

# Modern Slavery Act FY21 Statement



TECHNOLOGY DEFINING PRODUCTIVITY

## 1. Introduction

Modern slavery is an emerging global issue. Throughout our value chain, CR aims to ensure that our employees and our business partners operate with respect for human rights and reject modern slavery.

Our commitment to respect and support human rights is aligned to the UN Guiding Principles on Business and Human Rights.

Our Values of Integrity and Respect includes the commitment to work to eradicate the many forms of modern slavery – such as forced labour or child labour - that exist.

## 2. Our Business

CR is a global IP, engineering, software, and manufacturing company, delivering innovative, Digital and Productivity Technology to large surface and underground mining operations around the world.

We are a collaborative partner with the world's best miners, delivering solutions that improve mining productivity, asset availability, and safety around the globe.

As a leader in engineering innovation and manufacturing of mining equipment, our superior range includes hydraulic excavator cast lip systems, load haul optimization software systems, dragline buckets, ground engaging tools (G.E.T), dragline rigging, conveyor systems and fixed plant wear products.

We operate globally covering most major mining regions, with dual headquarters in the USA and Australia, plus our owned and partner manufacturing facilities spread throughout Australia, China, USA and Vietnam, as well as our Global Technology Centre located in Queensland, Australia.

## 3. Organisational Structure

CR's total global workforce is approximately 350 (full-time equivalent with offices in Canada, Australia, USA, Chile and China and representatives across South America and EMEAR.

Our supply chain is centred in Australia, China, Americas and under development in Vietnam. CR's Procurement function manages our supplier relationships in partnership with our subsidiaries as required.

This statement is for CQMS Razer Pty Ltd (referred as "CR") and applies to our global operations and suppliers of CR which CR managed during FY21. This statement is core to our management systems and fully supported by the boards of CR.

## 4. Our Governance Framework

We are committed to excellence in corporate governance, transparency, and accountability. This is essential for the long-term performance and sustainability of our company, and to protect and enhance the interests of our shareholders and all other stakeholders. Our control framework includes various policies and standards, some directly referencing modern slavery, others with more general human rights and conduct requirements

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## 5. Our Values, Code of Conduct and Policy Framework

CR's values and the Company Code of Conduct sets the behavioural standards for everyone who works for or on behalf of CR. The Code of Conduct helps CR take a consistent, global approach to important ethics and compliance requirements. The Code of Conduct is supported with a range of policies – Industry, OH&S, HR, Environment, Quality, Privacy etc.

As proposed on our FY20 Statement, we completed a thorough review of various policies around of our Value statement, Code of Conduct Policy, Equity & Diversity Policy, and Community Policy to ensure relevancy, alignment, and support to the highest ethical standards. These were updated where necessary and released within our Business. In FY21, our focus has been around ensuring all our employees are thoroughly trained and supporting these policies.

### 5.1. Our values

Our values describe who we are and what we stand for; they should shape our decisions and actions and guide how we work together.

At CR, we have seven (7) core values:

- Zero Harm – We are all committed to the prevention of injuries and incidents and the highest social standards.
- Customer – We place exceptional customer experience at the centre of our thinking.
- Integrity - We are honest, transparent, and ethical in everything we do
- Collaboration – We work as one team, across all functions and geographies, to encourage diversity and inclusiveness.
- Excellence – We relentlessly pursue excellence and take pride in all we do. Quality of decision making, products and services are cornerstones to the way we work.
- Accountability – As individuals, we are proactive and take full responsibility for our decisions, behaviours and actions.
- Respect – We value all people equally and aim to build trusted relationships with our diverse stakeholders.

### 5.2. Company Code of Conduct

Our Company Code of Conduct sets out the standards of behaviour we expect of our representatives, including our managing directors, managers, employees, and contractors. It embodies our commitment to good corporate governance and responsible business practice.

We believe our Code of Conduct also reflects the expectation of our customers, investors, regulators, and the community. We developed the following principles for our Code, and supported by our Values.

At CR:

- We act in the best interest of the company and our shareholders and work as one team to deliver solutions for our customers;
- We compete fairly and comply with the law in the countries where we operate.
- We act with honesty and integrity and don't make or receive improper payments, benefits or gains;
- We secure and protect the property of CR and others, including company and personal information;
- We maintain a safe and inclusive working environment where we treat each other with respect;

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- We seek to make positive and sustainable economic, social and environmental contributions wherever we operate;
- We communicate responsibly and use technology appropriately;
- We're all individually accountable for complying with the Code, and we call things out which don't seem right.

These are supported by a range of Company policies such as Health and Safety, Environment, Human Resources, Grievance, Privacy and Equity & Diversity. We regularly review our Company Code of Conduct, policies and procedures aimed at ensuring they are aligned with all relevant regulatory requirements.

All directors, employees and contractors are responsible for knowing and following the ethical, legal, and policy requirements that apply to their jobs and for reporting any suspected violations of law or our code. Our Management is accountable for creating and promoting a workplace culture in which compliance and ethical business conduct are fully expected and reinforced.

The Company Code of Conduct covers our values and group policies on issues such as fraud and ethical behaviour, health, safety and environment, discrimination and bullying, diversity and inclusion, anti-bribery and anti-corruption and privacy. We may take disciplinary action against employees who fail to act in accordance with our Policies and expectations.

## 5.3. Our workforce

At CR we have a diverse workforce of people with broad and varied capabilities, spanning salespeople & sales professionals, factory workers through to technology experts. There is a mixture of direct employees and contractors.

We have a global employment framework that complies with all local laws as a minimum and covers core employment conditions such as minimum wages, hours of work, and leave entitlements. In many aspects, our global employment framework provides conditions and employment processes that go beyond what is required by local law.

We protect the personal information of our people and ensure they know how we are using information that we collect about them.

We ensure our people are treated fairly in matters that impact their employment.

## 5.4. Recruitment and labour-hire

We have a recruitment process to help ensure:

- All recruitment decisions are consistent with the CR values
- The process is consistently and fairly applied
- We act in accordance with the principles in our diversity and inclusion policy.

We have a formal recruitment process for both our permanent and contingent workforce that all recruiters (including agencies) are required to follow.

To enable our leaders to build a more diverse and inclusive workplace, we have updated our recruitment procedures to support our goal of greater gender, age, and cultural balances.

Our recruitment process has formal approval gates to ensure our policies and procedures are correctly followed. This includes verifying candidates' identity and evidence to confirm their right to work status and generating contracts that comply with these policies and procedures.

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## 6. Our Supply Chain

CR supports human rights as defined in the Universal Declaration of Human Rights as well as our commitment to comply with the UN Global Compact.

Our commitment includes providing a fair, safe, and healthy working environment and not tolerating or supporting the use of child labour, forced, or compulsory labour throughout our supply chain.

The majority of our products are manufactured in Australia and China.

Our largest category of supplier spend is finished product purchases. These items are produced in CR owned facilities, managed, and run by CR and through contract manufacturing, where production is undertaken to detailed CR specifications.

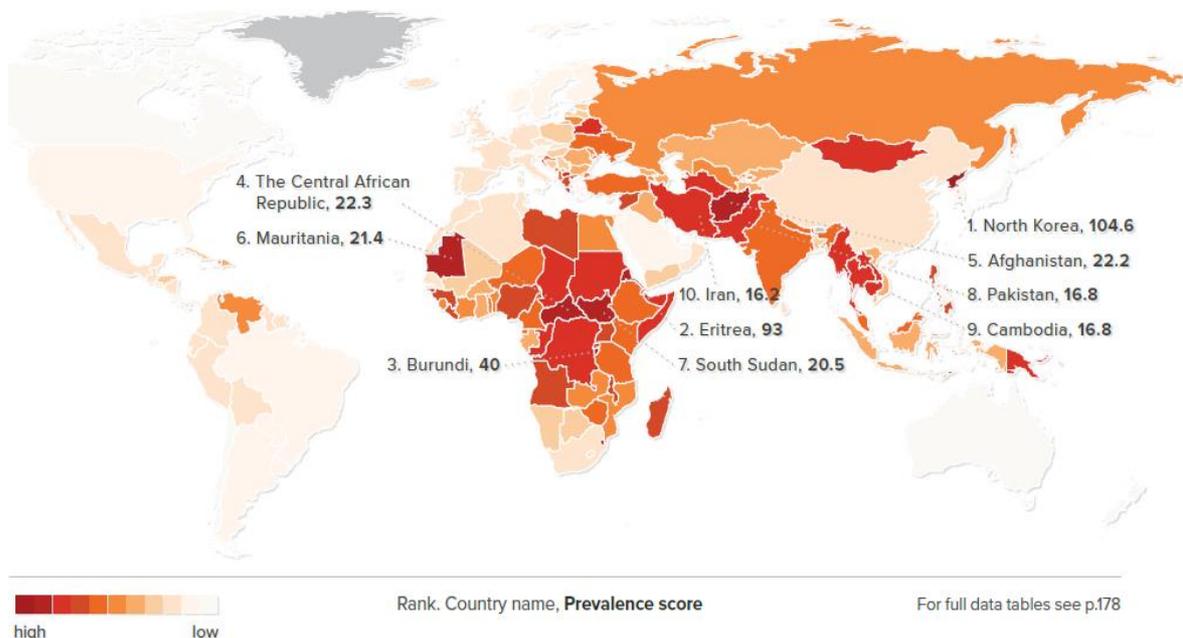
The contract manufacturing facilities are closely monitored by CR and supported by CR employees being located at each facility to monitor compliance and reports on various parts of the operations and processes.

These items manufactured are transported through our Supply Chain and ultimately to our customers located in approximately 15 countries.

The challenge of ensuring we avoid any involvement in modern slavery throughout our Supply Chain is significant, While we are pleased to advise we do not source any products out of the top 10 countries (reference to 2018 Global Slavery Index) with the highest prevalence of modern slavery, we are committed to continuing to evolve and improving our approach to reject modern slavery within our supply chain and mitigate any developing risks.

### Global Slavery Index

According to the 2018 Global Slavery Index, the 10 countries with the highest prevalence of modern slavery are North Korea, Eritrea, Burundi, the Central African Republic, Afghanistan, Mauritania, South Sudan, Pakistan, Cambodia and Iran. (Source: GlobalSlaveryIndex.org\)



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## 6.1. Supplier Governance Framework

CR implements a Supplier Governance Framework with coverage around all Supplier risk types (listed below) to ensure business continuity, driving compliance to ethical and regulatory standards. This framework is supported by a range of indicators and policies including The Code of Conduct, OH&S, HR, Environment, Quality, Privacy etc.



Under this governance framework, we will work through structured audit and review processes with our suppliers to assess whether they are meeting our standards. Where we identify concerns about supplier performance, we will engage with the supplier, seeking constructive dialogue and remediation of non-compliance with our standards.

We require our suppliers to have processes in place for managing their own risks and are expected to work with us to meet our minimum standards. Where suppliers are unable to satisfy us that they have appropriate risk management controls in place, or are unwilling to share this information, we may take further action, such as engaging supplier senior management to implement a remediation plan, or terminating the contract.

## 6.2. Supplier Code of Conduct

We proactively communicate CR's values and the Company Code of Conduct to our employees and supply chain business partners to ensure the behavioural standards for everyone who works for or on behalf of CR complies to the highest ethical standard. In an effort to drive a stronger focus on Supplier behaviours, in FY21, we have introduced the Supplier Code of Conduct (SCOC) which sets out the minimum standards of behaviour that CR expects its suppliers to meet in the areas of labour and human rights, health and safety, environment, business integrity, privacy and diversity.

The SCOC is aligned with the United Nations (UN) Global Compact ten universally accepted principles, Responsible Business Alliance (RBA) Code of Conduct, and other internationally recognised standards. The SCOC also reflects our commitment to support the UN's Sustainable Development Goals.

CR expects suppliers to read, understand and ensure that their business and supply chain meet the standards outlined in the SCOC. Suppliers should communicate the SCOC to related entities, suppliers and subcontractors who support them in supplying to CR, so that they are aware of, understand and comply with the SCOC too.

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Suppliers' ability to meet or exceed standards detailed in the SCOC will be taken into account by CR when making procurement decisions. This will happen regardless of whether or not the SCOC has been formally incorporated into a particular contract with the supplier.

In addition to the SCOC, in FY21, we have also included specific social, environment, and/or ethical requirements in our supply contract terms to be progressively rolled out with our suppliers when appropriate.

By supplier, CR means any entity that supplies goods or services to CR or its related companies anywhere in the world. Where the SCOC refers to workers, this includes employees, contractors, agency, migrant, student, and temporary staff of the supplier and its related entities.

CR works with our suppliers to positively influence their environmental, social, and ethical performance. With the introduction of the Supplier Governance Framework, it will include assessing potential modern slavery risk and we will devote effort to deepen our understanding of the specific types of human rights risks associated with areas we do business. Based on Supplier Risk Analysis we will prioritise our assessments of our suppliers' performance, including human rights performance based on risk.

## **Below are the ten principles of the UN Global Compact:**

### **Human Rights**

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

### **Labour**

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

### **Environment**

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

### **Anti-Corruption**

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

## **7. Risk Management and Due Diligence**

### **7.1. Understanding our human rights risks, including those related to modern slavery**

CR is an international business with a dispersed workforce and extensive supply chain reach. As such, we have examined publicly available information and sought professional advice to guide us on the identification of the most likely human rights risks.

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## 7.2. Industry cooperation on supply chain

CR will work with both Suppliers and Customers on Supply chain sustainability. We will use our alliances and memberships to continually keep abreast of the current thinking on the best ways to meet the objectives.

## 7.3. Supplier Risk Assessment and Mitigation

CR's supply chain have different modern slavery risks depending on various factors, including the level of human rights protection and enforcement within the jurisdiction they are located. We use certain risk assessment tools to assess and monitor our exposure to such risks so we can proactively manage and respond quickly. One of a number of risk assessment tools we use is the Supplier Compliance Assessment currently implemented with all our suppliers.

At the point of preparing this statement, we are not aware of any supplier violations to the modern slavery compliance in FY21.

As part of our continuous improvement initiative, we have identified opportunities we can renew and strengthen our assessment criteria by ensuring all seven (7) risk categories outlined below are incorporated into our Supplier Assessment Criteria, and where issues are identified we will work proactively with our supplier to promptly remedy them. Where suppliers are unable or unwilling to remedy the risk after multiple engagements, we may take further action, such as engaging supplier senior management to implement remediation plans or terminating the contract. We believe this will drive stronger compliance to modern slavery.

-  **Labour rights (human rights) including:**
  - forced or compulsory labour
  - wages and benefits
  - work hours
  - child labour
-  **Freedom of association**
-  **Health and safety**
-  **Privacy and data protection**
-  **Anti-discrimination**
-  **Anti-bribery and corruption**
-  **Access to grievance mechanisms**

## 8. Grievance Mechanism

We encourage everyone to speak up and take action if they have any concerns about unethical, illegal or improper behaviour. CR has implemented Grievance procedure and reporting mechanism in our Code of Conduct. Confidential and anonymous reporting is handled through a whistle-blower hotline independently managed by the Human Resources Department.

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## 9. Assessment, Effectiveness and accomplishments in FY21

This statement outlines our steps to ensure modern slavery is not taking place in our business and supply chains. We are not suggesting we have solved all challenges to drive compliance. Instead, we believe our existing policies and processes provide important measures to help drive progression.

In FY21, we have introduced the Supplier Code of Conduct policy to both our employees and suppliers. The Supplier Code of Conduct reflects our commitment to support the Modern Slavery Act. We have ensured all relevant employees and suppliers read, understand and sign acknowledge their understanding and commitment to compliance.

In addition to the Supplier Code of Conduct, we have also revised our Supply Agreement to include additional compliance clauses around Supplier Code of Conduct, Anti-Corruption Laws and Anti-Slavery Laws. Progressively, we have implemented this revised Supply Agreement on new and due-for-renewal contracts.

To ensure we measure and assess our supplier's compliance performance, in FY21, we have introduced risk ratings as part of our Supplier Compliance Auditing process.

Training is an essential component of our risk management, governance, and compliance framework. Our compliance training approach ensures all employees are aware of their obligations under our compliance policies and have access to further information about these when required. In FY21, we have implemented a number of compliance and awareness training (through 3<sup>rd</sup> party professional training providers) on all relevant employees. The training includes Modern Slavery, Consumer protection and Unfair Business Practices.

In FY21, we are not aware of any modern slavery complaints through our complaints processes or our whistleblower hotline. We will continue to monitor, manage, and report on a range of internal indicators which are used to assess the effectiveness of our responsible business programs and performance.

We recognise our influence and impacts go beyond our own operations and as a result, we will continue to introduce additional indicators within our end-to-end value chain and the community.

## 10. Future Works

We recognise that preventing and addressing modern slavery risks in our supply chains requires an integrated cross-functional approach, long term planning and deep collaborations across internal and external partnerships. While we have been pleased to see various planned initiatives being implemented in FY21, we recognise there is a need to continuously progress our efforts to integrate and extend the prevention of modern slavery risks across our end-to-end supply chain governance, training and processes. In FY22, we will focus on:

- Improving our training and capability
  - Continue to enforce targeted training for our Procurement functions to increase understanding of our modern slavery risks and the unique role Procurement can play to tackle them.
  - Introduce multilingual training materials (starting with Chinese and Vietnamese) to ensure our regional employees thoroughly understands the modern slavery requirements.
  - Uplift our supplier's knowledge of human rights (including modern slavery and labour rights issues) by extending our modern slavery training program to our top tier suppliers.

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- Creating a deeper focus on our Modern Slavery practices by expanding our Modern Slavery working group with the setup of a steering committee which includes HR, Supply Chain and a representative from each of our relevant subsidiary bodies.
- Ensuring the wider business, including our internal supplier and other business units has access to information and reference materials around how to identify and address modern slavery risks and is able to implement a similar approach to drive consistency in implementation and compliance.
- Enhance our modern slavery compliance and commitment towards abolishing child labour by introducing a “Child Labour Policy”. This new policy will be implemented across all CR bodies and its supply chain.

We are confident the actions and activities above will help deepen and extend our multi-approach towards preventing modern slavery risks across our supply chains. Whilst there is always more to be done and we will continue to seek progress through implementing meaningful and effective actions across our supply chain.

This statement is made pursuant to the Reporting Requirement under the Commonwealth Modern Slavery Act 2018 and constitutes the Modern Slavery Statement of CR for the financial year FY21.

A handwritten signature in black ink that reads "John Barbagallo".

**John Barbagallo**  
Chief Executive Officer

**December 2021**

This statement has been made with approval of CR Mining’s Board of Directors and is endorsed on their behalf by John Barbagallo in his role as Chief Executive Officer of CR Mining.