

PERENTI GLOBAL LIMITED

**Modern Slavery Act
Statement
FY20**

This Statement is made under the Australian Modern Slavery Act 2018 (Cth) for the financial year ending 30 June 2020 ("FY20") and is published on behalf of Perenti Global Limited (ACN 009 211 474) (Perenti) and its subsidiaries including Ausdrill Pty Ltd and Barmenco Limited, which operate throughout Australia, Africa and North America (collectively referred to as "Perenti" or the "Company") ("Statement").

This Statement is the Perenti's first modern slavery statement and details the steps it has taken to assess modern slavery risks within its operations, inclusive of its supply chain, and the actions being taken to help manage these risks.

Our company

Perenti is a diversified mining services company incorporated in Australia and listed on the Australian Securities Exchange (ASX: PRN). Headquartered in Perth, Australia, the Company has operations and offices in 11 countries, and a workforce of more than 7,700 people primarily in Australia and Africa.

Perenti is today one of the world's largest providers of surface mining, underground mining and mining support services at scale through a range of specialist operating segments, across the following industry sectors, namely:

- **Underground Mining** – This segment comprises Barmenco and African Underground Mining Services. Services include rapid high-speed mine development, production, diamond drilling, vertical development, design planning and scheduling, and equipment supply and maintenance.
- **Surface Mining** – This segment comprises Ausdrill in Australia and African Mining Services (AMS) in Africa. Services provided by Ausdrill include exploration drilling, production drilling, blasting services and geotechnical services. Services provided by African Mining Services include a full complement of open cut mining services.
- **Investments** – This segment comprises entities that offer a range of support services to the mining sector, including equipment rental, mineral analysis, and supply chain logistics. These businesses provide support to its underground and surface mining operations.

Our Supply Chain

Perenti's supply chain includes the procurement of goods and services. The Perenti has approximately 2,500 active suppliers and its procurement expenditure in FY2020 was AUD \$1.3 billion.

Approximately 75 per cent of this expenditure was made within Australia, and the remainder was largely spent in Africa as well as other countries including the United States of America, Canada and India. While the majority of its suppliers are located in Australia, Perenti recognises that its suppliers likely source products from elsewhere, which presents potential modern slavery risks deeper within the Company's supply chain.

Our global business

OPERATING IN

11 Countries
4 Continents

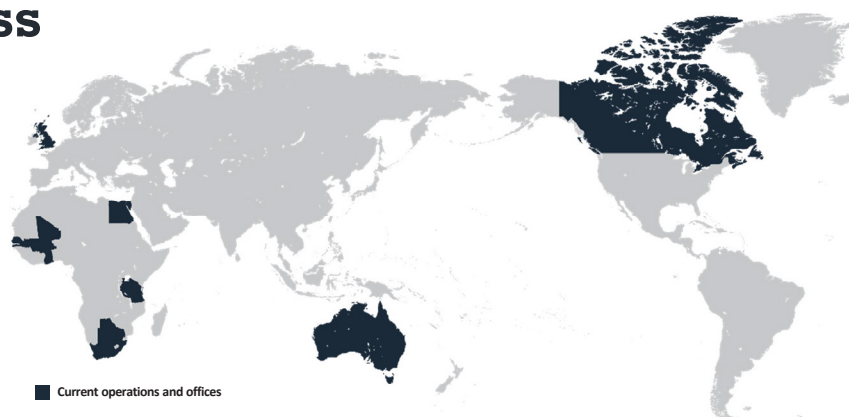
YEARS OF EXPERIENCE

30+ Domestic
30 International

GLOBAL PROJECTS

GLOBAL EMPLOYEES

55+ **7,700**



Our approach

Given the global prevalence of modern slavery and the nature of the mining industry, Perenti acknowledges that modern slavery practices may be present in the Company's operations and supply chains. This potential risk is recognised throughout the Company, starting with the Board.

The Board has set an aspiration of becoming a sector leader in sustainability. A key pillar in this aspiration is its commitment to respecting human rights. This commitment is captured and operationalised by Perenti's Code of Conduct, which sets out employee expectations, and is referenced within the Sustainability Policy.

Other initiatives helping to operationalise this commitment to human rights, include Perenti's:

- **Speak Up Policy** – Approved by the Board in December 2019, this policy sets out the expectations that all employees have a responsibility to help detect, prevent and report immediately instances of misconduct, including breaches of the Code of Conduct.
- **Inclusion and Diversity Policy** – Reviewed and approved by the Board in April 2020, this policy sets out Perenti's commitment to creating an inclusive, productive and safe workplace, free from discrimination, harassment, and bullying.
- **Grievance Management** – Individuals, including employees and contractors, have several options available to them to disclose concerns anonymously and confidentially including an independently managed ethics line called 'Speak Up'.
- **Security Management** – In 2020, the Board endorsed a new approach to security management, which aligns with the Voluntary Principles on Security and Human Rights.

Assessing modern slavery risks

Perenti has conducted a robust high-level risk assessment of its business to understand where human rights risks, including modern slavery risks, may exist. A key part of this assessment was understanding the existing controls in place and identifying any potential gaps. The assessment was undertaken by an expert independent consultancy and was guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs).

The assessment involved a desktop review of relevant corporate policies and procedures and information relating to the Company's operational footprint, inclusive of its supply chain. In addition, interviews and workshops were conducted with key personnel from across the Company to ensure a cross-functional understanding and perspective of potential risks, existing controls and gaps were captured. Functions involved included: Legal, Supply/Procurement, Human Resources, Security, Safety, Environment, Risk and Sustainability.

The assessment found that the risks were largely dependent on location, with higher risks linked to complex operating environments, where there are greater safety and security issues, political unrest, and corruption.

Key modern slavery risks identified through the assessment included:

- **Labour** – Perenti is aware that the risks of modern slavery are exacerbated in business models that rely on complex contracting and sub-contracting arrangements and where third parties are extensively used. While the majority of Perenti's workforce is directly employed (approximately 64%), labour hire services are used in some locations to source specific skill sets or hire local employees. Most labour hire is done through a single company to support AMS. Employees and those employed via a labour hire service receive the same induction, which sets out an expectation that those employed by Perenti adhere to the Company's Code of Conduct and other relevant corporate policies and procedures.
- **Procurement** – Perenti procures a range of goods and services from approximately 2,500 suppliers. Key spend categories and services procured include utilities, tyres, professional services, parts and spares, light vehicles, labour hire, heavy equipment, ground support, freight and logistics, explosives, consumables and equipment hire. Perenti is aware that manufacturing facilities, particularly those outside of Australia, may have poor working conditions, which can create an enabling environment for slavery-like practices to occur. Perenti recognises that it currently has limited visibility with respect to some of its suppliers, particularly those beyond Tier 1, and that it is still developing its capacity to systematically identify and respond to modern slavery risks across its supply chain.
- **Complicity** – The assessment identified that Perenti, due to the nature of its business, may be complicit in the actions of its clients. Perenti is typically engaged by mine operators to provide services. Specific consideration was given to ensuring measures are in place to identify these potential risks, and explore ways to leverage the Company's relationship with its clients to manage risks – particularly in relation to water usage, waste disposal, health and safety, and community interactions.

Managing modern slavery risks - A look forward

Following the assessment, Perenti has developed a Program of Works, which sets out specific actions to further understand, respond to and manage human rights risks, including modern slavery risks, within its business operations and supply chain. A risk-based approach has been taken, which involves focusing the Company's efforts on areas assessed as having a higher risk of modern slavery practices.

The Program of Works is designed to be rolled out over a three-year period and drive continuous improvement in Perenti's capacity to manage modern slavery risks in its operations and supply chain.

Actions set out in the Program of Works relating to enhancing its response to modern slavery include:

- **Governance**

- > Confirm the roles responsible for overseeing the management of human rights risks, including modern slavery.
- > Enhance existing policies, and where appropriate develop new policies, to ensure there is a clear and standardised commitment and approach to human rights, inclusive of modern slavery.
- > Incorporate, as part of the annual business review, an assessment of human rights risks, inclusive of modern slavery.

- **Labour**

- > Provide employee training to increase knowledge and understanding of modern slavery risks within the Company, beginning with senior leaders and employees that have roles that are identified as being relevant to the management of modern slavery risks.
- > Review the approach to grievance management to ensure consistency across Perenti, including adapting the Speak Up Policy and Speak Up Standard across the Company.
- > Develop an audit program for reviewing labour hire practices to ensure consistency across the Company, so that there is appropriate oversight.

- **Procurement**

- > Review the documents that govern procurement practices to ensure they align with the Perenti's human rights commitments.
- > Develop a process to assess the risks and performance of suppliers, with a particular focus on those considered high risk from a modern slavery perspective, including an audit program.
- > Review the Company's approach to contract management and develop key performance indicators, where appropriate, to track performance.
- > Engage with suppliers, particularly those considered high risk from a modern slavery perspective, to raise awareness and improve performance in relation to human rights, inclusive of modern slavery.

Perenti recognises the value of continual improvement and the importance of assessing the effectiveness of the actions taken to address modern slavery risks through reporting on the Program of Works. To ensure the Program of Works is effectively controlling these risks, reporting will draw findings from annual risk assessments, reviews of external and internal processes and procedures, and measurement of key performance indicators with a focus on compliance and delivery of training.

Management will also report to the Board if there are any incidents and/or allegations of modern slavery in its operations, including its supply chain, identified or disclosed during the year, and if so, the steps taken to respond to these risks.

Approval

Perenti is committed to respecting human rights and managing modern slavery risks in accordance with this Statement. The Company recognises that the risks of modern slavery are complex and evolving, and will continue to work to address these risks. This will involve actively engaging with stakeholders to assess the effectiveness of the identified actions to continually enhance the approach to management.

The Perenti Board of Directors authorised and approved the publication of this Statement on 28 January 2021.

Mark Norwell

Managing Director and Chief Executive Officer
Perenti