

CORPORATE SOCIAL RESPONSIBILITY POLICY

1.0 PURPOSE

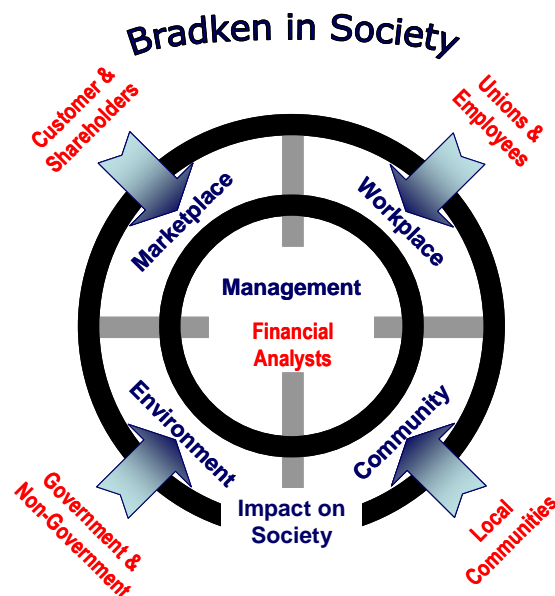
To integrate Bradken's (the "**Company**") values, Code of Conduct and Ethics, and procedures into a transparent social responsibility culture of compliance to meet the expectations of our stakeholders, including customers, employees, regulators, investors, suppliers, the community and the environment over and above the Company's legal responsibilities.

2.0 SCOPE

This policy sets out the social principles, responsibilities, guidelines and features of the Company's social responsibility policy in compliance with Australian Standard AS8003 "Corporate Social Responsibility".

3.0 SOCIAL PRINCIPLES

3.1 We recognise that our social, economic and environmental responsibilities to our stakeholders are integral to our business as shown in the following diagram. We aim to demonstrate these responsibilities through our actions and within our corporate policies.



3.2 We take seriously all feedback received from our stakeholders and, where possible, maintain open dialogue to ensure that we fulfill the requirements outlined within this policy.

3.3 We shall, at all times, be open and honest in communicating our financial and operational performance and corporate governance activities to our stakeholders in our continual commitment to sustainable development through a culture of compliance.

4.0 PARTNERSHIP FOCUS

- We shall strive to improve our environmental performance through implementation of our Sustainable Development and Environmental policies.

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- We shall ensure a high level of business performance while minimising and effectively managing risk.
- We shall encourage dialogue with local communities for mutual benefit.
- We will register and resolve customer complaints in accordance with our commitment to maintain high standards of service.
- We shall support and encourage our employees to help local community organisations and activities in our regions of operation.
- We shall operate an equal opportunities policy for all present and future employees.
- We will offer our employees clear and fair terms of employment and provide training resources to enable their continual development.
- We shall maintain a fair employee remuneration policy and shall maintain forums for employee consultation and business involvement.
- We shall provide safeguards to ensure that all employees are treated with respect and without sexual, physical or mental harassment.
- We shall provide and strive to maintain a clean, healthy and safe working environment.
- We shall uphold the values of honesty, partnership and fairness in our relationships with stakeholders.
- Our contracts will clearly set out the agreed terms, conditions and the basis of our relationship.
- We will operate in a way that safeguard against unfair business practices.
- We shall encourage suppliers and contractors to adopt responsible business policies and practices for mutual benefit.

5.0 **RESPONSIBILITIES**

- 5.1 The **Board of Directors** are responsible for the approval of this policy and the **Executive Management Team** will implement the policy and ensure that the necessary authority levels and resources are made available to realise the Company's corporate responsibilities.
- 5.2 The **Managing Director** is responsible for all *Structural Elements* of the program including commitment to and the authorisation of all Company-wide social responsibility and philanthropic programs in accordance with prescribed Authority Limits (Ref: 2 BK SP COM).
- 5.3 **General Managers'** are responsible for the *Operational Elements* of the policy including implementation at all levels of the Company as well as for ensuring that adequate resources are provided in implement the policy in accordance with prescribed authority limits.
- 5.4 The **General Manager – Human Resources** is responsible for managing the *Maintenance Elements* of this policy through the Company's Management Systems and employee induction processes.

6.0 **POLICIES**

6.1 **MARKETPLACE**

The Company believes that corporate social responsibility is best achieved by embedding the following elements into all operational aspects of its business:

- Values;
- Code of Conduct and Ethics; and

- policies, procedures and practices that deliver benefits to the Company's employees, customers, consumers, the community and the environment and that result in responsible and ethical business practices and conduct.

The Company commits to the ongoing, continued improvement of business policies, practices and strategies that impact and/or result in productive and positive outcomes.

6.1.1 SHAREHOLDERS

The Company acts as a good corporate citizen. Effective communications ensure that the market and shareholders are swiftly informed about any material events or matters that may influence the operation of the Company, and are always aware of the Company's policies and decisions as well as financial status in the form of half-yearly and yearly financial reports.

6.1.2 SUPPLIERS

The Company's relationships with suppliers are conducted under fair terms, often through national contracts and are not exploitative. The Company's Supply Group engages in reconciliation with the concept of sustainable local communities while endeavouring to gain the greatest value for the Company.

6.1.3 CUSTOMERS

The Company strives to meet its customers' needs and expectations by continuously reviewing the suitability of its products and services as well as providing information on new products and ongoing developments in more inherently safer and cost effective products. The Company's sales and technical representatives work to ensure that customers' are provided with the best possible products, which comply with the most stringent specifications and standards of design.

6.2 WORKPLACE

The health and safety of our people is of the highest priority and cannot be compromised. Our objective is to have a workplace free of incidents and injuries and our Health and Safety Policy is being constantly reviewed and adjusted where appropriate to achieve this aim.

6.2.1 HEALTH AND SAFETY

It is the policy of the Company to promote and support occupational health and safety, and to manage in a manner that seeks to eliminate occupational injuries and illnesses.

6.2.2 REHABILITATION

It is the policy of the Company to ensure early detection of workplace hazards and the implementation of controls to eliminate or reduce risks. Our employees are a valuable asset. The Company actively promotes workplace injury management and rehabilitation programs. All injuries and incidents should be reported immediately to facilitate earliest investigation and implementation of remedial action. The key elements are:

- Earliest treatment & / or referral to quality medical care;
- Assist with processing and management of Worker Compensation claims;
- The appropriate use of suitable duties or graduated return to work programs with the assistance of the treating medical officer;

- Every employee should participate in this program;
- Employees will be treated individually with a controlled and monitored plan;
- All reasonable steps should be taken to ensure further aggravation or harm is eliminated; and
- Consultation with all involved parties shall be undertaken to ensure the effective operation of this program.

6.2.3 EMPLOYMENT

We are guided by our aim to be the employer of choice in all countries in which we operate. Bradken requires all its employees and contractors to take responsibility for working with our host communities and neighbours, and to know and understand that in all places and at all times we are all ambassadors for the Company.

6.2.4 HUMAN RESOURCES DEVELOPMENT AND DIVERSITY

It is the policy of the Company to recruit, promote and support the professional development of a diverse global work force. It is the intent of this policy to:

- Ensure that diverse pools of candidates are considered in recruiting and promotion;
- Recognise that business performance is dependent on the contributions of individuals and that, given the opportunity, people will strive to achieve their full potential and become fully motivated when they understand how working toward company objectives will also help them achieve personal goals;
- Recognise that an individual is responsible for his/her self-development and that the company is responsible for providing an environment, which allows such development;
- Encourage frank, open and ongoing communication between supervisor and employee concerning the employee's job performance and potential for career growth; and
- Emphasise promotion from within.

6.2.5 HUMAN RIGHTS IN EMPLOYMENT

We respect the Universal Declaration of Human Rights and seek to be guided by its provisions in the conduct of our business.

It is the policy of the Company to promote and support human rights, including equal employment opportunities. It is the intent of this policy to:

- prohibit discrimination and/or harassment based on race, color, sex, sexual preference/orientation, age, religion, national origin or disability as provided by law;
- recognise human rights on a global basis and encourage the abolition of discriminatory laws and practices; and
- maintain affirmative action plans, training programs, and other activities, procedures and controls necessary to ensure compliance with government requirements and corporate standards.

6.2.6 RESPECTFUL WORKPLACE

It is against the policies of the Company for any employee, while in the course of his/her employment, to discriminate against, behave inappropriately toward or intimidate another person based on race, color, sex, sexual orientation, age, religion, national origin, disability, or other categories as provided by law.

The Company recognises that all facts in a matter involving harassment and other inappropriate behavior require careful review and a determination of the circumstances of the entire matter. Employees who believe they have been harassed or otherwise treated inappropriately should not fear retaliation in raising such concerns.

The Company will take whatever steps are appropriate to prevent retaliation in these circumstances.

6.3 ENVIRONMENT

Recognising that our activities can impact on the environment, we have formalised an Environmental Policy which seeks to mitigate these effects and positively work towards achieving sustainable development by setting standards in environmental care.

6.3.1 SUSTAINABLE USE OF NATURAL RESOURCES

It is the policy of the Company to conduct its businesses with a sincere and proper regard for the need to sustain natural resources. For the purposes of this policy, natural resources shall include all materials used in the manufacture of products and in providing services.

The Company will encourage vendors to follow responsible environmental practices by considering such practices in the vendor selection process.

6.3.2 FUNDAMENTAL POLICY ON ENVIRONMENTAL PROTECTION

It is the policy of the Company to conduct its affairs with a sincere, balanced and proper regard for the environment. The Company will at all times keep in effect appropriately updated specific policies on environmental matters such as, but not limited to:

- Environmental assessment measures and control procedures;
- Sustainable use of natural resources;
- Reduction and disposal of waste;
- Use of energy; and
- Safety of the company's products and services.

6.3.3 ENVIRONMENTAL COMPLIANCE

The Company is committed to protecting the environment by ensuring that assessment measures and control procedures are maintained and followed in product and process design and in ongoing operations. This policy will be implemented through:

- Adherence to legal requirements protecting the environment;
- Development of and adherence to an environmental plan, which considers the total product development process from design to product use and disposal; and
- Periodic audits at all manufacturing facilities.

6.3.4 ENERGY POLICY

We are committed to achieving world-class energy efficiency in all of our processes and to using renewable forms of energy wherever practical. The Company is committed to actively pursuing energy conservation through:

- Establishing programs to ensure the efficient use of energy and to encourage energy conservation;

- Using renewable forms of energy, such as waste-to-energy systems where feasible;
- Conducting performance audits of all plants and systems on a regular basis; and
- Encouraging input suppliers and utilities to incorporate responsible operating practices.

6.3.5 REDUCTION AND DISPOSAL OF WASTE POLICY

The Company is committed to designing products and processes to reduce the volume and weight of materials and to minimise the disposal of product and manufacturing waste by supporting an integrated approach to waste management, including source reduction, product buy-back and waste-to-energy systems.

6.3.6 CORPORATE GOVERNANCE

The Company is committed to ensuring the Company is properly managed and accordingly the Directors have adopted corporate governance policies and practices designed to promote responsible management and conduct of the Company's businesses. Many governance elements are set out in the Constitution.

6.3.7 CONTINUOUS DISCLOSURE

The Company is committed to:

- complying with the continuous disclosure obligations contained in the Listing Rules of the Australian Stock Exchange and under the Corporations Act; and
- ensuring that all shareholders and the market have an equal opportunity to obtain and review full and timely information about the Company's securities.

The Company's Continuous Disclosure Policy has been developed and adopted by the Board of Directors to provide a practical guide on the relevant continuous disclosure obligations and to assist the Company and its employees in meeting the above objectives.

6.4 COMMUNITY

We strive to be a good corporate citizen around the world, recognising our responsibility to work in partnership with the communities in which we operate.

6.4.1 HOST COMMUNITIES

The Company will strive to be an active part of all host communities in which it has established operations. We will make every effort to ensure we add value to host communities and that those communities believe they are better off as a result of Bradken operating in their area

6.4.2 CHARITABLE DONATIONS

The Company will contribute cash or other assets each year to qualifying organisations considered to be aligned to the Company's values and will administer the contributions program pursuant to the rules established and approved by the Managing Director.

6.4.3 SPONSORSHIP

The Company welcomes the development of constructive relationships with external organisations and reaffirms the important role of corporate philanthropy in supporting activities of customer-related, voluntary and other charitable organisations. It is the Company's view on sustainable social

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economics, that corporate philanthropy is another means of providing essential support for the social sector.

The Company's Sponsorship Policy (Ref: 2 BK SP MKT) is designed to guide decision-making for Company personnel who are approached by external advertisers, customer or sponsors who want to access the Company's strong market position and for corporations seeking supplemental revenue to support their organisation's activities.

7.0 REFERENCE DOCUMENTATION

2 BK SP MKT	Sponsorship Policy
2 BK SP COM	Authority Limits
2 BK SP MS	Code of Conduct and Ethics
2 BK ST CG	Continuous Disclosure Policy
AS8003-2003	Corporate Social Responsibility