies and Consumables industry.

No instances of modern slavery were identified through the processes outlined above during the period relevant to this Modern Slavery Statement.

Embedding awareness of Modern Slavery risks through communication and training

Following the introduction of the Modern Slavery Policy and Supplier Code of Conduct in 2020, Quantem is continuing to embed these policies within our business. We also believe that increased awareness of modern slavery risks amongst our employees and suppliers leads to improved identification and reduction or elimination of modern slavery within our business and supply chains. As such, in 2021, we have taken the following steps to improve communication and awareness of modern slavery and its risks:

- ✓ Rolled out our online modern slavery e-learning module required to be completed by all Quantem employees.
- ✓ Provided modern slavery workshops to selected employees to raise the awareness of modern slavery risks in our operations and supply chains, including how to spot "red flags".
- ✓ Publication of our Modern Slavery Policy, Supplier Code of Conduct and 2020 Modern Slavery Statement on our website.
- ✓ Providing communications to our suppliers on our Modern Slavery Policy and Supplier Code of Conduct.

Assessing the Effectiveness of Quantem’s Modern Slavery Compliance Initiatives

Quantem is committed to continuous improvement in assessing the effectiveness of our modern slavery compliance program.

Continuous Improvement of our processes

In 2020, Quantem developed standard supplier terms and conditions to include obligations to address modern slavery risks for our Australian supply contracts. Throughout 2021, those standard terms continued to be rolled out in our Australian business as more supply contracts were renewed and replaced with the new standard terms.

In 2021, we have also incorporated obligations to address modern slavery risks in our New Zealand standard supplier contracts and standard purchase order terms and conditions. As with our Australian business, these new modern slavery obligations will continue to be rolled out in our New Zealand business as supply contracts expire and are renewed.

In 2022, Quantem’s modern slavery questionnaire will be supplemented by our high risk works contractor due diligence program. This requires all high risk works Contractors with spend greater than \$150kpa to complete a due diligence questionnaire and declaration against our Supplier Code of Conduct. This due diligence will be refreshed annually.

Measurement of Effectiveness

As reported in our 2020 Modern Slavery Statement, Quantem had initially focussed on building the foundations to take meaningful steps to address modern slavery risks by reviewing our governance processes, policies, risk assessments and education. In 2021, we undertook to investigate ways to better assess the effectiveness of our modern slavery compliance initiatives, including developing an audit process and conducting a review of the effectiveness of measures undertaken in the 2020 financial year.

As part of our commitment to continuous improvement, Quantem conducted a review of its supplier on-boarding and annual review processes, including how assessments are undertaken to identify modern slavery risks within Quantem’s supply chain. As part of that review, a number of opportunities for improving the onboarding and annual review processes were identified and work is underway to improve our processes as part of our work plan for 2022.



Consultation and Joint Statement

This Modern Slavery Statement is prepared as a joint statement submitted on behalf of the reporting entities within the Quantem Group (Hyperion Investments Australia Pty Ltd and Helios Investments Australia Pty Ltd).

Each of Quantem and the Quantem Subsidiaries have been consulted in the development of this Modern Slavery Statement.

From a structural perspective, each of Quantem and the Quantem Subsidiaries have the same Board of Directors and the operations of each Quantem Subsidiary are overseen by the same Quantem Executive Leadership Team. All Quantem Subsidiaries operate in accordance with centralised Procurement, Finance and Human Resources functions.

The governance policies underpinning Quantem's Modern Slavery work applies and has been rolled out throughout Quantem and the Quantem Subsidiaries. All employees within the Quantem group of companies are required to complete the same training and comply with the same modern slavery processes and procedures as set out in this Modern Slavery Statement.

Signed with the authority of the Board by:



Philippe Etienne
Chairman

Nick Moen
Chief Executive Officer

