

# Modern Slavery Statement

2021



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# Overview

This is a joint Statement on behalf of **Epiroc South Pacific Holdings** (ACN 107 374 550) and its wholly owned operating entity, **Epiroc Australia Pty Ltd** (ACN 000 086 706)(Epiroc Australia) in compliance with section 13 of the Modern Slavery Act 2018 (Cth) (the **Act**).

Epiroc Australia aims to be a leading productivity and sustainability partner for customers within mining and infrastructure. Social and environmental sustainability underpins everything that we do, and we are committed to implementing the United Nations Guiding Principles on Business and Human Rights throughout our operations.

This is Epiroc Australia's second Modern Slavery Statement ('the **Statement**') and covers all activities undertaken during the year 1 January 2021 to 31 December 2021 (the "**Reporting Period**").

The Statement sets out the requirements of the Modern Slavery Act 2018 (Cth) (the "**Act**") including

our structure, operations, and supply chain and – the potential risks of modern slavery practices in our operations and supply chains so that we may evaluate and respond to those risks accordingly.

The Statement further expands on some of the key policies and actions taken to assess and address modern slavery risks, including the Epiroc Code of Conduct and the Epiroc Business Partner Code of Conduct which focuses on ensuring that our business partners are held to the highest ethical, social, safety, health and environmental standards. The Epiroc Business Partner Code of Conduct incorporates key elements of international guidelines including the United Nations International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises



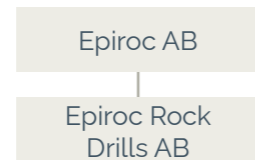
# Our structure, operations and supply chain

## Structure

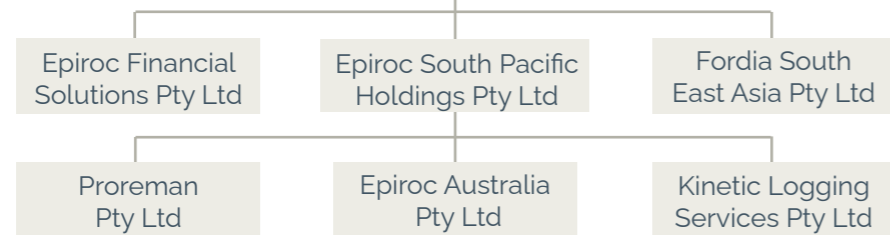
This Statement has been prepared by Epiroc Australia for the purposes of satisfying the requirements of the Modern Slavery Act 2018 (Cth). The Act requires steps to be taken to identify and mitigate modern slavery practices in supply chains and requires businesses to publicly identify the steps taken.

The Epiroc Group has a global presence in Sweden, the United States, Canada, China, India, Japan, Germany, and Australia. Epiroc Australia has over 16 service centers throughout the Country, we acknowledge that our large presence touches many lives, further instilling the necessity to ensure that we lead the way in the protection of human rights within our operations.

### SWEDEN



### AUSTRALIA



Epiroc South Pacific Holdings Pty Ltd (ACN 107 374 550) is a non-operating, holding entity of the Epiroc Group, whose ultimate parent entity is Epiroc AB located in Stockholm, Sweden.

In Australia, the Epiroc Group comprises of the following entities.

Entity	Operations
Epiroc Australia Pty Ltd (ACN 000 086 706)	Operating entity in Australia
ProReMan Pty Ltd (ACN 621 802 104)	A company acquired in 2018 which operates as a customer centre for Epiroc AB
Kinetic Logging Services Pty Ltd (ACN 133 949 630)	Acquired in 2021 that provides mining companies with geophysical logging services
Epiroc Financial Solutions Australia Pty Ltd (ACN 120 897 538)	A Sydney-based company that acquires equipment from Epiroc South Pacific Holdings' subsidiaries to sell under a leasing arrangement to customers
Fordia South East Asia Pty Ltd (ACN 072 612 447)	Global acquisition in 2019. The company was non-operational during the reporting period with Epiroc South Pacific Holdings acquiring the net assets of Fordia as at 31 May 2020
3D-P Australia Pty Ltd (ACN 146 924 236)	Acquired in 2021 that provides wireless connectivity solutions for surface mining
MineRP (Australia) Pty Ltd (ACN 101 951 017)	Acquired in 2021 that supports mines in strengthening and optimizing their operational efficiency by providing a leading software platform solution that integrates all technical mining data and other information such as machine data and ERP systems

This Statement is focused on the operations and supply chain of Epiroc Australia Pty Ltd ('Epiroc Australia') as this is the operating entity for our core business activities and the only operating entity with revenue exceeding the Act's AUD \$100 million reporting threshold.

## Our Operations

As part of the broader Epiroc Group, Epiroc Australia develops and produces innovative equipment, consumables, and service for use in surface and underground mining, infrastructure, civil works, well drilling and geotechnical applications.

While our operations and customer base are focused on Australia, the broader Epiroc Group operates all over the world, with customers in more than 150 countries.

During the Reporting Period, Epiroc Australia employed approximately 700 people to provide products and offerings primarily used in hard rock applications, including:

- ⊕ Mining applications which include production and development work for both underground and open-pit mines, as well as mineral exploration.
- ⊕ Infrastructure applications include blasthole drilling for tunneling, for road, railway and dam construction, aggregate production and other construction work, demolition of buildings, bridges and industrial plants as well as other drilling applications.

Our vision is to be the first choice of customers, suppliers, and business partners and to dare to think new. We challenge our way of working, thinking and acting to find new and sustainable solutions in this rapidly changing world. We see possibilities and dare to question the status quo. We believe that this can be achieved by adopting a common set of values, including being ethical in our business practices and working with business partners who share similar standards.



## Our supply chain

Epiroc Australia's direct global supply chain consisted of about 850 suppliers during the Reporting Period and included both international and Australian-based companies.

A limited number of international suppliers were utilised in 2021, with the vast majority of our Suppliers being Australian companies. Our international suppliers operate in the following countries :

- 1 South Africa
- 2 Canada
- 3 Cyprus
- 4 Germany
- 5 Netherlands

- 6 Papua New Guinea
- 7 Sweden
- 8 Singapore
- 9 United Kingdom
- 10 United States of America

- 11 China
- 12 India
- 13 Japan
- 14 Philippines
- 15 Australia



Section 4 of this Statement, 'Assessing and addressing modern slavery risks', provides an overview of our policies and requirements set in place as they relate to our business partners and suppliers in order to ensure compliance with laws, regulations and our ethical standards.

# Potential modern slavery risk in our operations and supply chain

With respect of understanding modern slavery risks within our operations and our supply chain, Epiroc Australia has adopted the definition of modern slavery as described in the Act which includes: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour.

## Operations

In Australia, Epiroc's workforce comprises mostly of permanent, Australian-based employees.

Australia is considered a low risk environment for modern slavery practices according to the Global Slavery Index. During the Reporting Period, Epiroc Australia and its related entities, did not engage the services of any, international migrant workers or other workers that would typically be considered vulnerable to exploitation. However, we acknowledge that modern slavery is often challenging to uncover and as such, we will continue to educate ourselves and our employees on the issue and how to identify it. Overall, however we consider the risk of modern slavery in our direct operations in Australia to be low.

Epiroc Australia has developed appropriate policies and processes to ensure that all employees are treated equally and all conduct falls within our expectations around ethical practices and lawful behaviour. Section 4 of this Statement outlines the policies and process adopted by Epiroc Australia to assess and address potential modern slavery risks in our workforce.

## Supply Chain

Epiroc Australia has undertaken a high level risk assessment of its direct suppliers based on geographic location (country-related) and type of goods or services provided (industry-related).

The analysis utilised a tool that ranks country-related modern slavery risks based on the Global Slavery Index. The analysis considered the geographic location and governance of the suppliers, and type of industry against the following risk categories:

**Geographic Location:** The analysis recognised that some geographic locations have a greater prevalence of modern slavery risk, due to factors such as governance issues, or a lack of basic needs and inequality.

**Industry Specifics:** In assessing the goods and services provided via various industries, the tool considered the likelihood of minimum requirements for labour rights, health and safety, human rights, and community infrastructure.

## Geographic Location

The results of the assessment highlighted that of our direct international suppliers, the countries with a higher risk profile for modern slavery in our supply chain include Papua New Guinea, Singapore, Cyprus, South Africa, China, India, Japan and Philippines.

In addressing the risks of modern slavery in our operations, we note that the Epiroc Australia's suppliers are considered low risk due to:

- The suppliers in Papua New Guinea and Singapore are professional service providers; and
- The supplier in Cyprus is a software company that Epiroc have assessed and consider to be reputable and in line with the Epiroc procurement standards.

Epiroc's suppliers in South Africa, China, India, Japan, and the Philippines are part of the global Epiroc network of operations, and as such are subject to the standards of procurement of Epiroc AB and its subsidiaries.

## Industry Specific

A portion of Epiroc's suppliers also operate in industries that are deemed to be at a higher risk of modern slavery, including:

- Travel (including hotels & resorts);
- Office services & supplies;
- Support services (including cleaning services);
- Human resource & employment services;
- Real estate services; and
- Technology hardware.

We acknowledge that although the majority of our direct suppliers in these industries are based in countries which are considered lower risk, their suppliers may operate in higher risk regions or industries. As part of our intention to better understand our deeper supply chain, we aim to gain a better appreciation of the associated underlying modern slavery risk, in order to enhance our approach to identifying and managing it.

## Conflict Minerals

Epiroc also recognises that the nature of mining and the materials that we use in our goods and equipment can pose human rights and environmental risks to workers and local communities, particularly where minerals have a higher likelihood of being conflict minerals such as cobalt.

In relation to cobalt used in batteries, Epiroc AB ensures that the batteries sourced globally are procured in a transparent manner. We also acknowledge the importance of responsible sourcing of the minerals included in our products.

As an entity under Epiroc AB, suppliers of products containing tin, tungsten, tantalum or gold (3TG) are required to identify and declare the origin of such minerals present in the products and components sold to Epiroc AB. This ensures that the minerals do not directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo, i.e. that the products are conflict free.

Epiroc AB has a dedicated conflict minerals program for several years, focusing on the origin of tin, tungsten, tantalum, gold (3TG) and cobalt in our products to ensure responsible sourcing within our supply chain. The program and tools developed are built on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as well as on the tools of the Responsible Minerals Initiative (RMI) that Epiroc is a member of. Information on the presence and origin of 3TG in Epiroc products is consolidated and shared with interested parties.



# Actions taken, assessing and addressing modern slavery risks

During the reporting period, no incidents of modern slavery or human rights violations within Epiroc Australia's operations or supply chain were recorded or raised. However, we do understand that such incidents may be hard to uncover and it is for this reason that Epiroc Australia has worked to develop appropriate policies and processes to help, to the highest degree possible, to minimise any such risks in both our operations and supply chain.

Epiroc also acknowledges that a deeper view of our supplier's supply chain and practices may reveal a higher level of risk. As such, in future we endeavor to gain a greater understanding of the underlying risks of modern slavery, and of our entire supply chain so that we may improve our approach to identifying and managing risks.

## Due Diligence

Our procurement team is responsible for developing, initiating, and managing strategic sourcing activities by coordinating with key stakeholders and preferred suppliers to build strong supplier relationships and achieve beneficial outcomes for both our business and our supply chain.

The procurement team selects and evaluates business partners in a professional, objective and risk averse manner, with a focus on quality that extends beyond just the final product and includes how our suppliers conduct their business.

Epiroc Australia conducts supplier evaluations using objective criteria, including but not limited to quality, risk minimisation, productivity, delivery performance, safety, reliability, commercial performance, competence and price as part of its due diligence approach prior to engaging suppliers. Epiroc Australia is committed to completing regular audit reviews of suppliers, including requiring suppliers to notify Epiroc Australia of any significant changes to their supply chain risks.

As part of its ongoing commitment, Epiroc Australia is committed to undertaking regular annual due diligence on its key suppliers to ensure that the risks of modern slavery is monitored and appropriately reviewed.

## Managing Supply Chain and Supplier Relations

Our team at Epiroc Australia has put in place controls to manage the risks of Modern Slavery within our greater supply chain. Each tool works together, and we look forward to adding more plans as we develop our understanding of the issues to combat modern slavery.

Below, we provide an overview of the relevant policies and processes in place to ensure that our suppliers and other business partners act in accordance with our ethical and sustainability expectations, as outlined in our Code of Conduct, as well as all applicable laws and regulations

## Epiroc Business Partner Code of Conduct

At Epiroc Australia, we strive to be the best associate we can be for our business partners, including suppliers and subcontractors. In turn, our business partners are made aware of our commitments and are expected to adhere to our policies, including our Code of Conduct. These expectations are communicated to our suppliers and other business partners through the Epiroc Business Partner Code of Conduct. This document supports the implementation of Epiroc Australia's policy regarding business ethics, social, safety, health and environmental performance, by providing brief explanations of our basic expectations from business partners

This criteria is based on the Epiroc Code of Conduct, which draws from the following international guidelines supported by the Group: The United Nations International Bill of Human Rights; The ILO Declaration on Fundamental Principles and Rights at Work (ILO); The United Nations Global Compact (GC) and The OECD Guidelines for Multinational Enterprise.

At a minimum, it is expected that business

partners must, in all their activities, follow the national laws and regulations applicable to their operations and employment in the countries in which they operate. Where Epiroc Australia's requirements go beyond those set out in suppliers' local national law, we expect our business partners to comply with the Epiroc standards.

In addition, business partners are asked and are expected to abide by the following criteria:

- Forced or involuntary labour will not be tolerated in any form. This includes any work or service performed by a person under the threat of penalty and for which the person has not offered himself or herself voluntarily. It also prohibits business partners from requiring employees to deposit money or original documents such as passports, education certificates and the like, during their employment (GC 4, ILO 29).
- Business partners have to take necessary preventive measures to ensure that they do not employ anyone below the legal age of employment. Specific requirements, in line with GC 5 and ILO 138, including in relation to the minimum age for hazardous work, are outlined in the Epiroc Business Partner Code of Conduct.
- Business partners have to work against all forms of corruption, including extortion and bribery (GC 10, OECD 9).
- Business partners have to support and respect the protection of human rights. They have to be able to confirm that they are not complicit in human rights abuses and they must comply with the main international ethical guidelines supported by the Epiroc Group (GC 1 and GC 2).
- Business partners must support equal opportunities, fairness and diversity and ensure that all employees are treated strictly according to their abilities and qualifications in any employment decisions, regardless of ethnic group, religion, gender, age, nationality, disability, personal relationship, union membership and/or political opinion (GC 6, ILO 111).

- Business partners are required to make employees' safety a priority at all times (ILO 115).
- Business partners also have to confirm that their workers are free to communicate openly with management to resolve workplace and compensation issues. Employees should have the right to choose whether or not to be represented by trade unions for the purpose of collective bargaining. Epiroc does not tolerate discrimination against any employee exercising such rights (GC 3, ILO 87).
- Business partners shall ideally have an Environmental Management System or, as a minimum, be committed to developing an environmental policy or system, which ensures continuous improvement of their own environmental performance (GC 8, OECD 5).
- Business partners are expected to conduct their business in a manner that protects and preserves the environment (GC 7 and 9, OECD 5).

New business partners are notified of our requirements through the distribution of the Epiroc Business Partner Code of Conduct, which they are required to review and sign off.

## Surveys and Audits

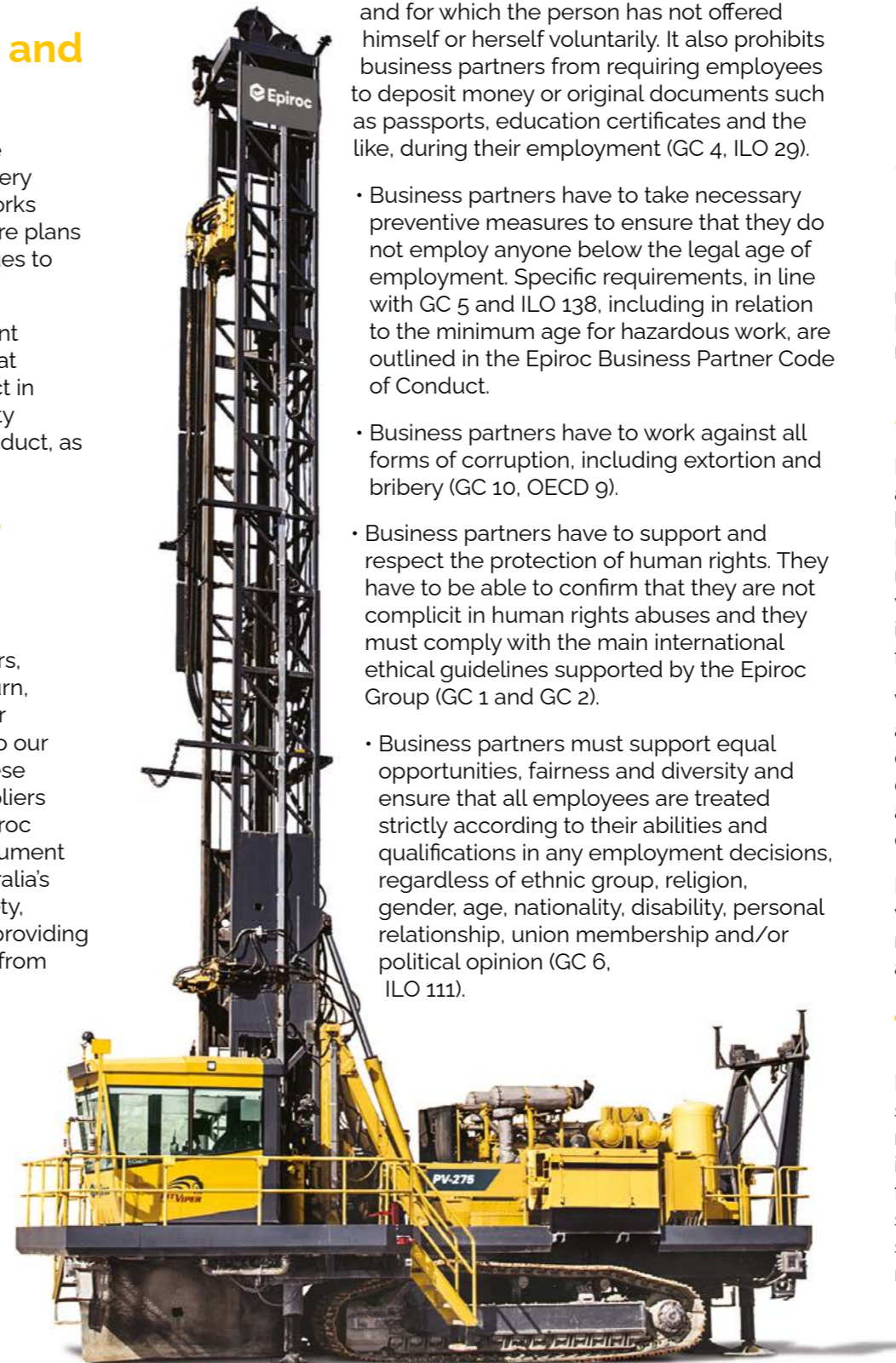
Epiroc Australia has developed mechanisms, such as surveys and audits, to monitor and follow up on business partners and their compliance with the Business Partner Code of Conduct. Epiroc Australia reviews its relationship with business partners and if violations are detected the business partners will be immediately requested to adapt or change to meet the criteria.

We also require that business partners maintain adequate documentation to demonstrate their compliance with our criteria for managing risks of modern slavery or demonstrate their intention and willingness to comply with the criteria by establishing an action plan with activities.

Epiroc requires that as a condition of doing business with us, business partners and their subcontractors must authorise Epiroc Australia and its designated agents (including third parties) to perform audits.

## Terms and Conditions

Epiroc ensures that its contracts, as well as its suppliers' purchase order terms and conditions, reflect our commitment to ensuring transparency in our supply chain. In every transaction, we require that the standards in human rights and health and safety are met and aim to include modern slavery statements in all our commercial contracts. This is regularly being monitored by us, and we will keep striving to improve our terms and conditions.



# Managing risks in our operations

In addition to the business partner criteria and expectations outlined above, the Epiroc Group has developed key policies and processes that enable the organisation to create and maintain a safe environment where potential risks are effectively managed. Some of our key policies and processes include:

## Code of Conduct

The Epiroc Code of Conduct describes who we are as a company and what we stand for, outlining the appropriate business conduct and expected behaviours that all employees are expected to follow. The Code of Conduct summarises Epiroc Australia's core values and is based on applicable law and internationally recognised principles for how companies should conduct business responsibly.

Broadly, the Code of Conduct adopted covers topics relating to sustainable practices, including but not limited to: corruption, money laundering, fair employment, health, safety and labor conditions, social and environmental sustainability and sustainable development.

As before, our Code of Conduct describes who we are as a company and the high ethical standards and integrity we should follow as a company. It is based on applicable law and internationally recognized principles for how companies should conduct business responsibly. All employees of Epiroc Australia are required to undertake annual training in our Code of Conduct.

## Purchasing Policy

The Epiroc Purchasing Policy outlines the guidelines followed for all procurement and sourcing activities.

## Speak Up

Speak Up is the whistleblower system adopted by our parent entity, Epiroc AB, plays an important role in monitoring compliance with our Code of Conduct. Speak Up is managed through a third party and allows employees and external stakeholders to report potential non-compliance anonymously. Retaliation against any employee for reporting an ethics or compliance issue is not tolerated and the number of cases reported via Speak Up is publicly disclosed in Epiroc AB's 2021 Annual Report

# Remediation and management

Epiroc Australia completes periodical audits of its suppliers in relation to its obligation to mitigate the risks of modern slavery in its supply chain.

In circumstances where Epiroc becomes aware that there is an unmitigated and substantive risk of modern slavery practices in the supplier's premises or under a supplier's control, it may take a variety of courses of action.

This may include the following actions:

- Requiring senior personnel from Epiroc Australia and the supplier will meet to discuss the breach of agreement and/or significant risks of modern slavery identified in the audit.
- Formal requests requiring immediate response/change to the Supplier's actions in relation to modern slavery.

- Requirement that the supplier provide regular updates to Epiroc on its progress and actions put in place, including its effectiveness of controls.
- If the supplier fails to alleviate Epiroc Australia's concerns, and/or there is a breach of the relevant agreement (as it relates to modern slavery or otherwise) Epiroc Australia may terminate its arrangements with the supplier and cease to engage with the supplier.

Epiroc Australia will continue to review its audit process and outcomes to ensure continuous improvement of its supply performance.



# Assessing effectiveness

Epiroc Australia has worked hard to implement robust policies and processes to help manage potential risks, including risks of modern slavery, in which each employee is provided and subject to ongoing training. These policies and processes are further supported by the appetite of our parent company, Epiroc AB, which places an increased focus on sustainable operations, responsible sourcing and supply chain transparency.

As outlined above, our supplier approval process plays a key role in managing and addressing any potential risks. However, Epiroc Australia is committed to continuously improving its practices and as such, the company is currently in the process of developing an action plan specifically tailored to assist Epiroc Australia enhance its practices and their effectiveness as they relate to modern slavery.

This action plan will act as a future roadmap to help enhance the company's processes across different areas including governance, monitoring and reporting, due diligence, training, grievances and enhancing our risk assessments.

Since our inaugural Modern Slavery Statement and the implementation of our updated Business Partners Code of Conduct our procurement team has embarked on a project to ensure that we hold a signed Business Partner Code of Conduct for all of our major suppliers.

## Consultation and approval process

This Statement has been prepared by members of both Epiroc Australia and Epiroc South Pacific Holdings executive management team. ProReman Pty Ltd and Kinetic Logging Services Pty Ltd, as members of the broader Australian Group, were also consulted and involved in the review of the Statement.

While our Statement has primarily focused on Epiroc Australia, we have expanded our analysis, reporting and risk management approach to the Australian Group, including ProReman Pty Ltd and Kinetic Logging Services Pty Ltd.

The Statement has been reviewed and approved by the Board of Directors, which oversees the operations of all subsidiaries that form part of the Epiroc Group in Australia.

# Other relevant information

## COVID-19 impacts

The Covid-19 pandemic had a substantial impact on Epiroc in 2020 and 2021 – the impacts of which have been detailed in the Group's 2021 Annual Sustainability report.

In Australia, operations were disrupted by the closure of state and international borders, resulting in supply chain delays and labour impacts as our people's ability to perform fly in and fly out work was hindered. This resulted in Epiroc Australia being unable to conduct site visits and in person supplier audits during the reporting period.

We also understand that modern slavery risks may be exacerbated in our supply chain as a result of the pandemic, particularly related to constraints on governments' ability to enforce policies and take action to protect the most vulnerable members of society.

Epiroc Australia will continue to leverage the strong policies and processes it has in place, including the request that all new and existing business partners adhere to the Epiroc Business Partner Code of Conduct, while continuously exploring ways to tackle the challenges brought on by the pandemic.

## Future Plans

Epiroc Australia is developing an action plan that will allow us to enhance our approach to identifying and managing potential modern slavery risks in our operations and supply chain. This action plan will be developed during the 2022 reporting period and will include proposed actions for the short, medium and long term. Epiroc Australia will continue to review its processes and outcomes to ensure continuous improvement of its supply performance.

## Sign off

This Statement has been approved by Epiroc South Pacific Holdings' and Epiroc Australia's Board of Directors and its subsidiaries of Epiroc South Pacific Holdings after consultation with each of those subsidiaries and reporting entities.



**Terence Browne**  
Director  
Epiroc Australia Pty Ltd







## United in performance. Inspired by innovation.

Performance unites us, innovation inspires us, and commitment drives us to keep moving forward. Count on Epiroc to deliver the solutions you need to succeed today and the technology to lead tomorrow.  
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