



MODERN SLAVERY STATEMENT

Apr 2020 – Mar 2021

Message from our CEO

At Bradken, we care about people and the environment and strive to meet our social, environmental, and community obligations at all times. We take our role in eradicating or managing the risks of Modern Slavery throughout our Supply Chain very seriously.

Our team has spent time interpreting the Act and putting tangible solutions in place to achieve the aims of the Act, for example increased awareness and communication through our supply chains, and collaboration with suppliers to improve practices and support workers. We are committed to bringing our statement to life and are incorporating Modern Slavery Risk consideration into our practices.

Our extensive global footprint means that this is a long journey and a complex path.

We believe we're taking the right steps and we are committed to continually improving. We will do all we can to protect the rights of all people that our business impacts. I'm confident that our actions to the present and the ones still to come will clearly demonstrate Bradken's commitment to eradicating modern slavery practices.



A handwritten signature in black ink, appearing to read 'S. Winstone', written over a white background.

Sean Winstone
Chief Executive Officer

This statement has been made with approval of Bradken's Board of Directors and is endorsed on their behalf by Sean Winstone in his role as Chief Executive Officer of Bradken

Reporting Entity and Structure

This statement is made by Bradken Pty Limited (ACN 108 693 009), an Australian Proprietary Company and a wholly owned subsidiary of Hitachi Construction Machinery. As a member of the Hitachi Group, Bradken operates under the Japanese financial year and the current reporting period is 1 April 2020 to 31 March 2021.

In this statement, the terms 'Bradken', 'us', 'we' and 'our' are intended to include **Bradken Pty Limited** and all of its wholly owned subsidiaries (as illustrated in Figure 1. organisation structure).

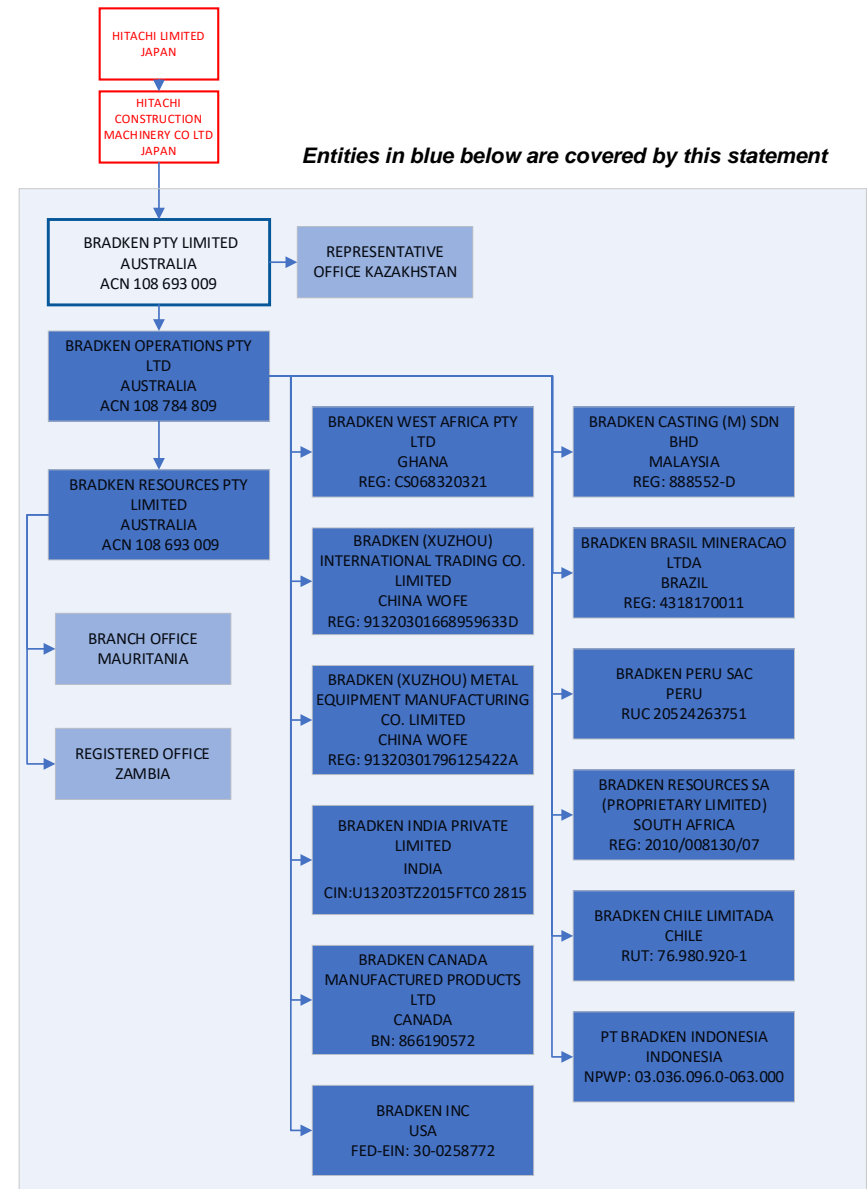
Bradken is a global company with our head office located in Newcastle, Australia. Our operations are structured into specific businesses – Mining Mobile Plant, Mineral Processing and Specialty Products - each dedicated to meeting the needs of the industry sectors they serve.

While the subsidiaries of Bradken Pty Limited are separate legal entities they operate collectively as part of these businesses as 'One Bradken' sharing one Executive Leadership Team and centre led functions for Human Resources, Legal, Safety and Sustainability, Product Development, Quality, Continuous Improvement, Communications, Corporate Finance, Supply Chain and Procurement with all corporate policies and procedures applying to all Bradken entities.

During the reporting period there were some changes to the legal structure of the reporting entities covered:

- New company Bradken West Africa registered in Ghana
- Registered Office in Ghana closed
- Branch Office in Mauritania registered
- New Zealand Branch office closed
- Bradken Finance closed
- Bradken UK Limited in liquidation

Figure 1 – Organisation Structure



Our Business

Bradken is a global solutions provider primarily for the mining sector, backed by extensive in-house engineering and manufacturing capabilities, with foundries, fabrication and machine shops, sales and corporate offices located globally. We work mainly with mining companies, helping them overcome operational challenges with innovative solutions across their value chain; primarily wear parts for mobile plant, fixed assets and mineral processing applications.

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 Fabrication and Machine Shops. As mining customers evolve, we continually strive to meet their needs with investment in Product Development, Research and Development, and Innovation - we know our customers are looking for smarter, more intelligent ways to run their operations, incorporating the latest in technology and digital IoT solutions. Our focus on research and development supports the exploration of product and service developments in this space to develop market inspired, future focused solutions.

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.

Figure 2 – Geographical locations

Locations

Bradken has manufacturing facilities located in Australia, Canada, United States, India, China and Malaysia. We have corporate offices in Newcastle and Brisbane, Australia, and Kansas City, United States.

To be close to our customers to support their needs, we also have smaller sales offices in many different regions.

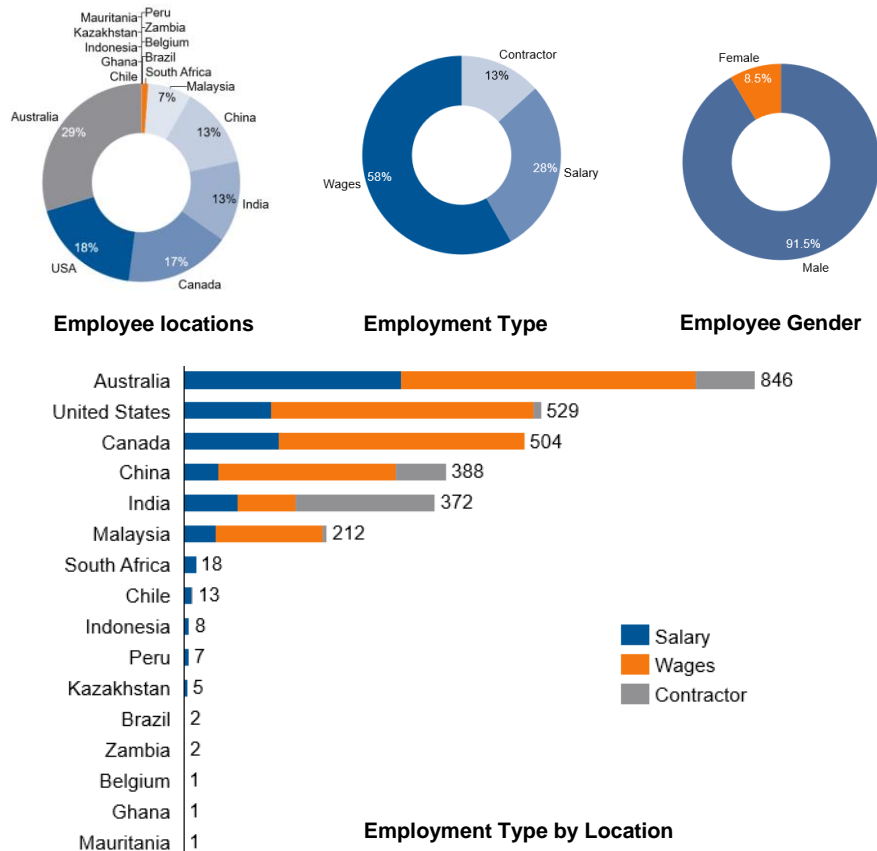
Figure 2 shows the locations of Bradken's footprint globally.



Our People

As at March 2021, Bradken employed 2,909 people globally with most of these based in Australia and North America. Shopfloor team members, who are paid through wages, represent the majority of our overall employee numbers at 58%, with salaried team members at 28%. 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 13% of total employee numbers globally. Female employees make up 8.5% of our total salary and wages team members.

Figure 3 – Employee details



At Bradken we believe people are our greatest asset and keeping them safe and healthy both physically and mentally is our top priority. From our Executive Leadership Team through to individual employees working on site, we are committed to the health and wellbeing of all our people. This is supported by a detailed, targeted and responsive health and wellbeing governance framework and management system.

Our goal is to provide:

- a safe and healthy work environment
- practical tools and techniques for the assessment and consideration of health and wellbeing issues
- access to expertise and resources to implement and maintain our health and wellbeing policies, standards and procedures

Never satisfied with the status-quo we encourage and empower people to speak up with their unique ideas and support them in doing so by providing a culture that welcomes, respects and nurtures them.

We are committed to providing a diverse, inclusive, engaging and flexible environment because we believe that great things happen when individuals are given the opportunity to bring themselves into their work. We believe everyone has the right to feel safe, valued and respected, and empower our people to be courageous in addressing any situation that compromises that. Bradken reinforces this, not only through our codes of conduct and other policies but also with a number of initiatives to address Employee Safety and Wellbeing such as: Bradken's Arrive Safe, Leave Safe safety program and the Rules We Live By for addressing critical safety risks.

Global Employee Assistance Program

Recognising not only the burden on physical health but the impact on mental health that employees may be experiencing due to the ongoing toll of COVID-19 Bradken launched our first global Employee Assistance Program (EAP) during the last reporting period.

The program through LifeWorks provides (at no cost to employees):

- Confidential counselling to employees and immediate family members on mental, physical, social, and financial matters
- Wellbeing resources and self-help information through the LifeWorks App and website
- 24/7 support online, through the app, or by phone
- Support in employee's country and in their language

Annual Engagement Surveys

Bradken values employee feedback and holds annual Engagement Surveys to give our people an opportunity to have their say by participating in an anonymous survey utilising a third-party platform. The outputs of the surveys help Bradken shape action plans on a range of global and site-based initiatives in areas of improvement highlighted by employee responses.

This year's survey was rolled out in November/December 2020 and provided in multiple languages giving all employees opportunity to participate with approximately 55% of employees contributing their feedback.

Whistle-blower Hotline

Under Bradken's Whistle-blower 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/wp-content/uploads/2019/11/Bradken-Whistleblower-Policy-2017.pdf>.

Access to the Bradken Whistle-blower facility is available for both employees and external parties to report activity inconsistent with worker welfare standards, without fear of retaliation. Details of the Whistle-blower policy are provided to employees on induction and published on our intranet. They are also published on our website and included in the 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.

Refurbishment of Accommodation

Bradken provides accommodation for approximately 50 foreign workers at our site in Malaysia for the duration of their time working with us.

In the latest reporting period, we made some refurbishments to the accommodation facilities. Improvements to the facilities included painting the walls, providing new mattresses, new kitchen equipment, new floor coverings and new lockers for personal items. Improvements were reviewed by the local Labour Department and registered.

The workers fill a mix of salary and wages team members and roles including patternmaking, foundry engineer, and general foundry production labour in our moulding, melting, grinding and heat treatment sections. Foreign workers are sought, after obtaining Government approval, when we are unable to source local skilled or unskilled labour. Initially employees are contracted for 2 years, after which they can choose to renew their contracts year on year up to 8 years. In the past we have had some workers choose to return home after their initial 2-year contract period and others have chosen to stay with Bradken for up to the 10 years (allowable under government approval). The workers are not charged any recruitment fees and at the end of their contract period Bradken pays for their flights to return to their home country.

Our Supply Chain

Bradken's spend is divided into eight high level categories, each of which is allocated to a Procurement Category Manager who, supported by Procurement Business Partners, develops a Category Management Plan.

Category Management is a lifecycle approach to managing total spend into discrete categories that are actively monitored & managed with a strategy that will generate and sustain value. Our Category Managers develop and execute strategic plans for high value, global or multi-

regional spend categories, to optimise business efficiency, but also to facilitate Supplier Relationship Management (SRM). The SRM process is crucial in communicating our codes of conduct and expectations relating to human rights to these key strategic suppliers.

Four of our spend categories; Components; Consumables; Scrap & Alloys and Business Wide Services account for approximately 66% of Bradken's total spend, with the balance being under Logistics, Repairs & Maintenance, Utilities and Capital Expense.

Figure 4 – Main products / services purchased

Category	Products / Services
Components	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	Various metals (either produced from raw materials or sourced from scrap materials) that are used in the melting process to manufacture our castings
Consumables	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	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

The Procurement team works to consolidate spend under Supplier Agreements (contracts) reducing the volume of vendors we deal with and improving the relationships and communication we have with those vendors. At the end of 2020 Bradken's supply chain included 6,214 available first-tier suppliers (those we purchase directly from) across approximately 40 different countries. This represents an almost 9% reduction on the number of active vendors compared to 2019, achieved

through regular review and deactivation of dormant vendors and implementation of Supply Agreements consolidating spend.

Given the geographic reach of our operations, identifying modern slavery in our supply chain is a challenge. Despite this challenge, we are committed to continually improving our own processes and practices internally and how we work with our suppliers 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 can in any way be linked with instances of Modern Slavery through our interactions.

Modern Slavery Risks

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).

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 product and service solutions 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 has identified the below products and services which we purchase as potential areas of risk. Our initial focus and engagement has been with suppliers of these items and services to raise awareness and to verify modern slavery practices are not occurring in their operations:

Figure 5 – High Risk Products / Services Identified

Product / Service	Usage
Outsourcing of Manufacturing	varying market demand has led to increased requirement to outsource production of selected castings and components
Temporary Labour Personnel	engaged at our sites through recruitment agencies
Cleaning Services	engaged at our sites and offices which may employ low skilled or migrant workers
Refractory Bricks	used for lining our furnaces
PPE /Garments	Personal protective equipment (masks/gloves etc) corporate uniforms and protective clothing (pants and shirts) for shopfloor workers (and the cotton contained in these garments)
Timber	use in making moulds for castings and purchased indirectly in the form of pallets and other packaging
Rubber	use as a backing material on wear plates for chutes and mill liners manufactured
Electronics	laptops, computers, & mobile phones and other electronic equipment purchased for use within our business
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 recognises that Mauritania has a high vulnerability to modern slavery (based on the Global Slavery Index). A Branch Office of Bradken Resources Pty Ltd was set up in Mauritania during this reporting period to give Bradken a legal presence in the region to support one of our key customers. Previously this support was provided from South Africa but changing customer requirements made it vital for our business to provide a sales resource based on the customer's site. Due to local legal requirements a Branch Office needed to be set up to employ a local resource. Bradken has one salaried employee, in Mauritania who is there to meet our customer's requirements regarding Bradken products (produced in other regions) on their site. Given the employee is protected by our global procedures and policies, and there is no actual facility or supply chain for this legal entity we consider the risk of modern slavery in this situation to be low. If the Branch Office were to expand in the future, to develop an actual physical presence, with increased employee numbers or to develop a local supply chain we recognise the need to implement further due diligence based on the risk factors of the geographic location.

Apart from the situation outlined above, Bradken does not currently operate or have any first-tier suppliers in the countries with the highest prevalence of 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).

Over 70% of our first-tier suppliers globally are based on low-risk regions of Australia, Canada and United States as this is where our biggest operations are based. 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 is considered in our assessment of risks for our operations in India, China, Malaysia and Indonesia.

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.

At present approximately 25% of our outsourcing suppliers under Bradken Category Management have had Bradken personnel visit their sites. While these have not been formal audits, and some of these visits have been to assess product quality, it has given the opportunity to view working conditions and demeanour of employees with no red flags or concerns so far raised by attending employees. Future site visits for outsourcing suppliers will have Modern Slavery Risks more formally incorporated into the review criteria.

COVID-19 has impacted the ability for travel and site visits by senior staff, but where possible we are using locally based resources to visit sites and are looking into engaging third-party resources to undertake site visits where it is not possible for Bradken personnel to travel to visit suppliers in these regions.

Actions to Address Risk

Actions undertaken this reporting period

Raising Internal Awareness

During this reporting period Bradken increased internal awareness of what modern slavery is and the risks within our operations and supply chain by rolling out the first of what will be annual Modern Slavery Awareness Training. The training was sent to employees based on their roles – those who interact with our suppliers or our customers, those whose roles require them to interact with our employees (such as Human

Resources and Safety and Sustainability), those in management or finance roles and importantly our Executive Leadership Team.

Supporting the Process – Cooperation with Customer Requests

Internal awareness was also raised by the requests for information we've seen coming in from our customers, asking about our operations and policies related to Modern Slavery Risk. Our Sales, Safety & Sustainability, Human Resources and Procurement functions have worked together to support and promptly respond to all enquiries received from our valued customers as we understand raising awareness and sharing information on risks is an integral part of what the legislation has been set up to achieve.

New Procedure – Assessing Modern Slavery Risk

One of the gaps identified last year was the lack of a procedure outlining our process if an instance of Modern Slavery in our supply chain was reported or identified. To address this gap a new procedure was drafted and published to outline responsibilities within our organisation, how employees or suppliers can raise concerns and the process that will be followed to address any issues raised – which includes notification and inclusion of the Executive Leadership Team in the process. The procedure, which is available on our website <https://bradken.com/wp-content/uploads/2021/08/Addressing-Modern-Slavery-Risk.pdf>, also sets out our expectation on suppliers to inform us if Modern Slavery instances are discovered in their supply chains or operations. Future plans are to incorporate suppliers agreeing to this as part of our supplier onboarding process.

Supplier Questionnaires – Leveraging Digital Solutions to Raise Awareness and Increase our Supply Chain Visibility

Third party digital platform supplier Centrl was engaged to allow Bradken to send electronic questionnaires to suppliers to start to review and address potential risks in our supply chain. The questionnaire covers aspects such as suppliers' own policies and procedures, their practices and Supply Chain Management. Automatic scoring, combined with review of responses by our procurement team allow us to rate suppliers as low, medium or high risk. The first batch of questionnaires were sent out in the current reporting period to a selection of suppliers of products or services that were identified as high risk such as those supplying cleaning & security services, personal protective equipment, timber, electronics, garments as well as a selection of suppliers based on potential geographic risk (China).

The responses to the first round of questionnaires have given a baseline to build on in further reporting periods. Early indications show that majority of suppliers so far are not engaging in any at risk practices themselves, or have any suppliers in high-risk regions, but that they may not yet implemented policies or procedures to cover Modern Slavery. Some of our suppliers are small to medium enterprises who may not necessarily have the same level of corporate policies in place as larger organisations, but the feedback from even some of these has been positive and shows that the actions we are taking are increasing awareness and encouraging discussion throughout our global supply chain.

Supplier Quotes on returning Survey:

PPE/Industrial Suppliers provider (South Africa):

"I have found this survey and information very interesting, I see you are obligated in Australia to conduct these surveys, are there any obligations in South Africa and does the size and turnover of the business affect these requirements?"

Hygiene/Sanitising Services provider (Australia):

"It's great that you all have guidelines and policies in place to educate your staff, clients and suppliers of what seems to be the prevalence of Countries who participate in Modern Slavery and Child Labour. Thank you. Although we may not have documented policies on Modern Slavery in our supply chain, we are now aware of this issue and will look to source equipment where possible from local and national suppliers who don't manufacture from known nations who participate in this type of labour. We thank you for continuing to support our local small business, especially during these last couple of tough years during the COVID pandemic."

Labour Provider (China):

"Over the years, our company has been cooperating with your company very smoothly. I hope we can work together to resist slavery and other illegal employment and safeguard the human rights and freedom of all employees."

Computer services / hardware supplier (South America):

"Interesting questionnaire. I hadn't thought about modern slavery before, related to my professional services, or providers. It is important to be aware"

Integrating Modern Slavery Risk into Procurement

Our aim is to have considerations of Modern Slavery Risk become part of the day to day operations of our procurement function, and ultimately our overall business; just like Safety has been for many years; and Sustainability is becoming. We have taken first steps towards this last year by updating codes of conduct and procedures, this year we've built on this by adding Modern Slavery Risk considerations into our corporate Category Management Plans. Our standard contract templates require our contracted suppliers to agree to our Code of Conduct, but in regions where modern slavery is more of a risk our Category managers have been adding further specific clauses in relation to Modern Slavery to individual contracts. Our Procurement Team key performance indicators include reduction of the number of active vendors in our system to enable us to have more visibility of the risks present in our supply chain. Our Global Head of Procurement increases awareness of Modern Slavery throughout the business during Supply Chain and Executive communications and meetings and our Procurement Team keep informed of the issues through attendance at webinars and by sharing articles within our team.

Amendments to Outdated Employee Handbook - China

Our Employee Handbook in China was updated to remove an outdated reference to the potential for fines being imposed on employees for breaking rules. While this appeared in the handbook, it hasn't actually been used in practice - Bradken does not impose fines on any employees in any regions. The document was a legacy item that was identified as requiring updating to align with actual practices and this has been addressed.

Planned actions for next reporting period

Continue to Expand Supplier Questionnaire Reach

Bradken will be continuing to utilise the Centrl platform and increasing the number of questionnaires sent to our suppliers and reviewed for risk to continually improve our visibility of risk and start to drill into our supply

chain. We have a large number of suppliers to reach and this will be an ongoing and continuous process. Our understanding is that the intent of the Act is to introduce scrutiny of the supply chain and ongoing action by business to use their leverage to reduce modern slavery. 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.

Participation in 3rd party Audits

Bradken is scheduled to participate in 3rd party SMETA audits on three of our sites in the next reporting period. We welcome the opportunity to participate in these audits in cooperation with our customers to demonstrate our commitment to open and honest collaboration on human rights, and to recognise and act on any potential improvements.

Supplier Code of Conduct – Mandatory Agreement

Bradken currently sends out our Supplier Code of Conduct to all new vendors as they are set up in our system. In mid-2021 Bradken is introducing a new procurement platform with online vendor application process to strengthen our onboarding process and improve efficiency in the information gathered from our suppliers. The new process will require potential suppliers to agree to abide by our Supplier Code of Conduct which covers our on a range of issues including Human Rights and Modern Slavery, before they are able to progress to being set up as a vendor. Bradken consider agreement to our Code of Conduct to be a mandatory pre-requisite to suppliers being onboarded going forward.

Increase Site Visits / Supplier Audits

Our intention in the next reporting period is to increase the number of site visits with suppliers. While COVID-19 has restricted our ability to do this in recent periods, we are looking to utilise local staff or if required third parties to visit suppliers on behalf of Bradken. Our particular focus will be with suppliers of outsourced manufacturing services as that is

where we can see potential for risk but also where we have the most leverage to impact if any issues are discovered.

Assessing Effectiveness of Actions

Bradken's Export Control Committee (ECC), originally set up to monitor export risks related to our customers, has had its Charter updated to cover Supply Chain issues including Modern Slavery in its obligations. Modern Slavery has been added to the ongoing ECC 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 a regular and ongoing basis. The ECC will oversee the monitoring of the effectiveness of our actions via a number of performance measures such as:

Percentage of awareness training completed

The internal awareness training implemented this period will be an ongoing annual requirement for employees. The first round of training provided in English was completed by 74% of the employees it was distributed to. We aim to increase participation in the coming years by providing future versions available in French, Spanish, Chinese and Indonesian to engage our global employees.

Ongoing Supplier Questionnaire Responses

The number of suppliers we are able to reach as well as the risk rating of suppliers and issues addressed will be monitored and reported to the ECC as a measure of effectiveness of our actions.

Whistle-blower hotline

Use of the hotline as a means of reporting and the number of instances of Modern Slavery reported and subsequently investigated, actioned and remediated. During the current reporting period there were four instances of the hotline email being utilised, with none of these related to instances of Modern Slavery.

Consultation with Subsidiaries

The legal entities covered by this statement operate as 'One Bradken', and the policies, approaches and actions outlined in this statement apply to all. Bradken's centre led functions of People and Culture, Safety & Sustainability, Legal and Procurement have all worked collaboratively with our Sales teams in Bradken's efforts to address modern slavery risks and all relevant functions provided contributions to the preparation of this statement.

Additional Information

Impacts of COVID-19

Bradken has been relatively fortunate in that in most regions we operate, mining (and supply to the mining industry) has been considered an essential service throughout the pandemic and so most of our customers have continued to operate. This has meant our forward supply chain requirements have not significantly decreased and we've been able to continue supporting our suppliers, thereby not increasing the risk of Modern Slavery. This said, we have still felt impacts from COVID-19 on our operations and supply chain.

Temporary Site Closures

Our foundries in Malaysia and India were most impacted with site closures based on local mandated lockdowns lasting for around a month each in the beginning of the reporting period. Our Mont Joli site in Canada shut for just over a fortnight in April 2020, and our Tacoma site in United States had various shutdowns throughout the year totalling two weeks. Some of our other sites have had to shut for short periods for deep cleaning where employees or visitors have had close contact with COVID-19. Overall, this has resulted in a total of over 24,500 equivalent days (employee count x shutdown days) of loss in productivity due to COVID-19 related closures.

Impact On Our People

Bradken took fast action and banded together to protect our team members' health and safety in response to COVID-19 globally. Senior management provided ongoing and regular communications and updates and access to resources, tools and support. Throughout the pandemic the potential impact on our employees' wellbeing, physically, financially and mentally, was of utmost consideration to our leadership team. In all regions affected by lockdowns, Bradken made every effort to ensure our employees were not unduly affected and that they were supported through various programs. Office workers were encouraged to work from home during lockdown periods and flexible working arrangements have been introduced and maintained as an option for eligible employees post lockdowns. Wherever possible, employees were also supported financially through this period via several measures, in line with regional regulatory expectations:

- China – there was no loss of wages for employees not able to work 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. In some instances, workers who did not have accrued leave to use for these small periods of time, were paid a daily stipend to cover food.
- India – there was no loss of wages for employees not able to work during the lock down period.
- Special Paid Leave – Bradken has provided discretionary paid leave to employees in New Zealand, Australia, Malaysia, United States, Canada, South Africa and South America for up to two weeks to cover isolation restrictions from travel, government shutdowns, 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.

Global Logistics Issues

Being able to obtain product from our suppliers and deliver our finished products to our customers has been hampered by border closures, lockdowns, transit depot shutdowns for deep cleaning, lack of availability of container space, and vastly inflated shipping costs, but this is not unique to our experience as we know this is being faced globally. Some of our own sites have had to close, mostly for short periods, either due to government-imposed lockdowns or instances of close contact for cleaning / tracing purposes. These issues have made it more challenging to obtain our raw materials from suppliers and to ensure on time customer deliveries and we have been working closely with our logistics providers to minimise impacts where possible.

Increased Cleaning Costs

To protect our workers increased cleaning practices have been implemented across Bradken sites since the outbreak of Covid. This has led to cleaning costs globally increasing by over 15% on average. Bradken understands that cleaning is a high-risk service, and that the majority of the cost is labour – and that it's important to ensure that our providers are paying appropriate wages and hourly rates to their staff for the cleaning services provided.

Supply Chain

Most of our suppliers, outside of those impacted by the same regional lockdowns that impacted some of our sites and the same logistics issues Bradken is facing, have been able to continue to supply through current stock holdings and domestic supply situations or agents. Where possible, existing contracts and purchase orders with suppliers have been honoured, albeit with extended delivery dates in some cases. There have been some instances where our suppliers have been impacted (refer examples below) but we don't believe these have increased risk levels in our supply chain.

Examples of Impacted Suppliers

Consumables Supplier – Small family run business had key staff contract Covid and were unable to work. The company had to bring in additional contract labour which had a negative impact on the quality of the product. This resulted in significant production delays, in getting finished product up to specifications, which meant required dates on Bradken purchase orders were overrun by months. Rather than try and seek alternative supplier Bradken honoured and paid for all orders.

Consumables Supplier – due to lockdowns and staff members contracting covid and needing to isolate, one of Bradken’s key consumable suppliers under a Supply Agreement with Bradken had its production impacted and manufacturing ability halved resulting in significantly stretched lead times. The supplier communicated with Bradken procurement contacts, who in turn communicated with our sites to advise them to forecast and place orders as early as possible to allow for the extended lead times.

Our Commitment

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 2021 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.

Commodity supplier - manufacturing based in South Africa under a Supply Agreement filed for Force Majeure due to Covid causing closure sites and townships in their region. Given the necessity of the material to our manufacturing process, Bradken were forced to source product from elsewhere to keep our operations running. Bradken was a very small percentage of the original supplier’s customer base and when the Force Majeure was resolved several months later, the supplier indicated their priority was to focus on supplying their parent company rather than external customers. Given this Bradken developed a replacement supply agreement with the alternative supply company.

Appendix

Addressing the Mandatory Criteria set out in the Act

Mandatory Criteria	Relevant Page Number
a) Identify the reporting entity	Page 2
b) Describe the reporting entity's structure, operations and supply chains.	Page 3 - 6
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	Page 6 - 8
d) 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.	Page 8 - 10
e) Describe how the reporting entity assesses the effectiveness of these actions.	Page 11
f) 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).	Page 11
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant (optional)	Page 11 - 14