



2021

Modern Slavery Statement



About this Statement

This Statement is made under the Australian Modern Slavery Act 2018 Cth for the financial year ending 30 June 2021 ("FY21") and is published on behalf of DDH1 Limited (ACN 48 636 677 088) and its subsidiaries, including DDH1 Drilling Pty Ltd, Strike Drilling Pty Ltd and Ranger Exploration Drilling Pty Ltd, which operate throughout Australia (collectively referred to as "DDH1" or the "Group") ("Statement").

This Statement is DDH1'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.

Modern slavery is the severe exploitation of people for personal or commercial gain. Modern slavery is a major violation of human rights and covers serious crimes, including the following eight types of exploitation: human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour, and deceptive recruiting for labour or services.

DDH1 does not accept any form of modern slavery in its business operations or supply chain and is committed to cultivating a sustainable future and preventing human rights abuse.

This Statement was approved by the Board of DDH1 Limited on 29 July 2021.



Our Company

Our vision at DDH1 is to be the drilling company of first choice for Australian mining & exploration companies, and the employer of first choice for drilling industry employees.

DDDH1 Limited is a public company incorporated in Australia, and on 9 March 2021, DDH1 listed on the Australian Securities Exchange (ASX: DDH).

DDH1 is headquartered at 21 Baile Road, Canning Vale in Perth, Western Australia, and has operations across all states of Australia and a workforce of approximately 1,000 people.

The DDH1 Group provides mineral drilling services to the Australian mineral exploration and mining industry and has the equipment and expertise in the following types of drilling methods:

- Air Core Drilling - used to conduct preliminary stage exploration drilling work on soft rock formations to depths of approximately 200 metres.
- Reverse Circulation Drilling - used for exploration and grade control purposes and can penetrate hard rock to depths of approximately 500 metres.
- Diamond Core Drilling – used for drilling increasingly complex deeper mining and exploration activities and has been used to extract rock samples with surface drill rigs to depths of approximately 3,000 metres.

Website: www.ddh1.com.au

Key Activities in FY21

- Developed a Human Rights Policy and a Human Rights and Modern Slavery Group Standard.
- Developed policies for whistleblower, inclusion and diversity, employee code of conduct and supplier code of conduct.
- Training and awareness for Group procurement personnel.
- Survey of tier 1 suppliers on modern slavery risks.
- Revised procurement terms and conditions, requiring suppliers to prevent human rights abuses in their supply chain and operations.

Our Supply Chain



A\$94M

Supplier Spend

DDH1's supply chain includes the procurement of goods and services. DDH1 has approximately 2,100 active suppliers, and its procurement expenditure in FY21 was A\$94 million.



+2,100

Number of Suppliers

Approximately 95% of this expenditure was made within Australia, and the remainder was primarily spent overseas, including Canada, United States of America, and China.



~95%

Suppliers located in
Australia

The majority of its suppliers are located in Australia; however, we recognise that our suppliers' source products are from elsewhere, which presents potential modern slavery risks deeper within DDH1's supply chain.

Remaining suppliers are in Canada,
USA and China



Our Approach to Human Rights

Given the prevalence of modern slavery globally, DDH1 acknowledges that modern slavery practices may be present in its supply chains.

This potential risk is recognised throughout DDH1, starting with the Board.

A key pillar in our sustainability aspiration is our commitment to respecting human rights. This commitment is operationalised by DDH1's **Human Rights Policy** and **Human Rights and Modern Slavery Group Standard**.

During the year, DDH1 developed a **Human Rights Policy** and **Human Rights and Modern Slavery Group Standard**, which sets out DDH1's approach to managing human rights and modern slavery risks in its operations and supply chains.

Other initiatives helping to operationalise this commitment to human rights include DDH1's:

- **Whistleblower Policy** – Approved by the Board in February 2021, this policy sets out the expectations that all employees and suppliers have a responsibility to help detect, prevent and report instances of misconduct, including breaches of DDH1's Human Rights Policy and Code of Conduct.
- **Inclusion and Diversity Policy** – Approved by the Board in February 2021, this policy sets out DDH1's commitment to creating an inclusive, productive and safe workplace, free from discrimination, harassment, and bullying.
- **Supplier Code of Conduct** – This code sets out the minimum expectations of DDH1's suppliers in relation to human rights, including compliance with laws on employment practices, zero use of forced or compulsory labour, in addition to health and safety, environmental impacts, business integrity and ethics.
- To work to align our business activities and practices with the **UN Guiding Principles** on human rights.

Assessing Modern Slavery Risks

During the reporting period, DDH1 conducted a high-level risk assessment of its procurement activities to understand where human rights risks, including modern slavery risks, may exist.

The assessment was undertaken by our Chief Financial Officer and the Group Procurement Manager.

A key part of this assessment was understanding modern slavery risks and identifying any potential suppliers deemed at high risk of modern slavery.

The assessment included reviewing our top suppliers' procurement practices, compliance, and policies for managing modern slavery risks. This survey was conducted across our top suppliers to understand and gain insights on potential risks, suppliers existing controls and processes.

The assessment found that the risks were largely dependent on location, with higher risks linked to low socio-economic countries, where there are greater security issues, political unrest, and corruption.

DDH1 is aware that manufacturing facilities, particularly those outside of Australia, may have working conditions, which can create an enabling environment for slavery-like practices to occur.

Key modern slavery risks identified through the assessment included::

Procurement – DDH1 procures a range of goods and services to support of its drilling services. The majority of DDH1's spend was in the following categories:

Fuel Supply

Drill Rigs, parts, consumables and services

Clothing, gloves, protective wear

Vehicles, heavy equipment, parts and service, freight haulage, equipment hire

DDH1 recognises the value of continual improvement and the importance of assessing the effectiveness of its human rights and modern slavery framework to mitigate modern slavery risks..

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.

Key Actions to Assess and Address Modern Slavery Risks

Key actions that DDH1 undertook during our first reporting period included assessing our modern slavery risks in our supply chain.

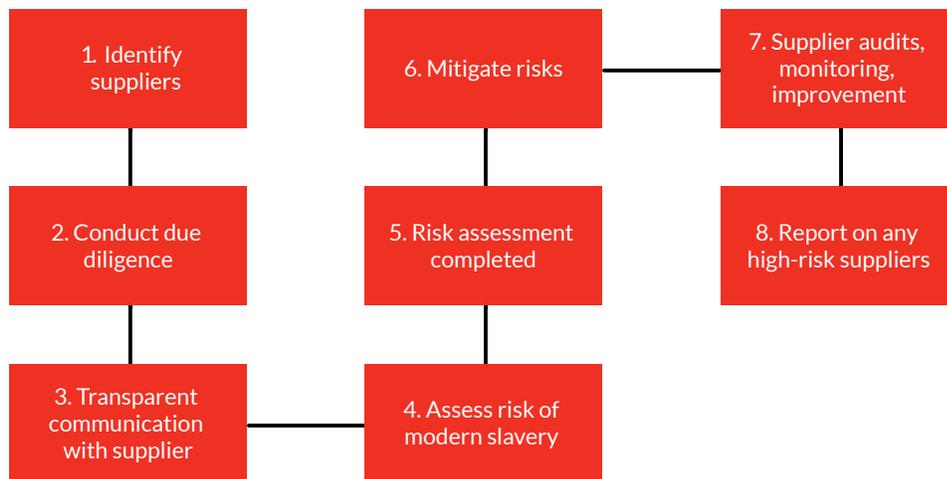
Following the assessment of our supply chain, DDH1 has developed a Human Rights and Modern Slavery framework that includes a **Human Rights and Modern Slavery Group Standard**, a **Supplier Code of Conduct**, **Supplier Due Diligence Process** and revised its **Purchase Order Standard Terms and Conditions**.

Copies of these documents are available on the DDH1’s website at www.ddh1.com.au

This framework sets out specific actions to further understand, respond to and manage human rights and modern slavery risks within its Group’s operations and supply chain. This framework and the relevant documents above will be implemented effective 1 July 2021.

DDH1’s Human Rights and Modern Slavery framework for supply chain management includes the following processes:

Diagram 1 – Supply Chain Management Process



The framework is designed to be rolled out over the next twelve months and to drive continuous improvement in DDH1’s capacity to manage modern slavery risks in its operations and supply chain.

Managing Modern Slavery Risks - A Look Forward

Additional actions relating to enhancing our response to modern slavery will include::



Governance

- Review and enhance existing policies and code of conduct to ensure a clear and standardised commitment and approach to business ethics, including human rights and modern slavery.
- Incorporate, as part of the risk management reporting, an assessment of human rights risks, inclusive of modern slavery.



Personal Training and Risk Management

- Provide ongoing training to relevant personnel to understand modern slavery risks within our supply chain and operations



Procurement

- The ongoing rollout of our Human Rights and Modern Slavery framework and process across the Group.
- The rollout of our Supplier Code of Conduct and revised purchase order terms and conditions to all suppliers to the Group.
- Ongoing review of procurement practices to ensure they align with the DDH1's human rights commitments.
- Ongoing risk assessment of suppliers, with a particular focus on those considered high risk from a modern slavery perspective.
- Engage with suppliers, mainly those considered high risk from a modern slavery perspective, to raise awareness and improve performance in relation to human rights, inclusive of modern slavery.
- Mapping our supply chain to improve our understanding of potential areas of modern slavery risks.
- Develop an audit program for our high-risk suppliers for compliance with human rights.

Process of Consulting with Group Entities

DDH1 operates with three separate business units, with each business responsible for its procurement functions, which is then overseen by a Group Procurement Manager.

DDH1 recognises that each entity in the Group has responsibilities to address modern slavery risks throughout the business operations and supply chain.

DDH1 consulted with senior executives and the Board of each Group entity in the preparation of this Statement.

DDH1's Human Rights Policy, Human Rights and Modern Slavery Group Standard and Supplier Code of Conduct apply to all entities in the DDH1 Group. During the development and implementation of these governance documents, consultation was undertaken with both corporate and operational stakeholders across the DDH1 Group.

Approval

DDH1 is committed to respecting human rights and managing modern slavery risks in accordance with this Statement.

DDH1 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 suppliers to assess the effectiveness of the identified actions to continually enhance the approach to supply chain management.

The DDH1 Board of Directors authorised and approved the publication of this Statement on 29 July 2021.



Sy Van Dyk
Managing Director and Chief Executive Officer
29 July 2021