

7th June 2022

Tadano Oceania Pty Ltd: Modern Slavery Statement FY2021

Background to Modern Slavery

In 2018 the Australian Government passed the Modern Slavery Act 2018 (Cth) (the Act) which requires companies with a revenue of over \$100 million to annually report on the risks of modern slavery within their operations and supply chains. Furthermore, the Act requires these companies to outline the actions they have taken and plan on taking to address these risks.

The Act defines modern slavery as including eight types of serious exploitation:

- Trafficking in persons;
- Slavery;
- Servitude;
- Forced marriage;
- Forced labour;
- Debt bondage;
- Deceptive recruiting for labour or services; and
- The worst forms of child labour which means situations where children are subjected to slavery or similar practices, or engaged in hazardous work.

The reporting entity

In accordance with section 13 of the Act; this statement sets out the actions taken to assess and mitigate the risk of modern slavery by Tadano Oceania Pty Ltd, ABN 84 142 236 995, for the period 1 January 2021 to 31 December 2021. This statement is applicable to Tadano Oceania Pty Ltd and each of its divisions and business units (**Tadano Oceania**).

About Tadano Oceania

Tadano Oceania was established in 2010 to supply equipment and render after services to users in Australia and the Oceania region under the brand name of **Tadano**, which was originally founded in 1919 in Japan and has been well-established as one of the world-leading mobile lifting equipment manufactures and highly respected global enterprises that acknowledge the importance of recognising and responding to the risks of modern slavery in every aspects of operations and supply chain. Modern slavery can have a detrimental effect on industry and business, Tadano Oceania believes we all have a duty to each person locally and globally to review our supplier chains. In accordance with our commitments outlined in the Modern Slavery Act 2018 (Cth), we recognise our responsibility in identifying and taking appropriate action when faced with the possibility of modern slavery.

This statement establishes the progress to date in identifying the risks of Modern Slavery in our operations and supply chain. In developing our first statement we have:

- Reviewed our key suppliers / creditors in our supply chain to identify high risk suppliers;
- Reviewed our policies and processes to identify and mitigate risks of modern slavery;
- Developed a Modern Slavery Policy which outlines the Minimum Standards expected from both out suppliers and our people as well as our response to key risks and how to mitigate them;
- Developed a Modern Slavery Supplier Questionnaire that allows us to obtain additional information from our suppliers in respect of their policies, processes and operations to ensure that they are aware and are taking action to avoid any form of modern slavery; and
- Developed introductory Modern Slavery Training to be rolled out to our staff, and where deemed necessary to select suppliers.

Tadano Oceania is governed by the tenets of “*Sozo (Creation), Hoshi (Contribution) and Kyoryoku (Cooperation)*”, as set out by Masuo Tadano. These values extend to our internal and external stakeholders and in turn includes our suppliers and consideration of the standards of those suppliers.

Our Structure and Operations

We are a privately owned subsidiary of Tadano Ltd., which is publicly listed on the Prime Division of Tokyo Stock Exchange (trading as TYO: 6395) and an ultimate holding company of Tadano global businesses (**Tadano Group**). Tadano Oceania is located in Brisbane (Headquarters), Perth, Sydney and Melbourne, Australia. Its core business includes imports and supplies of mobile lifting equipment and provision of after services. Its product range covers new and used units of all terrain cranes, rough terrain cranes, lattice / telescopic boom crawler cranes, truck cranes, loader cranes and aerial work platforms and their parts and accessories. Although most of its deals are conducted directly with end users, there are also some indirect deals via distributors / service agents for some specific product lines and/or regions. Tadano Oceania currently employs 85 people across Australia.

Our Governance Framework

We have internal documentation available on our internal intranet, HR/OHS platform and shared server, which includes;

- Quality Standards and Behavioural policies
- Modern Slavery Policy
- Externally provided Modern Slavery Training
- Ethical Sourcing Policy
- Work Health and Safety
- Safety Policy
- Modern Slavery Supplier Questionnaire

Risks of Modern Slavery in our Operations and Supply Chain

Tadano Oceania is committed to the highest ethical standards and integrity in our operations and supply chain. During the review of our supply chain, we identified all suppliers that supplied goods or services directly to Tadano Oceania over the 2021 financial year. As a subsidiary for the Tadano Group overseas export manufacturers, and supply chains are spread across the globe as well as locally within Australia. Some countries where our suppliers operate would be identified as high risk countries for modern slavery.

Our major spending categories, which may present heightened risks of modern slavery included, but are not limited to:

Goods: such as heavy machinery, heavy machinery parts and heavy machinery accessories:

Tadano Oceania source and trade consumer brands such as Hino, as well as engaging with local companies for the hire and requisition of heavy construction machinery. Many of these products are sourced and manufactured in off-shore markets with complex supply chains.

Technology: such as hardware, software, cloud based services and digital infrastructure:

Tadano Oceania engages several businesses for the supply of computer, printers, mobiles, and other hardware. Many of these products are manufactured and sourced in off-shore markets. The dealership also engages with several suppliers for software and cloud-based services and digital infrastructure which may use off-shore and local staffing and services.

Services: such as professional services, consulting and insurance fees:

Tadano Oceania engages third parties to provide legal advice, engage insurance brokers, manufacture uniforms and clothing and other services to streamline our operations.

Procurement for Tadano Oceania is managed by the Finance and Administration department, working collaboratively with the senior management team. We continue to explore better methods for uniformity in procurement and engagement of services with our suppliers.

Actions taken by Tadano Oceania to assess and address Modern Slavery Risks

To ensure that Tadano Oceania provides services in a responsible manner, we have implemented minimum standards within our Modern Slavery Policy which we require all suppliers to comply with.

Our minimum standards requires all suppliers to ensure they do the following:

- Identify the risks of modern slavery practices in their operations and supply chains.
- Take actions to assess and address the risks identified, including due diligence and remediation processes.
- Allow employees or contract workers to freely lawfully resign their employment without restriction or penalty.
- Provide employees or contract workers with a pay slip that clearly shows how wages have been calculated and any details of deductions.

- Comply with legislation and any applicable industrial awards when paying staff, including overtime compensation and legally mandated benefits.
- Ensure all employees and contract workers have the right to work in the country they are undertaking work.
- Not restrict the movement of employees or contract workers at any time by withholding original identification and personal documents such as Visa's, passports etc.
- Provide all employees and contract workers with a contract of employment / contractor agreement that outlines pay rates and other entitlements.
- Not use any type of forced labour, bonded labour or indentured labour.
- Ensure they comply with minimum legal working age in the country in question or in the absence of such law, by the International Labour Organisation (ILO) Convention 138. Suppliers must verify the age of all employees to ensure compliance.

Alongside an understanding and compliance with these minimum standards, a Modern Slavery Supplier Questionnaire has been developed for new suppliers as well as existing suppliers we determine to be at a medium or high risk of modern slavery. This ensures that our values and commitment to eradicating modern slavery align with who we do business with.

We also acknowledge that some of our larger suppliers may not have the capacity to align as closely with our standards, in this situation we will strive to ensure that such suppliers are transparent with their supply chains and processes, including having solid modern slavery policies, procedures and / or the provision of a modern slavery statement.

Alongside the development of our Modern Slavery Policy we conducted a supply chain risk assessment which involved a desk top review of fifty (50) of our top spend suppliers who we understand operate in high risk industries or products and services, to modern slavery.

This review involved:

1. An identification of these suppliers including an independent validation of their business details;
2. Categorising suppliers into a risk matrix in accordance with *Global Slavery Index 2018* including:
 - a. Product and Service risk;
 - b. Sector and Industry risk;
 - c. Geographic risk;
3. Investigating the use of subcontractors;
4. Determining whether suppliers have submitted an approved modern slavery statement; and
5. Based on the above criteria, rating the supplier as either low risk, medium risk or high risk to modern slavery.

The results of our desktop review determined that each of our fifty suppliers represent a low risk of modern slavery.

Should we engage with a supplier who has been determined to be of a medium or high risk of modern slavery, we will further engage with them in the following manner:

1. The supplier is contacted and consulted with to ensure they understand the reasons why we are required to ensure our suppliers are not at risk of modern slavery or taking appropriate steps to reduce the risks;
2. The supplier is provided with a copy of our Modern Slavery Questionnaire which contains specific probing questions and provides for the provision of required supporting documents where applicable;
3. Collaboratively address the risk of modern slavery and establish remediation practices to mitigate the risks of modern slavery, where deemed necessary;
4. Request suppliers to provide verification of their source of goods and services, provide access to records, and share reports of any suspected instances of modern slavery.

Assessing the effectiveness of Actions

We have described our actions taken in the immediate assessment of modern slavery risks within our operations and supply chain. This includes policy review, drafting of new policies, development of introductory modern slavery training and a risk assessment of our high spend suppliers.

In doing so, Tadano Oceania has mapped out key parts of our operations and supply chain to improve understanding of potential modern slavery risks.

All high risk, medium risk and new suppliers will be vetted for modern slavery risks through the completion of our Modern Slavery Supplier Questionnaire, where deemed necessary. This questionnaire incorporates modern slavery requirements and the provision of supporting documentation where applicable. Tadano Oceania aims to use the information obtained from this to build transparent and collaborative relationships with suppliers and to ensure that our expectations of the reporting of modern slavery risks are clearly communicated. The continual assessment of our supply chain is vital to ensure that we are meeting our obligations in regard to modern slavery.

We will continue to review our policies, including our Modern Slavery Policy, and ensure that Tadano Oceania staff and suppliers, where applicable, have the opportunity to access and be kept informed of our relevant Modern Slavery Policies. The continual review of our policies allows us to monitor the effectiveness of our modern slavery controls and procedures and make improvements where necessary.

Over the next year we will assess our effectiveness by:

- Maintaining senior management oversight on new supplier / procurement engagement to address modern slavery;
- Act on any deficiencies in accordance with our Modern Slavery Policy and make changes as necessary as our business evolve;
- If required, investigate and where necessary consider terminating any supplier relationships which fall below minimum standard.

The Process of Consultation with any entities Tadano Oceania owns or controls

During the reporting period this statement covers, namely 1 January 2021 to 31 December 2021, we actively engaged and consulted with all entities that has an interest in Tadano Oceania, its divisions and business units.

The senior management collective of Tadano Oceania has the responsibility to review and implement the steps taken and to be taken, as recorded in this statement whilst ensuring a business wide consensus on our approach to modern slavery and reducing the risks in our supply chain and operations.

The way forward

Over the next year Tadano Oceania will continue to work proactively to reduce modern slavery within our supply chain and operations and we will make it clear to our suppliers that they must do the same. In order to build on the modern slavery framework that we have thus far developed, we will be focusing on the following areas and the extent to which these are achievable:

- Continue with our risk assessment of new suppliers and the completion of the modern slavery questionnaire for new, moderate and high risk suppliers. Consideration will be given to providing modern slavery literature to selected suppliers. This may be dependent on the results achieved in the completion of our required modern slavery questionnaire.
- Introduce standard modern slavery training to our staff which may entail online courses, in-person meetings with management and / or written resources. This is in addition to our modern slavery training package that provides an introductory background in modern slavery.
- More intensive training for senior management and employees who are directly involved in supply chain management, to understand in more detail what slavery and human trafficking entails and how to mitigate the risk of these in their respective supply chain.
- Updating the whistle-blower program that will provide greater grass roots insights into Modern Slavery issues and allow employees to anonymously report concerns as they happen.
- Performing social accountability audits on our building and cleaning suppliers, within reason, by conducting random on-site inspections to evaluate their practices with respect to the treatment of their workers and identifying and determining any potential slavery risks.

- Monitor and review the effectiveness of our Modern Slavery Policy and our procedures, taking into account its suitability, adequacy and effectiveness in reducing the risks of modern slavery as our business evolves and develops.
- Alongside our Modern Slavery Policy, further developing internal accountability standards and procedures, to hold our employees and contractors accountable for non-compliance with our minimum standards on modern slavery, including establishing:
 - Consequences for non-compliance; and
 - A process to remediate such breaches.

Tadano Oceania Pty Limited Modern Slavery Statement 2021

Signed by:

Takehiro Kusumoto

Full Name

**Director Tadano Oceania Pty Limited
07 JUNE 2022**



Signature

Daisuke Minami

Full Name

**Director Tadano Oceania Pty Limited
07 JUNE 2022**



Signature

The Board of Tadano Oceania Pty Limited ABN: 84 142 236 995 has approved this Statement on 07 JUNE 2022

The above signatories signed off on this Statement on 07 JUNE 2022