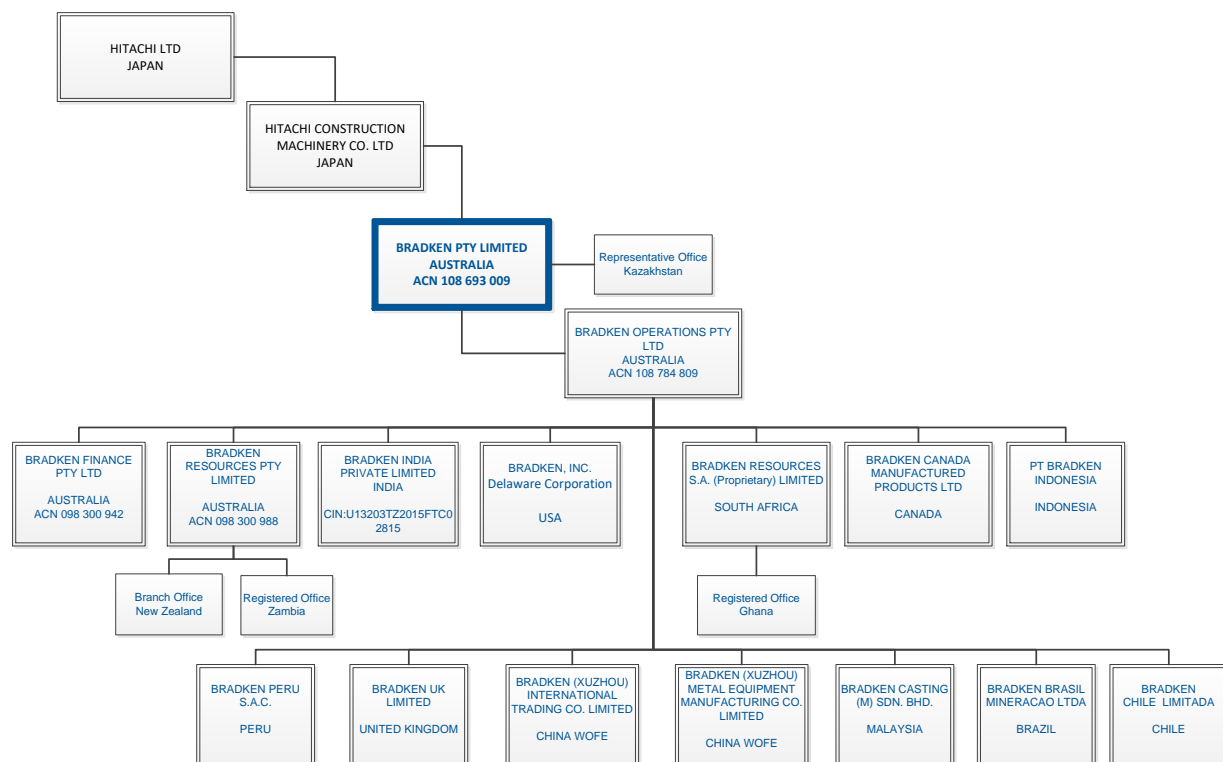


# MODERN SLAVERY STATEMENT 2019

*Bradken is a global engineering and manufacturing organisation. We work mainly with mining companies, helping them beat operations challenges with innovative solutions across their value chain, primarily wear parts for mobile plant, fixed assets and mineral processing applications. As a socially responsible organisation, Bradken demonstrates concern for the wellbeing of people and communities. We conduct business fairly and ethically, we respect human rights, comply with all laws and regulations and follow a rigorous Code of Conduct.*

## Reporting Entity and Structure

Bradken Pty Limited (ACN 108 693 009) is an Australian Proprietary Company and a wholly-owned subsidiary of Hitachi Construction Machinery (as a member of the Hitachi Group). Due to this ownership, Bradken operates under the Japanese financial year and this statement covers the period 1 April 2019 to 31 March 2020 and is made with approval of the Board of Directors. Employing approximately 3,000 people worldwide, our sites include foundries, machine shops, service and sales offices and we operate in approximately 40 sites across 15 countries under the below regional legal entities:



**Figure 1. Company Structure**

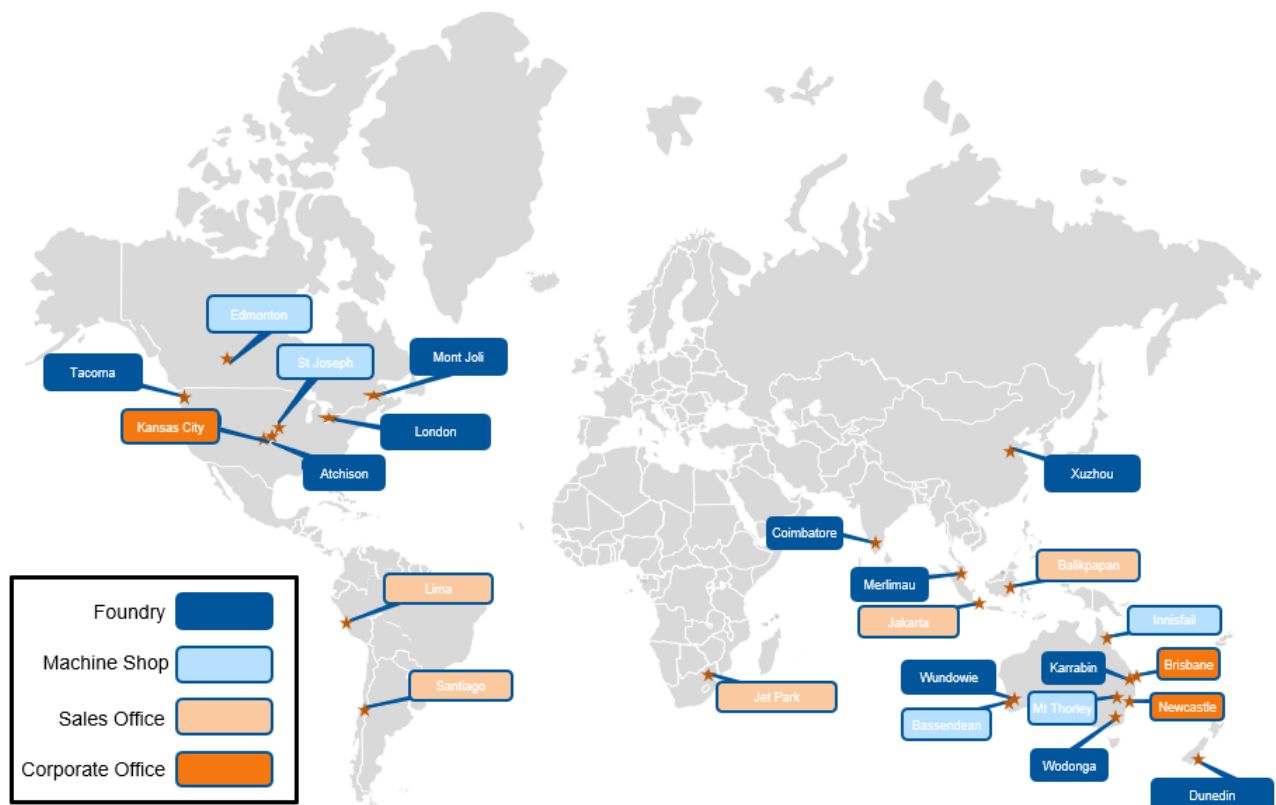
In this statement, the terms ‘Bradken’, ‘us’, ‘we’ and ‘our’ are intended to cover all of the Bradken entities listed above. Bradken head office is located in Newcastle, NSW, Australia and our operations are structured into specific businesses, each dedicated to meeting the needs of the

industry sectors they serve – Mining Mobile Plant, Mineral Processing and Specialty Products (North America and ANZ). The legal entities operate as part of these businesses as ‘One Bradken’ sharing one Executive Leadership Team and centre led functions for Human Resources, Legal, Safety and Wellbeing, Product Development, Sustainability, Quality, Continuous Improvement, Communications, Corporate Finance, Supply Chain and Procurement with all Corporate policies and procedures applying to all Bradken entities.

## Operations

### Site locations

Historically, our production operations have centred around Australia and North America, but Bradken has grown to be a truly global manufacturing organisation with increasing levels of production being undertaken by our foundries in China and India. Below illustrates where our main operations are located geographically.

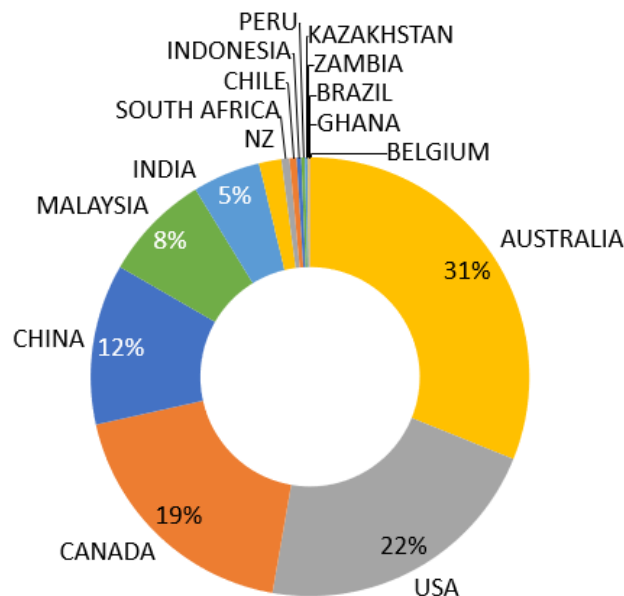


**Figure 2. Geographic Locations**

The core production activity within our foundries is melting and pouring metals to produce castings. Fabrication, welding and assembly of castings and repairs and maintenance on machinery and equipment are undertaken in our Machine Shops. As mining customers evolve, we continually strive to meet their needs with investment in Product Development, Research and Development, and Innovation.

## Employee Locations

The majority of Bradken permanent employees globally are employed within Australia (31%), USA (22%) and Canada (19%), with a quarter of employees based in the Asia Pacific region and the remainder across the smaller service and sales offices around the world.

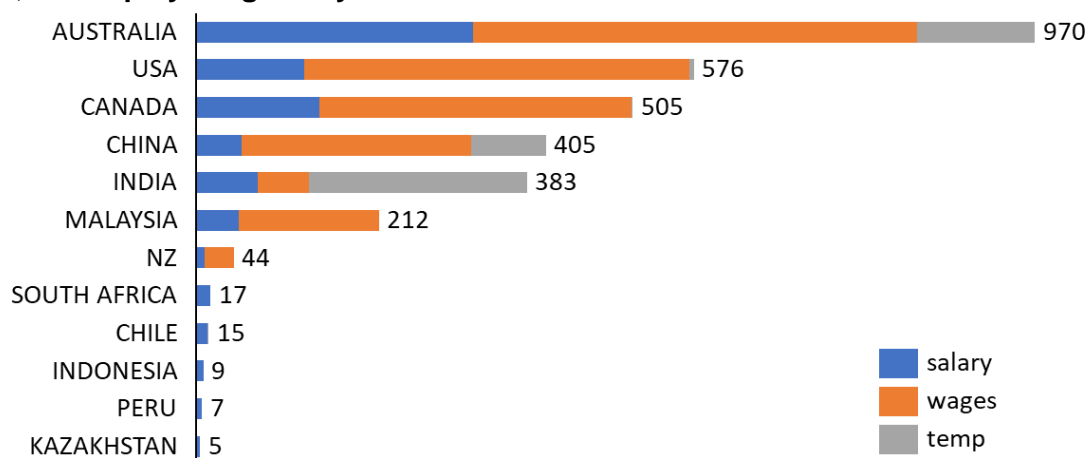


**Figure 3. Employee Locations.** Based on Bradken employee numbers as at 31/03/2020.

## Comparison of Employment Types

Wages and shopfloor staff represent the majority of our overall employee numbers at 58%, with salaried staff at 26%. To meet varying production requirements, temporary production labour (through labour hire companies) is also utilised mainly within Australia, China and India and currently makes up 15% of total employee numbers globally.

### 3,154 employees globally as at 31/03/2020



**Figure 4. Employment Types.** Based on employee numbers as at 31/03/2020. Figures for Ghana, Zambia, Brazil and Belgium (totalling 6 employees) removed for display purposes.

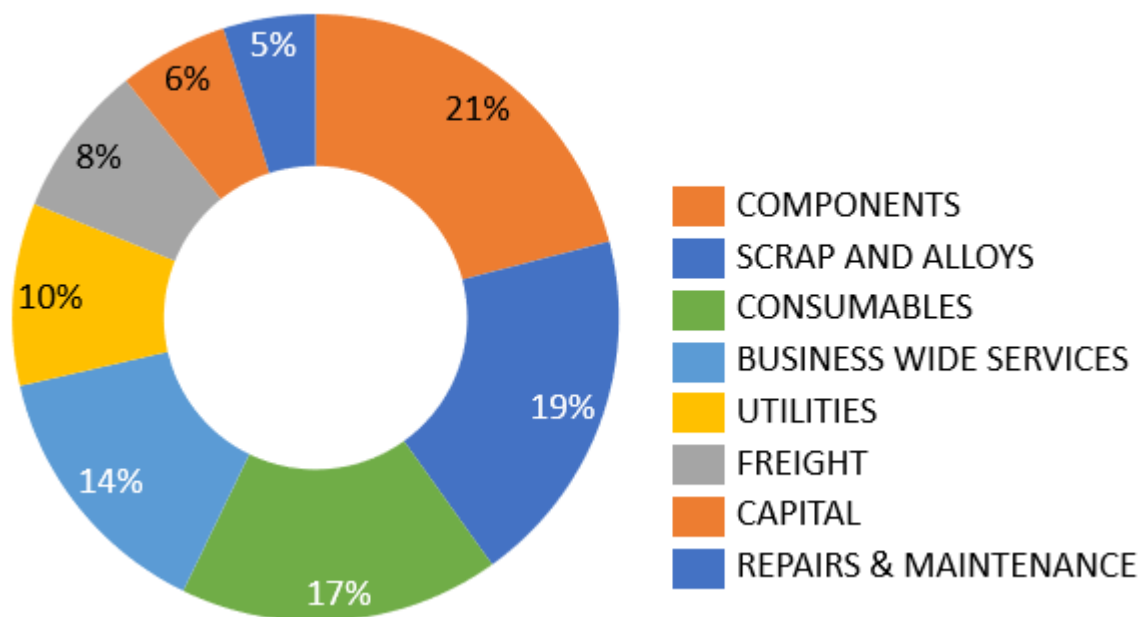
## Supply Chain

Given our geographic reach and operations, identifying modern slavery in our supply chain is a challenge. In 2019 Bradken's supply chain included approximately 6,800 active first-tier suppliers (those we purchase directly from) across 40 different countries.

Despite this challenge, we are committed to continually improving our own processes and practices internally and how we work with business and civil society to meet our moral and ethical obligation to combat modern slavery and to make sure we do not cause or contribute to Modern Slavery or be linked with instances of Modern Slavery through our interactions.

The Procurement function of Bradken, introduced into the business mid-2016, has been working to build relationships with our suppliers globally in an ongoing effort to consolidate spend and increase the percentage of spend that is covered by a supply agreement (contract). Supply agreements may be at a local level with domestic supplier or a global agreement covering supply into a number of our facilities. In 2016 there were over 17,000 active suppliers in our system with less than 20% spend covered by a managed supply agreement. As at March 2020 spend covered by a supply agreement has increased to 46% and the number of active suppliers reduced by over half.

Bradken spend has been divided into eight high level categories, each of which is allocated to a Procurement Team member to manage. Of these eight categories Components, Scrap and Alloys, Consumables and Business Wide Services represent the majority (71%) of our spend with suppliers.



**Figure 5. Spend Categories**

Components spend includes products such as forging and castings, steel plate, steel bars, bolts, pins, ceramic tiles, and machining services and outsourcing services that go into producing finished castings.

Scrap and Alloys is made up of various metals (either produced from raw materials or sourced from scrap materials) that are used in the melting process to manufacture our castings.

Consumables spend includes catalysts and binders, ceramic shapes, sands, graphite electrodes, grinding media, welding materials, paint and washes, refractories, thermocouples, timber and sand that are used as part of the process of manufacturing castings.

Business Wide Services spend includes equipment rental, printing and stationery, travel and entertainment, personal protective equipment, testing services, cleaning and gardening, clothing (uniforms), computer software and hardware and temporary personnel services.

### **COVID-19 - Impact on Operations and Supply Chain**

Due to the impact of COVID-19 there were varying periods of closure to our manufacturing operations globally between end of January 2020 and May 2020. The majority of these were temporary closures for short periods of time which fell outside of the scope of the 2019 reporting period, but details on these and on the impact of the pandemic have been included in our statement as part of the requirements to address COVID-19 impacts.

In the initial stages of the epidemic, our Xuzhou site in China closed from late January due to local government imposed lockdowns. After an easing of local restrictions and a government inspection of our facility, including the hygiene measures in place, our manufacturing site was approved to reopen approximately 2 weeks later in mid-February.

In mid-March our Merlimau facility in Malaysia was shut due to local governmental imposed lockdowns and continued to be closed until approval for a fifty percent reopen was granted towards end of April, with reopening at full capacity allowed beginning of May.

Towards end of March our Coimbatore (India) manufacturing site also faced a month of local government imposed lockdowns with the site being cleared for partial reopening end of April and approval for commencement of full manufacturing granted early May. With the country of New Zealand in lockdown, our Dunedin site was also closed from end of March till end of April.

Despite these mandated shutdowns, during the reporting period there has been minimal impact to our overall supply chains outside of the immediate impacts on supply and delivery during the closure periods. In most regions Bradken operate, mining (and supply to the mining industry) has been considered an essential service throughout the pandemic, therefore most of our suppliers, outside of those impacted by the same regional lockdowns as our sites, were unaffected and able to continue to supply through current stock holdings and domestic supply situations or agents. Most of our customers have also continued to operate, which means our forward supply chain requirements have not decreased. Some international supply was impacted, but this was mostly due to shipment delays, additional freight costs and lead time rather than an impact on actual supplier production. Existing contracts and purchase orders with suppliers have been honoured wherever possible, albeit with extended delivery dates. There was an increase in our requirements for personal protective equipment and cleaning and sanitising products but these were sourced through existing suppliers who are aware of our requirements and expectations. Any new suppliers introduced through this period were still required to go through our due diligence processes, including agreement to our Supplier Code of Conduct.

During these closures the impacts on our supply and delivery channels were continually assessed with purchasing and procurement employees in close contact with key suppliers as to the impact to the suppliers themselves, what suppliers were doing to look after their employees, the impact to

their supply chains and solutions to any issues that arose. Many suppliers were proactive in communicating their approaches and responses to the situation via emails and phone calls. While these temporary closures to our manufacturing facilities may have had an impact to our short-term production levels and therefore our immediate ordering and delivery requirements from suppliers it has not yet had a significant impact on long term impact on production and our overall manufacturing was able to continue with as little disruption as possible. While local domestic suppliers would have been facing similar government mandated lockdowns, our requirements on our suppliers outside of the shutdown periods have remained fairly stable.

Additionally, in effort to protect our people and our communities, office staff in all regions were enabled and encouraged to work from home where possible from end of March and at time of preparation of this statement, are continuing to work from home awaiting regional governmental advice. Before returning to work, a full risk assessment and start up plan including guidelines on physical distancing and additional hygiene measures will be prepared by each facility to ensure ongoing protection of employees.

## Modern Slavery Risk in Bradken Operations and Supply Chain

In considering our Modern Slavery Risk, Bradken referred to Guidance for Reporting Entities issued by the Department of Home Affairs, as well as the research, recommendations and risk factors outlined in the below publications:

- Global Slavery Index 2018, Minderoo Foundation's Walk Free initiative;
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Third Edition OECD (2016); and
- Five Practical Steps for Conflict Minerals Due Diligence and SEC Disclosure Version 3.0, 2017, Responsible Minerals Initiative

### Sector and Industry Risk Considerations

Bradken is one of the world's leading solutions providers for mining equipment parts. We specialise in the innovative design and manufacture of cast and fabricated iron and steel products for the mining and resources sector, and we also expertly serve rail and transit, energy, structural and industrial casting and defence markets. While we supply to the mining sector, Bradken does not directly operate in extractives sector itself or in any of the other sectors which are generally recognised as at high risk for Modern Slavery due to their characteristics, products and processes (i.e. textiles and fashion, fishing, electronics, cleaning, and agriculture).

### Products and Services Risk Considerations

Bradken does not directly purchase most of the products listed in the Global Slavery Index as at risk for import into G20 countries (Cotton, Cattle, Sugarcane, Gold, Carpets, Coal, Fish, Rice, Brazil nuts, Chestnuts, Cocoa or Diamonds), but we have identified the below products and services which we purchase as potential areas of risk. Our initial focus and engagement will be with suppliers of these items and services to verify modern slavery practices are not occurring:

- **Refractory Bricks** which are used for lining our furnaces.
- **Garments** such as corporate uniforms and protective clothing (pants and shirts) for shopfloor workers (and the cotton contained in these garments).
- **Timber** which is purchased for use in making moulds for castings and also purchased indirectly in the form of pallets and other packaging.
- **Electronics:** laptops, computers, & mobile phones and other electronic equipment purchased for use within our business.



- **Rubber** purchased for use as a backing material on wear plates for chutes and mill liners manufactured.
- **Cleaning Services** engaged at our sites and offices which may employ low skilled or migrant workers
- **Temporary Labour Personnel** engaged at our sites through recruitment agencies
- **Outsourcing of Manufacturing** - varying market demand has led to requirement to outsource production of selected castings and components.
- **Tungsten** (in small quantities) purchased either in components or purchased for application to castings wear faces to increase hardness and durability.

## Geographical Risk Considerations

Bradken does not currently operate or have any first-tier suppliers in the countries with highest prevalence of modern slavery and highest vulnerability to modern slavery based on Global Slavery Index (North Korea, Eritrea, Burundi, the Central African Republic, Afghanistan, Mauritania, South Sudan, Pakistan, Cambodia, Iran, Syria, Chad, Democratic Republic of the Congo, Iraq, Yemen, Somalia, Sudan and South Sudan). We recognise that there is the possibility that suppliers further down our supply chain could be connected to these countries and also that the risk of modern slavery is not limited to these countries and still exists in other highly developed and higher income countries.

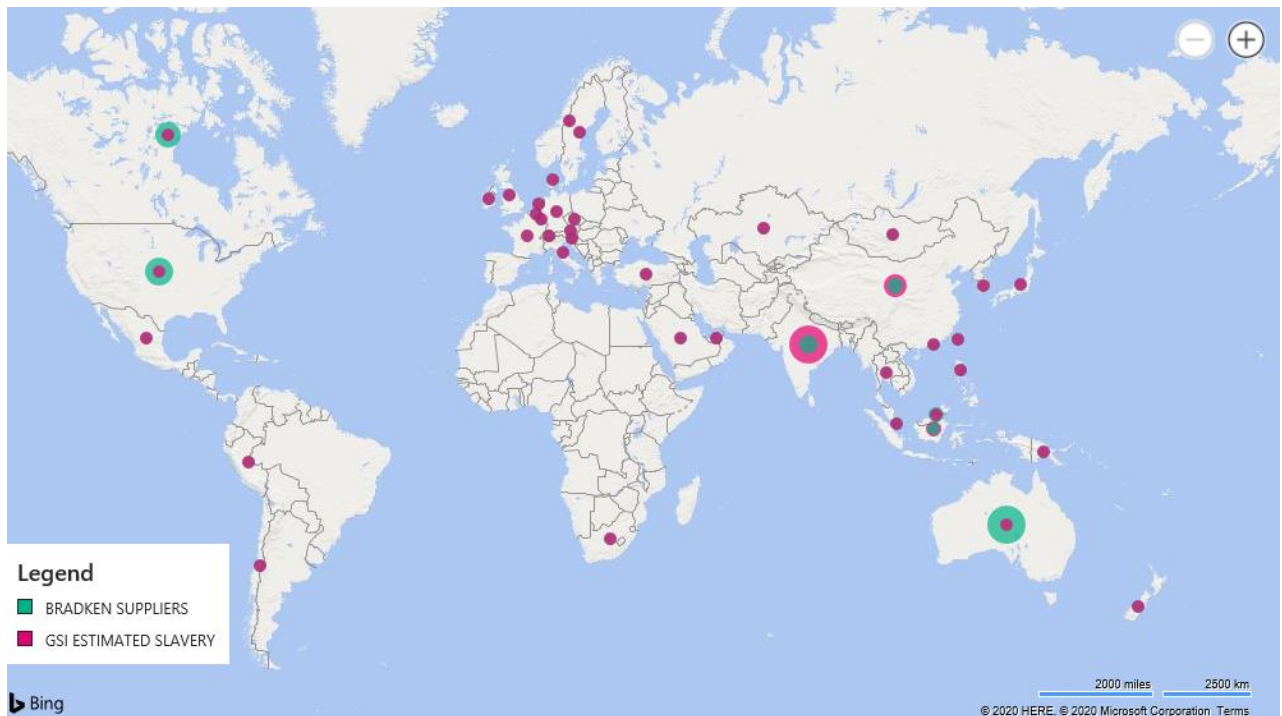
According to Global Slavery Index, the Asia Pacific region has a high prevalence of Forced Labour and this needs to be considered in our assessment of risks for our operations in India, China, Malaysia and Indonesia.

The safety and wellbeing of our employees globally is of utmost priority to Bradken. A clean, safe, secure and healthy working environment is provided at all of our sites and the dignity of workers is protected and preserved. Inhumane treatment, abuse, and humiliating disciplinary action are not permitted. Wage payments are made consistent with applicable law. Discriminatory behaviour of any kind is not permitted. All workers, regardless of their nationality, race, gender, ethnicity, social status, religion or other protected characteristics are treated fairly with regards to recruitment, employment and fair employment practices. Our Code of Conduct, Equal Employment Opportunity Policy and Diversity and Inclusion Policy set out our expectations of and for our employees. Under Bradken's Whistleblower Policy, employees and any other parties, acting in good faith, can confidentially report any behaviour that is believed to be: dishonest; fraudulent; corrupt; illegal; in breach of legislation; unethical and any other serious improper behaviour or unsafe work practice.

The full policy can be viewed at <https://bradken.com/Bradken-Whistleblower-Policy-2017.pdf>.

While we are confident that our workers in our own operations are protected and have grievance mechanisms for reporting, and we do not operate in any high risk sectors, our operations in the Asia Pacific region do source products and services locally and there is the potential that instances of modern slavery may be present in these local supply chains, because of the regions they operate in.

Figure 6 below illustrates where our suppliers are based, in comparison to estimated number of modern slavery victims by location (based on data from Global Slavery Index). The concurrence between number of suppliers and modern slavery risk in the Asia Pacific region, particularly India and China, indicates to us that suppliers in this region need to be one of our areas of focus going forward.



**Figure 6.** Supplier Location Comparison to Modern Slavery Risk. (Source data Global Slavery Index 2018, estimated victims)

### Entity Risk Considerations

Bradken has processes in place (Supplier Questionnaires, Anti-Corruption Declarations, agreement to our Ethical Sourcing Policy) to vet suppliers that we intend to enter into supply agreements with and formalised Supplier Relationship Management interactions to engage with contracted suppliers on an ongoing basis. However, because of the number of global regions we operate in, the range of products and services we need to purchase for our operations and the number of suppliers we deal with it is a significant challenge to develop close relationships with all first-tier suppliers that we transact with. Adding to this the varying political situations and differing governance norms in some of these regions, there is the potential of transacting with a supplier that does not hold themselves (or their subsequent suppliers) to the same ethical standards and respect for Human Rights.

### COVID-19 - Impact on Risk in Supply Chain

During both the government mandated shutdowns and recommendation for office workers to work from home, the potential impact on our employee’s wellbeing, physically, financially and mentally, was of utmost consideration to our leadership team. In all regions affected by shutdowns, Bradken made every effort to ensure our employees were looked after and senior management provided ongoing and regular communications and updates and access to resources, tools and support. Wherever possible, employees were supported financially through this period via a number of measures, in line with regional regulatory expectations:

- China – all employees were paid during the lock down period.
- Malaysia – all employees were paid for majority of the lockdown. Due to the extended nature of the lockdown (around six weeks) some employees were required to use paid / unpaid leave for a portion of the time. This was done in consultation and in agreement with all impacted employees. Any workers who did not have accrued leave to use for these small periods of time, were paid a daily stipend to cover food.
- India – all employees were paid during the lock down period.



- Special Paid Leave – Bradken has provided discretionary paid leave to employees in New Zealand, Australia, United States, Canada, South Africa and South America for up to two weeks to cover isolation restrictions from travel, government shut downs, school closures, cases of suspected or actual COVID-19 for the employee or for someone they have caring responsibilities for.
- United States – employees were able to supplement unemployment benefits from the government with Special Paid Leave where we needed to furlough them because of government lockdowns or restrictions.

In addition to abiding by local government restrictions on movement, travel restrictions were introduced internally within Bradken for our own employees and non-essential parties were not allowed to visit our sites to protect the health and wellbeing of employees undertaking their work. Where external parties were required to attend site to ensure continued operations, declarations were requested as to their travel movements and they were required to abide by physical distancing and additional hygiene measures that were in place. As at May 2020 travel restrictions remain in place and will be reviewed to align with government advice.

## **Bradken's Actions to Address Modern Slavery**

Bradken has been working on our ongoing approach to modern slavery risks since last year and have established an initial action plan, drawing on our internal resources from different aspects of the business in order to address the requirements of the Act in line with the draft guidelines that have been issued by the Department of Home Affairs. A Representative of Bradken also attended a seminar held by Anti-Slavery Australia to get external perspectives on the requirements and how to best address them.

Our understanding is that the intent of the Act is to introduce ongoing scrutiny of the supply chain and ongoing action by business to use their leverage to reduce modern slavery. Our focus has been on identifying and introducing actions to meet the Commonwealth Modern Slavery Act requirements and our approach has been developing gradual and continuous improvement based on the guidance provided by the Department of Home Affairs.

Bradken has a complex supply chain with thousands of suppliers so our response to Modern Slavery requirements will be an ongoing and continuous process – the guidelines to the Act acknowledge that companies may need to prioritise and focus on certain regions and suppliers first and that the process should be an ongoing process of education and collaboration with our people and our suppliers.

## **Our Actions to Date (including Due Diligence and Remediation)**

### **Code of Conduct**

All employees are expected to abide by the Bradken Code of Conduct and the Hitachi Construction Machinery Group Codes of Conduct. The Code is a commitment to building and fostering a culture in which employees, contractors and others who represent our organisation must respect and support human rights. The Code was most recently updated in 2018 and includes a chapter specifically addressing Respect of Human Rights, as well as requirements around workplace environments and fair business activities.

In an effort to ensure continual compliance, employees are required to take annual Code of Conduct training, in line with HCM requirements.

The full policy is available at <https://bradken.com/wp-content/uploads/2018/11/1-HCM-ST-CG-HCM-Policy-Codes-of-Conduct.pdf>

### **Ethical Sourcing Policy**

Bradken has an Ethical Sourcing Policy, which all employees, contractors and suppliers are expected to support and abide by. The Policy outlines expectations around Labour Rights, Freedom of Association, Working Conditions, Living Wage, Working Hours, Environmental Issues, and prohibits Harsh or Inhumane Treatment, Child Labour, Discrimination and Bribery and Corruption.

Since the introduction of the Procurement function, suppliers who intend to enter into Supply Agreements with Bradken are required to confirm their agreement to abide by this policy through our Supplier Questionnaire process, and the Ethical Sourcing Policy has been included as a contractual obligation as part of our standard Supplier Agreements.

The full policy is available at <https://bradken.com/Ethical-Sourcing-Policy.pdf>

### **Procurement Processes**

Suppliers are selected fairly and appropriately. Consideration is given to their fulfilment of social responsibility including fair and highly transparent information disclosure, observance of laws and social norms, respect of human rights, elimination of unfair discrimination concerning employment and workplaces, elimination of child labour and forced labour, environmental protection activities, social contribution activities and creation of pleasant workplaces.

**Fact Based Sourcing Methodology** – our procurement process is built around the concept of Fact-Based Sourcing and aims to obtain the best Total Cost of Ownership for Bradken with an emphasis on building relationships with suppliers to secure the best value. Our team members work with suppliers to get an understanding of the costs involved in a product or service, including labour costs and factor these into expected pricing.

**Standard Agreement Templates** - Procurement utilise standard Supply Agreement templates which contain contract clauses on Ethical Behaviour, Corporate Social Responsibility (CSR), Compliance with Laws (including labour laws and those related to health and safety) and Anti-Corruption.

**Supplier Relationship Management (SRM)** - A key component of our procurement process, we meet with contracted suppliers on a regular basis to discuss factors such as quality, safety, continuous improvement and CSR factors. How often we conduct SRMs is based on assessment of various risk factors of the supplier and the higher the risk the more frequently meetings are required.

**Anti-Corruption Declarations & Clauses** - Recognising that a high level of corruption in a country increases various risks of doing business (including its potential correlation with prevalence of Human Rights abuses) in 2018 we introduced Transparency International's Corruption Perception Index (CPI) as one of the factors into our risk assessment which determines SRM frequency. We also added Anti-Corruption clauses to our General Terms and Conditions of Purchase Order and required Anti-Corruption Declaration or clause inclusion in Supply Agreements.

**Conflict Minerals Policy** – As Bradken operates in the United States, some of our customers have obligations to report on Conflict Minerals under the Dodd-Frank Wall Street Reform and Consumer Protection Act. Bradken fully supports the Dodd-Frank Act and undertakes due diligence in examining its supply chain and manufacturing inputs to identify any potential use of Conflict Minerals as defined in the legislation. Bradken takes a collaborative approach when engaging suppliers through the use of the Responsible Minerals Initiative (RMI) Conflict Minerals Reporting Template (CMRT).

Our Conflict Minerals Policy Statement can be found at <https://bradken.com/Conflict-Minerals-Policy-Statement.pdf>

### **Committee to Review Modern Slavery Actions**

We are in the process of updating the charter of our existing Export Control Committee (ECC) to broaden the scope to cover Supply Chain issues including Modern Slavery. Modern Slavery has been added to the ongoing agenda to ensure Executive level involvement and oversight of the actions being taken to address Modern Slavery issues and the requirements of the Act. The Committee which meets quarterly and includes representatives from our Executive Leadership Team, Governance and Compliance, Legal Counsel, Supply Chain, Sales and Procurement functions, will be reviewing Modern Slavery actions and issues on an ongoing basis.

### **Modern Slavery Awareness Training**

Internal Modern Slavery Awareness Training was provided to our Procurement Team and our Executive Leadership Team in 2019.

### **Supply Chain Mapping**

Supply chain mapping was initiated during 2019 to assist our understanding of where our suppliers are located. Working with our IT department and referencing the risks identified in the Global Slavery Index we were able to make some amendments to our system and our reporting functions to allow us to get a better picture of where our suppliers are in correlation to risk areas for modern slavery and to allocate a risk rating to our suppliers, to highlight the areas we should focus our attention on initially.

### **Supplier Code of Conduct**

In addition to our employee Code of Conduct and Ethical Sourcing Policy, Bradken has developed a Supplier Code of Conduct to specifically, simply and clearly set out our expectations of suppliers in regards to Human Rights (including Modern Slavery issues), Labour Rights, Legal Compliance, Bribery & Corruption, Health Safety and the Environment and Community Interaction.

This Supplier Code of Conduct has been incorporated into our vendor onboarding process, with a copy being provided to all suppliers during the process of them being set up as active in our system. This is one way for us to reach out to the suppliers we don't have regular interactions with to make sure they are aware of our expectations.

It has also been incorporated more actively into our supplier agreement process, with potential contract vendors and tender participants required to confirm they agree to abide by our Supplier Code of Conduct, prior to Bradken entering into a Supply Agreement with them. In addition, the Code of Conduct has been contractually included as part of our standard Supply Agreement Templates.

Our Supplier Code of Conduct can be found on our website at <https://bradken.com/Bradken-Supplier-Code-of-Conduct.pdf>

### **Descartes Visual Compliance Screening**

Bradken has recently implemented Descartes Visual Compliance Screening which checks company details against published sanctions lists covering terrorism, financial, corruption and

human rights violations. Screening has been implemented for all new vendors and we are in the process of screening all existing vendors for the presence of any red flags of concern.

### **Full Cooperation and Support of Customer Modern Slavery Enquiries**

As a supplier to other companies with Modern Slavery reporting requirements, Bradken has been approached by some of our customers to assist them meeting their obligations. Bradken has been fully cooperative and supportive of our customers efforts, responding openly to questionnaires and in November 2019 our Xuzhou, China site participated in a third-party Modern Slavery Audit arranged by one of our customers through Verite which returned no red flags in regards to Modern Slavery.

### **Outsourcing Policy**

We recognise that instances where production is outsourced has the potential to reduce not only quality but also the control of labour practices and increases the potential of modern slavery risk. To counteract this, we are in the process of developing a standardised Outsourcing Policy and Process Flow for reference for all instances of outsourcing within Bradken. This Policy will not only thoroughly detail requirements as to vetting of suppliers from a technical and quality point of view, but will also mandate involvement of the Procurement team to ensure sufficient due diligence is undertaken on potential suppliers for CSR issues.

### **COVID-19 - Impact on Actions to Address Modern Slavery**

Bradken's reporting period ending March 2020 meant that actions for this reporting year had in the majority already been undertaken by the time COVID-19 impacts were beginning to be felt globally.

## **Planned Future Actions / Next Steps**

### **Further Modern Slavery Awareness Training**

In the coming year we intend on expanding our Modern Slavery Awareness training to further targeted functions within the business, including Sales, Logistics, Quality, Human Resources, Supply Chain and Site Purchasing functions and also incorporating training on Modern Slavery into the compulsory annual compliance training requirements that all employees are required to undertake.

### **Supply Chain Mapping – Ongoing Improvement**

In 2019 we worked to identify where our first-tier suppliers are based, in the coming year, we're working to improve the quality of the data to also include country of origin data as to where these suppliers (and their suppliers) source the products and services Bradken purchase.

We'll also be looking at the items mentioned in Products and Services Risk Considerations. As well as engaging our existing suppliers to understand their approach to modern slavery and their supply chains we'll be working with our IT department to enable us to highlight spend on these in our inventory data so any new suppliers providing these items will also be flagged for scrutiny.

### **Supplier Self-Assessment Surveys**

We are in the process of developing electronic Supplier Self-Assessment Surveys in an effort to reach out to our suppliers to get a better understanding of the regions they operate in, their policies and labour practices in regards to human rights issues and how well they know their suppliers. Initially surveys will be sent to those suppliers highlighted in Geographical and Product and Services

Risk Considerations. Responses will be reviewed and flagged for further action and supplier risk ratings adjusted accordingly.

### **Supplier Audits**

Procurement and Quality functions of Bradken are working together to implement Supplier Audits. Initially audits are intended to be performed on suppliers that provide outsourcing services for Bradken in regions of geographic risk.

### **COVID-19 - Impact on Planned Actions**

Due to both government and company imposed travel restrictions in place it is likely that any onsite Supplier audits will be delayed until social distancing measures are relaxed. Ongoing planning and development of audit requirements will still be undertaken in preparation for when Bradken is able to attend supplier sites to undertake audits. Potential technological methods are being investigated to support supplier communication and interaction via other means, with other methods such as video conferencing already being utilised to maintain contact with suppliers.

Bradken recognise that the ongoing effects of COVID-19 globally will mean a general increased level of risk of Modern Slavery and the potential for exploitation in some of our supply chains, given the heightened uncertainty and rise in unemployment caused by the pandemic. We will continue with the planned actions in place, to raise awareness both internally and with our suppliers, and as well as being an agenda item for our Export Control Committee, Modern Slavery will be added to our Supply Chain Leadership meetings to facilitate review on a regular and ongoing basis and to ensure it becomes a consideration in our day to day dealings.

### **Remediation**

Our standard supplier agreement templates and our General Terms and Conditions of Purchase Order include clauses covering governing law and dispute resolution provisions.

Access to the Bradken Whistleblower facility is available for both employees and external parties to report activity inconsistent with worker welfare standards, without fear of retaliation. Details of the Whistleblower policy are provided to employees on induction, published on our website and have recently been included in Supplier Code of Conduct to promote availability to a wider audience. We take seriously any claims that human rights are not properly respected and investigate all allegations thoroughly.

Our Export Control Committee are still reviewing our approach to instances of Modern Slavery that are suspected or discovered, and will establish a policy in the coming year. This will include primary consideration of the potential impact of our actions on the victims themselves and the appropriate remediation measures.

### **Assessing the Effectiveness of Our Actions**

The Export Control Committee, which includes members of the Bradken Executive Team, has scheduled review of modern slavery as an agenda item in the quarterly meetings to review and assess our risk, our actions and the effectiveness of these actions.

Procurement undertake regular internal compliance checks to review samples from Vendor Maintenance, Supplier Relationship Management and Supplier Agreement Implementation processes to ensure all expectations, including CSR requirements are being followed and that Modern Slavery and Human Rights issues are being discussed and addressed with suppliers.

Bradken has implemented ongoing tracking of the number of suppliers who have had Descartes Screening applied, who have had country of Entity updated in our records and who have had country(/countries) of origin of supply reviewed and confirmed and will be tracking the number of suppliers undertaking Self-Assessment questionnaires and participating in supplier audits.

Procurement will be discussing Modern Slavery in our Supplier Relationship Management meetings to assess the impact of our communications on awareness of the issues with our suppliers and will be reviewing the responses to Self-Assessment Questionnaires sent to suppliers to understand current practices and what further actions we need to implement to increase awareness and collaboration with our suppliers.

As well as addressing instances of reports to the Whistleblower hotline of suspected modern slavery, the actual frequency of reporting will also be tracked and reviewed.

## Consultation with Controlled Entities

As previously mentioned, the legal entities covered by this statement operate as One Bradken, and the policies, approaches and actions outlined in this statement apply to all.

## Our Commitment

For almost 100 years, Bradken has demonstrated its commitment to do the right thing.

In FY19 Bradken launched a coordinated global community investment program. Called Building Better Communities the program is employee-led and designed to support the communities in which we operate. The program shared a pool of corporate funds around 47 different community organisations, selected by employees. Activities included renovating and restoring a medical centre near our Coimbatore, India site, Dollar matching fundraising for Australian bushfires and a focus on STEM activities.

Our Respecting Communities Policy Statement is available on our website at <https://bradken.com/Community-involvement-policy-statement.pdf> We are committed to assessing and improving our impact on our communities, including modern slavery.

## Continuous Improvement

Throughout close to 100 years of operation Bradken has seen significant change. We have and will continue to respond by transforming and adapting our business to ensure we lead in providing innovative solutions for our customers, while building our support for the global community along the way. In 2020 and beyond we will continue to review and assess our operations, procurement, manufacturing, social responsibility and sales activities to make sure human rights issues are addressed and the welfare of workers in our supply chains is protected.



**Simon Linge**  
**Chief Executive Officer**  
**Bradken**