

MODERN SLAVERY STATEMENT 2021

Fenner Dunlop Australia Pty Ltd - Modern Slavery Statement

This statement is made under the Modern Slavery Act 2018 (Cth) (**Act**). It sets out the actions taken by Fenner Dunlop Australia Pty Ltd ACN 080 570 574 ("**Fenner Australia**", "**us**", "**we**" or "**our**"), being an entity incorporated in Australia, to address modern slavery risks in our operations and supply chain during our financial year ending 31 December 2021.

Fenner Australia does not own or control any entities.

1 FENNER AUSTRALIA'S STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Fenner Australia is wholly owned by Fenner (Pacific) Pty Ltd ACN 000 231 532 ("**Fenner Pacific**"). Fenner Pacific also wholly owns Belle Banne Conveyor Services Pty Ltd ACN 146 806 055 and Agile Maintenance Services Pty Ltd ACN 146 754 065.

Founded in 1890 in Melbourne, Fenner Australia is renowned as the world leader in the manufacture of conveyor belting for mining and industrial applications. It is the only company in Australia that can manufacture and supply a complete conveyor system from head-to-tail including belt, electrics and terminal equipment. Our Vision is that "*Fenner will be respected as the safest, most professional and successful Engineered Conveyor Solutions provider in the world*". Relevantly, one of our key core values is that we "Always seek to win, but never unethically".

Fenner Pacific and its subsidiaries including Fenner Australia are part of the Michelin Group and our ultimate parent company is Compagnie Generale des Etablissements Michelin ("**CGEM**"). The sound financial platform of our organisation structure ensures the long term viability of our business and, more importantly, the continuity of ethical supply and service to our customers.

MICHELIN GROUP'S BUSINESS

Headquartered in Clermont-Ferrand, France, the Michelin Group is present in more than 170 countries, has a global workforce of 127,000 employees and operates over 70 production plants located in 17 different countries and has business operations in 170 countries. CGEM is listed on the Paris Stock Exchange. Michelin is a signatory to the UN Global Compact, thereby undertaking to respect human rights in all its activities and in all countries where the Group operates. The Michelin Group is dedicated to sustainably improving mobility solutions for goods and people by manufacturing and marketing tyres for every type of vehicle, including airplanes, cars, bicycles/motorcycles, earthmovers, farm equipment and trucks. It provides telematics services through Sascar, NexTraq and Masternaut. It also offers electronic mobility support services on ViaMichelin.com and publishes travel guides, hotel and restaurant guides, maps and road atlases.

FENNER AUSTRALIA'S BUSINESS



Fenner Dunlop Australia.
A wholly owned subsidiary of Michelin, and world leaders in the manufacture of conveyor belting for mining and industrial applications.

Fenner Australia has over 1,000 employees across eight manufacturing facilities and 19 service centers in Australia.

Fenner Australia’s belt products include conveyor systems, wear protection, cured and uncured rubber sheeting and belts, while services include engineering and design.

Other product categories include equipment components, electrical control systems, diagnostics: condition monitoring systems and accessories.

Other services include field services, equipment hire, overhauls and refurbishment, rubber lining and 24/7 conveyor emergency call outs.

Fenner Australia primarily services customers across QLD, NSW and WA.

While other companies are contracting and moving their manufacturing operations offshore, Fenner Australia continues to support the local economy and is proud to be the largest conveyor belt supplier in Australia.

Fenner Australia locations and production overview in Australia (VIC, WA and NSW)

- Three belt manufacturing facilities (West Footscray, VIC; Revesby, NSW; Kwinana, WA).
- Five facilities manufacturing conveyor system related products other than belts.
- 19 service centres located within close proximity to major mining customers.

Overview of Fenner Australia's Belt Manufacturing Plants

Site	Technology	Products	Market
West Footscray, Victoria Established in 1940 and located within inner city residential Melbourne.	Fabric Ply Rubber conveyor belt manufacturing: woven fabric is dipped, calendared with a rubber coating, rotary cured and dried. Equipment is aged and/or at limit of capacity, requiring significant upgrade or new purchase to maintain production.	Fabric ply rubber, including S-grade Ply, and Other Ply. Imports UsFlex and Duracon products.	Mining and other industrial applications – processing, ports, power generation, quarries. Servicing QLD, NSW and WA customers. Largest customer is Anglo Coal (QLD), the second largest Australian and third largest global export metallurgical coal producer operating in open cut and underground mining.
Revesby, NSW Established in 1970 and located within inner city Sydney.	Fabric Solid Woven conveyor belt manufacturing: woven fabric is dipped in moldable thermoplastic PVC and heat air-dried. Equipment is aged, requiring significant upgrade or new purchases to maintain production.	Fabric solid woven (PVC) with fire resistant and antistatic coatings.	Underground mining applications. Servicing QLD and NSW customers. Largest customer is Oaky Creek Coal (QLD), one of the largest coal mines in Asia-Pacific.

<p>Kwinana, Perth Established in 2009</p>	<p>Steel cord belt manufacturing. State-of-the-art equipment, with recent investments to increase production capacity and workforce.</p>	<p>Steel cord, equipment and accessories range</p>	<p>Mining and high capacity applications with high belt tensions. Servicing national customers, and strategically positioned to support developing markets in Asia, Africa, India and South America as well as Europe.</p>
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Fenner Australia's Supply Chain

Fenner Australia sources the majority (>80%) of its raw materials, goods and other services expenditure from Australian suppliers. A further 5-10% of its expenditure are products manufactured by members of the Michelin Group located in Asia.

Fenner Australia also procures certain goods and services in Australia such as logistics & warehousing, technology and telecommunications hardware and services, financial services from Australian banks, consulting services, marketing & events management, insurance, accounting, audit and legal services. It also procures certain goods in Australia to enable it to operate in Australia such as protective clothing, motor vehicles and miscellaneous office supplies.

The procurement of locally procured goods and services, not procured under a Michelin Group managed procurement contract takes place under the supervision of the local purchasing team who follow the process and procedures set out in the Michelin Group's policy (articulated in its Duty of Care Plan - see section 3(b) below) including but not limited to the Michelin Purchasing Principles. Those principles include respecting human rights and provide that the Michelin Group (including Fenner Australia) mandates that its suppliers do likewise.

Fenner Australia imports a small percentage of conveyor belt and conveyor equipment manufactured by overseas suppliers.

2 RISKS OF MODERN SLAVERY IN FENNER AUSTRALIA'S OPERATIONS AND SUPPLY CHAINS

The risk of modern slavery in Fenner Australia's supply chain can be separated into two parts:

1. Risk to Fenner Australia for suppliers of raw materials, goods and services (other than those goods and services procured from the Michelin Group)

a. General supplier risk

During the reporting period, the due diligence conducted by Fenner Australia in respect of its non-Group supply chain focused upon its first-tier suppliers. Although each of these suppliers have their own supply chains, Fenner Australia has limited visibility of those supply chains and intends to look more closely at those supply chains during its next reporting period.

Fenner Australia accepts that its suppliers may link it to modern slavery by way of their own supply chains. However, the majority of Fenner's Australia-specific suppliers are located in jurisdictions that are low risk for modern slavery, such as Australian providers of rubber compounding, logistics, professional services, banking and accounting. Over 80% of Fenner Australia total supplier spend is with Australia based businesses.

Of the remaining 20% of supplier spend, approximately 10% of spend is with overseas Michelin Group companies located in Asia. Of the remaining 10% spend, Fenner Australia has identified risk of modern slavery in suppliers of the following products / services (excluding products / services obtained directly from the Michelin Group) - Rubber Compounders, Textile manufacturers, Steel suppliers and steel product manufacturers. Fenner Australia intends to conduct further analysis of these risks during the next reporting period.

b. Raw materials risk

As with all conveyor belt manufacturers, one of the key raw materials used to manufacture conveyor belt compounds is natural rubber. Natural rubber is not purchased directly by Fenner Australia, however its first tier suppliers of rubber compound located in Australia and Malaysia are required to procure natural rubber to produce rubber compounds on its behalf.

2. Risk in the manufacture and transport of raw materials supplied to Fenner Australia (where manufactured by members of the Michelin Group)

This section focuses on the risks attached to materials purchased directly from the Michelin Group.

The human rights and modern slavery risks of the Michelin Group operations are detailed in its Duty of Care Plan (pages 14 to page 25). These risks are, broadly:

- Health and Safety risks; and
- Human Rights risks.

Even though the Michelin Group operates in some countries where modern slavery practices may occur (including some countries in Asia) the policies and processes put in place by the Michelin Group minimize these risks. The Duty of Care plan has identified these risks as being low and has put in place mitigation plans to address them.

In some countries where Michelin manufactures products, and supplies Fenner Australia (i.e. Thailand and Indonesia), human rights impact assessments have been conducted to identify gaps in the prevention of modern slavery. These assessments were followed by action plans where necessary.

After having performed the risk analysis and remediation, the residual risks of modern slavery, including child labour and forced labour are considered low on Michelin Group controlled sites in foreign countries.

3. Other risks

Other major raw material categories used to produce conveyor belt and conveyor systems are synthetic rubber, fillers, chemicals, steel and steel cord. The cultivation of natural rubber presents risks for modern slavery as it is labour intensive and produced in countries where the risk of modern slavery is heightened. Other raw materials have a much lower exposure to modern slavery as they come from process industries. Risk assessments conducted by Fenner Australia of its suppliers of raw materials show that the residual risk of modern slavery is low.

3 HOW FENNER AUSTRALIA ASSESSES AND ADDRESSES THE RISK OF MODERN SLAVERY IN THEIR OPERATIONS AND SUPPLY CHAIN

Fenner Australia employs a number of processes and procedures to assess and address the risks of modern slavery in its operations and supply chain. These are set out below.

a. Assessing and addressing risk in the global supply chain

Fenner Australia has a comprehensive approach to ensuring compliance, which consists of involvement from the following departments:

- Legal
- Internal Control
- Human resources
- Purchasing
- Internal Audit

As part of the Michelin Group, Fenner Australia has a comprehensive approach to the management of human rights risks in its supply chain, from the selection of the supplier to the end of the contract. The Michelin Group including Fenner Australia have systems in place to ensure all those in its supply chain and its contractors comply with its values and comprehensive supply chain compliance programme. Specific measures include:

- Implementation of the Michelin Purchasing Principles which can be found by accessing this link <https://purchasing.michelin.com/en/purchasing-principles/>.

The Michelin Purchasing Principles describe the fundamental principles governing the Michelin Group's supplier relationships (including suppliers to Fenner Australia). It specifies the rules of professional conduct for the Michelin Group's purchasing teams, the supplier approval process, the Michelin Group's quality standards and the environmental, social and ethical performance expected of the Michelin Group's suppliers, including compliance with local law and international standards with respect to human rights.

- Purchasing teams receive training on the application and enforcement of the Code of Ethics (see section 3(b) below), including human rights and modern slavery risks.
- The majority of procurement contracts include a copy of the Group's Purchasing Principles that encourage suppliers to uphold the fundamental conventions of the International Labour Organisation.
- Services agreements include specific clauses about forced labour reinforcing the Michelin Purchasing Principles.
- Fenner Australia's Conditions of Purchase include the right to audit all suppliers to ensure compliance with the Michelin Purchasing Principles.
- The Michelin Group including Fenner Australia operate the Navex Ethic hotline that is accessible to all its employees and external stakeholders, including suppliers who may wish to report breaches of the Code of Ethics, including modern slavery.
- Specific policies are in place to protect whistle blowers.

b. Risk mitigation - our written policies

Fenner Australia's ultimate parent company CGEM is subject to the French law known as the Duty of Vigilance Law Act No. 2017-399 of 27 March 2017 ("Duty of Vigilance law"). One of the requirements

under the Duty of Vigilance Law is that the relevant company prepare a Duty of Care Plan in compliance with the requirements under that legislation. The Duty of Care Plan describes all of the risks arising in respect of the Michelin Group's business and its main suppliers in relation to environment, health & safety and human rights including the mitigation of those risks (including Fenner Australia). The Duty of Care Plan is a means to consolidate and strengthen the Michelin Group's proactive approach to deploying risk prevention and management processes in these three areas, as well as an opportunity to deepen its due diligence with subcontractors as part of a continuous improvement processes.

In compliance with the Duty of Vigilance Law, the Michelin Group publishes annually its Duty of Care Plan. The Duty of Care Plan applies to all members of the Michelin Group who are required to adopt and comply with the Duty of Care plan. A copy of the Duty of Care Plan can be found by accessing this link <https://www.michelin.com/en/?s=Duty+of+Care+Plan>.

All members of the Michelin Group, including Fenner Australia, have adopted, adhere to and enforce the Duty of Care Plan. It sets out the group's commitment to preventing adverse human rights impacts, including modern slavery, in its operations and in its supply chains. The Michelin Group's policies reflect the Group's commitment to acting ethically and with integrity in all its business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in its supply chains.

As part of Fenner Australia's commitment to the Duty of Care Plan, Fenner Australia has implemented a number of specific policies as follows:

- Code Of Conduct
- Health & Safety Policy
- Equal Opportunity Policy
- Michelin Purchasing Principles
- Whistleblowing Policy
- FD Aust Environmental Policy
- Quality Policy
- Anti-bribery & Corruption Policy.

c. Risk mitigation - practices in respect of our Fenner Australia employees:

Fenner Australia adopts the following practices in respect of its employees.

- Each employee must consent freely and without constraint to be hired by Fenner Australia;
- Each employee gets a working contract;
- Each employee can decide to leave the company at any time (in accordance with his/her employment contract and local legislation);
- Each employee receives a regular market-based salary;
- The remuneration of each employee conforms with the local laws; and
- Employees can use the ethics hotline to make or lodge a complaint.

d. Risk mitigation - a specific approach for the management of the risks of natural rubber

The Michelin Group has formalised its public commitments in a Sustainable Natural Rubber Policy published in 2016. This policy was drafted with input from stakeholders, particularly environmental and human rights NGOs, and is now a contractual reference document for Michelin Group's suppliers. A copy of the Sustainable Natural Rubber Policy can be accessed at the following link <https://purchasing.michelin.com/en/document - area/>.

The Michelin Group also assesses its natural rubber suppliers on human rights issues: its direct suppliers are assessed via EcoVadis desktop reviews and onsite audits, and for the upstream supply chain and small holders, it developed an innovative mobile application called Rubberway. Thanks to this application, the CSR practices of the various stakeholders in the natural rubber supply chain are mapped and the areas with the most social or environmental risks are highlighted. The data is shared with suppliers and can be used to prepare improvement plans.

e. Risk identification - Whistleblowing

The Michelin Group including Fenner Australia maintain an anonymous Navex Ethics Hotline that is managed by an independent third party. All employees and suppliers are advised of this facility and have access to it. Employees are actively encouraged to raise concerns relating to ethical issues including those relating to corruption and modern slavery with their managers, human resources department and / or via the Navex Ethics Hotline.

Whistle blowers are protected by whistle blower protection policies.

f. Risk mitigation - Training

To ensure a high level of understanding of the group's corporate social responsibility (CSR) risks and ethical risks in the Michelin Group's supply chains and its business, the Michelin Group provides comprehensive training to all its staff. This includes training to Fenner Australia staff. A specific e-learning for purchasing teams specifically addresses human rights and modern slavery risks with Fenner Australia's suppliers.

f. Remediation - disciplinary action

Fenner Australia will take disciplinary action against any employee found to be involved in breaking the law in relation to any form of modern slavery including but not limited to child labour, forced labour, slavery and human trafficking.

Fenner Australia addresses, escalates and where appropriate remediates all issues that are raised in connection with its business through the Navex Ethics Hotline.

Fenner Australia continues to consider and work on ways to enhance the manner in which it addresses modern slavery risks including remediation processes.

4 EFFECTIVENESS OF MEASURES TAKEN BY FENNER AUSTRALIA TO ASSESS AND ADDRESS RISKS OF MODERN SLAVERY IN ITS OPERATIONS AND SUPPLY CHAIN

We continue to develop and implement means to measure the effectiveness of the actions outlined in section 3 above.

Our standard audit process incorporates all aspects of our compliance framework including modern slavery.

Our Board is aware of and considers as appropriate the measures in place, as well as those that could be developed, to enhance the risk mitigates in our business and monitor their effectiveness.

In order to monitor the effectiveness of the actions taken to prevent modern slavery in our business operations or by our suppliers, the Michelin Group also assesses each year an array of indicators, such as : - Number of suppliers assessed each year on CSR issues, including human rights - Number of suppliers that reach the accepted CSR standards of the Michelin Group.

5 CONSULTATION TO PREPARE THIS STATEMENT

This report was produced with input from the purchasing department, the personnel department as well as in consultation with the management team of Fenner Australia. In addition, material for the production of this statement was contributed by the Durable Development Department as well as the purchasing department of the Michelin Group in France.

This statement was approved by the Board of Fenner Australia Pty Ltd ACN 080 570 574 on behalf of Fenner Australia on 27th of September 2021.

Signed



Graham Lenz
Managing Director, Fenner Dunlop Australia Pty Ltd
Date: 27th September 2021