

### Introduction

MacKellar Mining Pty Ltd ABN 81 150 919 761 trading as MacKellar Group (**MacKellar**) is committed to acting ethically and with integrity in all our dealings and relationships, and to implementing effective systems and controls to safeguard against modern slavery occurring anywhere in our business, whilst also reducing the risk of modern slavery within our supply chain.

We expect our suppliers and contractors to operate in accordance with all applicable modern slavery laws including those prohibiting human slavery and slavery like practices, human trafficking and child labour.

### Company Structure, Operations and Supply Chains

MacKellar was founded in 1966 and specialises in civil earthmoving, open cut mining and flexible hire of large mining equipment. It is incorporated in Australia and its registered office is in Maroochydore, Queensland, Australia.

Our operations are currently located in Queensland and we currently have approximately 450 full time employees who are employed across sites including Carmichael Coal Mine, Callide Mine, Yancoal Yarrabee, Curragh, Anglo American - Dawson and Callide, Middlemount and Jellinbah.

Our employees work in various disciplines, including Health and Safety, Technical Services, Information Technology, Training, Finance, Procurement, Human Resources, Engineering, Trades and Maintenance, Plant and Equipment Operations, Administration, Management and Environmental services. Our corporate office is located at Nambour on the Sunshine Coast.

We have a fleet size of approximately 350 mining machines and provide over 54 years of earthmoving expertise as one of Australia's largest privately owned mining equipment and service providers.

MacKellar utilises three key equipment suppliers, and for the purposes of this 2019/2020 Modern Slavery Statement, we have focused on assessing the risk of modern slavery in the business of these key suppliers since they provide the majority of our supply needs. In future reporting periods we will further explore the risks of modern slavery within our minor suppliers and further down the supply chain. These minor suppliers operate in industries that provide items such as office equipment, uniforms, tools, mechanical maintenance parts and accessories, consumables, chemicals, etc.

### The Risks of Modern Slavery Practices in our Operations and Supply Chains

Whilst recognising our statutory obligation under the *Modern Slavery Act 2018 (Cth)* (**Modern Slavery Act**) to set out the steps we are taking to ensure that modern slavery and human trafficking is not taking place in our supply chains, we acknowledge that we do not control the conduct of individuals and organisations in our supply chains. However, as part of our risk-based approach to combating modern slavery, we are implementing measures to identify modern slavery risks within our suppliers and contractors.

Our operations are currently based in Australia and our personnel are remunerated in line with applicable industrial instruments. We regularly engage with independent auditors for compliance purposes to ensure that all our personnel are paid fairly and equitably, and as such, consider the risk to our employees of modern slavery at MacKellar to be extremely low. Health and Safety is key to our operations for both employees and contractors with regular audits conducted on all sites. The accommodation provided to our employees and/or contractors is in line with Australian Standards and legislative requirements.

Our three key equipment suppliers have recently produced modern slavery statements which are registered with the Department of Home Affairs. We have reviewed the action these key suppliers are taking in ensuring that modern slavery does not form part of their supply chains and are satisfied that they are addressing the risks of modern slavery in their organisation and their supply chain.

As stated above, in subsequent reporting periods we intend to further assess the modern slavery risks in the businesses of our minor direct suppliers, and then the subsequent supply chain. On our journey to combat modern slavery we are implementing processes that require our new and existing suppliers and contractors to provide us with pre-qualification information prior to commencing and/or continued supply of goods and services to us. The information we receive from them will enable us to properly assess their avenues of supply in relation to Modern Slavery practices.

As part of this pre-qualification assessment, we will continue to actively monitor online resources such as "Global Slavery Index"<sup>1</sup> to enable us to assess geographic and industry/product risks, and more generally, to understand modern slavery issues, enabling us to identify areas of risk within our business operations and supply chains.

### **Actions Taken to Assess and Address Modern Slavery Risks**

MacKellar has committed to only engaging suppliers and contractors that uphold the same principles as we do, and where necessary we will implement corrective measures for non-compliance or inaction in addressing issues on a case by case basis.

MacKellar will continue to focus on maintaining long term relationships with trusted suppliers and contractors enabling robust conversations and partnerships, that ultimately reduce the risk of modern slavery within our direct supply chain. Refining and defining preferred supplier groups will enable us to develop relationships to better understand their processes and monitor their performance to ensure they are delivering on their contractual obligations.

MacKellar has commenced a review of our relevant policies to ensure that it is clear to employees and suppliers that we will not tolerate modern slavery and provides avenues for concerns to be raised. It is anticipated that this review will be complete shortly. Key supporting policies will include our Whistleblower Policy/Procedure and our Employee Handbook/Code of Conduct which includes relevant information regarding remuneration, leave, health and safety standards, grievances, bullying and harassment, equal employment opportunities and company expectations and standards. These policies will provide an avenue for employees to disclose issues or grievances so that they may be resolved fairly and equitably, without detriment to the individual or their associates.

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<sup>1</sup> <https://www.globalslaveryindex.org/>



As stated above, MacKellar has already reviewed the Modern Slavery Statements of its three key suppliers and is satisfied that they are working to reduce the risk of modern slavery within their business.

MacKellar is committed to undertaking the following actions to identify and eliminate modern slavery practices from our supply chains:

- Training and education of our personnel in relation to procurement processes to identify signs of modern slavery
- Once reviewed and updated, our Whistleblower Policy and associated Procedures and our Employee Handbook/Code of Conduct will be promoted across our business to provide stakeholders with an understanding of our standards/requirements and the knowledge of how to raise concerns of suspected modern slavery issues/concerns within a framework of protection and safety
- Implementation of a modern slavery questionnaire in our pre-qualification screening specifically for our contractors and suppliers in order to assist in deciding on which businesses to partner with
- Conducting risk assessments to determine which parts of our business and which of our direct suppliers are most at risk of modern slavery so that efforts can be focused on those areas
- Engaging with our suppliers (prioritising those at high risk following risk assessments) to gain an understanding of the measures taken by them to ensure modern slavery is not occurring in their businesses and their supply chains, and to encourage them to act to reduce the risk
- Where possible, include contractual provisions for our new contractors and suppliers which confirms their compliance with modern slavery laws, the acceptance of our right to question or audit their activities both routinely and at times of reasonable suspicion, and if necessary, to end the contract where modern slavery is discovered and not addressed. These contractual provisions will also be included in contracts with existing contractors and suppliers as the opportunity arises (for example, on contract renewal or renegotiation).

We will continue to value and observe all laws regarding corporate social responsibility, environmental and workplace safety protection and staff inclusion and diversity through shared company policies and processes and our training and communication methods. Our company's recruitment, diversity, remuneration and reward policies and procedures support our efforts to combat modern slavery by ensuring that our personnel are recruited fairly and equitably and in line with relevant industrial instruments and Equal Employment Opportunity legislation.

#### **Assessing the Effectiveness of our Actions**

MacKellar is committed to ensuring the effectiveness of our actions through the following:

- Regular review of our processes by designated personnel
- Increased supplier and contractor engagement and monitoring with processes in place to document and quantify results for measurement and reporting purposes
- Continuation of internal audits on an annual basis to ensure that we are compliant with the relevant industrial and health and safety laws within Australia
- An interim progress report to the Executive Team in August 2021 defining progress against commitments

### Consultation with Reporting Entities

Consultation on modern slavery issues has occurred across MacKellar, in particular, with the Executive Team, Operations, Health and Safety, Human Resources and Procurement personnel.

### Any other relevant information: COVID-19 Impact

MacKellar has sustained significant growth in the last year, and the added complexity of the impact of COVID-19 on the business has required a significant focus on the health and safety and continuity of employment of our workforce. Our company resources pivoted and focused on addressing the pandemic with subsequent health, safety and operational changes implemented to ensure the sustainability of our operations and ongoing equitable employment of our workforce.

This has therefore limited MacKellar's ability to address modern slavery within its supply chain, particularly in relation to the:

- Full implementation of our risk assessment process to combat modern slavery
- Implementation of intended face-to-face training for appropriate personnel

However, our capability to assess risks, the effectiveness of actions and complete audits have recently increased due to the acquisition of specialist risk assessment personnel following the restructure of operations to combat COVID-19. As such, MacKellar intends to implement the training and risk assessment/audit programs mentioned in this Statement in the forthcoming reporting period.

### Approval

This statement for MacKellar Mining was approved by the Board of MacKellar Mining on the 29<sup>th</sup> of June, 2021.



Duncan MacKellar  
Managing Director