



ABN 48 636 677 088

2022 Modern Slavery Statement



We have the capability to provide broad services enabling us to continue to support client's as their project progresses

1. About This Statement

This Statement is made under the *Australian Modern Slavery Act 2018 Cth* (“Act”) for the financial year ending 30 June 2022 (“FY22”) and is published on behalf of DDH1 Limited (ACN 48 636 677 088) and its subsidiaries, including DDH1 Drilling Pty Ltd, Swick Mining Services, Strike Drilling Pty Ltd and Ranger Exploration Drilling Pty Ltd, which operate throughout Australia, Portugal, Spain and North America (collectively referred to as “DDH1” or the “Group”) (“Statement”).

This Statement is DDH1’s second Modern Slavery Statement and sets out the Group’s risks of modern slavery within its operations and supply chain and the actions being taken to assess and manage those 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.

The location of the disclosure of the mandatory reporting criteria within this Statement, as required under the Act, is provided in the Annexure to this Statement.

This Statement was approved by the Board of DDH1 Limited on 29 November 2022.



2. Our Company

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

DDH1 is headquartered at 21 Baile Road, Canning Vale, in Perth, Western Australia and is listed on the Australian Securities Exchange (ASX: DDH).

The Group operates with a fleet of 185 drill rigs, one of the top five largest fleets globally (approx. 60% surface and 40% underground) and employs over 1,900 drilling industry specialists, with operations across all states of Australia and in select regions in Portugal and North America. Approximately 80% of DDH1's clients are repeat businesses.

DDH1 operates a divisional business structure where all four brands have professional managers to ensure that each specialised brand is well-managed and sustainable.

The Group's drilling services are commodity agnostic, and it has exposure to a diverse range of commodities, including gold, iron ore, nickel, copper and other critical metals. The Group has no exposure to coal.

The Group drilling services include the following types of drilling methods:

- ♦ Air Core Drilling - used to conduct production and preliminary stage exploration drillingwork on soft rock formations.
- ♦ Reverse Circulation Drilling - used for exploration and grade control purposes and can penetrate the hard rock to depths of approximately 500metres.
- ♦ Diamond Core Drilling (surface and underground) – used for drilling increasingly complex deeper, has been used to extract rock samples from surface drill rigs to depths of approximately 3,000 metres.

Website: www.ddh1.com.au

Our Brands

DDH1 has four strong and well-established brands: DDH1 Drilling, Ranger Drilling, Strike Drilling and Swick Mining Services. Together they create a global-scale mineral drilling company.



3. Our Commitment

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

Respect for human rights is consistent with the DDH1's values and is fundamental to DDH1's sustainability and the communities within which we operate.

The Group does not accept any form of modern slavery in its business operations or supply chain and is committed to ensuring that all workers are treated fairly and with respect. The Group has a global commitment to respecting human rights and takes a global approach to address any risks of modern slavery in our operations and supply chain.

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**, which sets out DDH1's approach to managing human rights and modern slavery risks in its operations and supply chains.

Key Activities in FY22

- Implemented Supplier Code of Conduct and new Supplier Terms and Conditions to include obligations to prevent human rights abuse.
- Integrated our newly acquired business, Swick Mining Services ("**Swick**"), into the Group and rolled out our Human Rights Policy and Standard in Swick's Australian operations and completed a survey of tier 1 suppliers to Swick.
- Training and awareness for Group Procurement Personnel.
- Ongoing analysis and due diligence of the Group's supply chain.

4. Our Supply Chain



A\$290M

Supplier Spend

The Group's supply chain includes the procurement of goods and services.



+2,490

Number of Suppliers

The Group has approximately 2,490 active suppliers, and its procurement expenditure in FY22 was A\$290 million.



~75%

Suppliers located in Australia

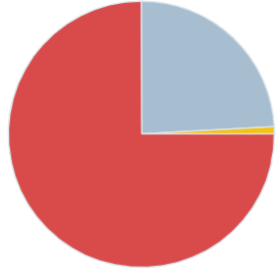
The remaining suppliers are in Europe, Canada, and USA.

Approximately 75% of this expenditure was made within Australia, and the remainder was primarily spent overseas, including Europe, Canada, the United States of America, and China.

The Group is committed to supporting local suppliers that operate businesses in the regions in which we operate. Our procurement teams actively source from local suppliers and include them in sourcing activities where their capability, quality control and assurance capabilities are assessed to meet the Group's requirements and standards.

The Group sources a diverse range of services and goods. 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 the Group's supply chain.

Total expenditure per region.



Australia 75% America 24% Europe 1%



5. Assessing Modern Slavery Risks

During the reporting period, DDH1 conducted an ongoing high-level risk assessment of the Group’s 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 the Group’s 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.

On 7 February 2022, DDH1 acquired the business of Swick Mining Services (“Swick”), which operates throughout Australia and in selected regions in Portugal, Spain and North America. Following the acquisition, Swick implemented DDH1’s Human Rights Policy and Standard into Swick’s procurement activities. The Swick business also conducted a high-level risk assessment of its tier-one suppliers to understand where human rights risks, including modern slavery risks, may exist.

Key modern slavery risks identified through the assessment, which is ongoing, included:

Procurement – The Group procures a range of goods and services to support of its drilling services. The majority of the Group’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.

6. Key Actions to Assess and Address Modern Slavery Risks

Human Rights and Modern Slavery Framework

Key actions that DDH1 undertook during the reporting period included an ongoing assessment of our modern slavery risks in our supply chain.

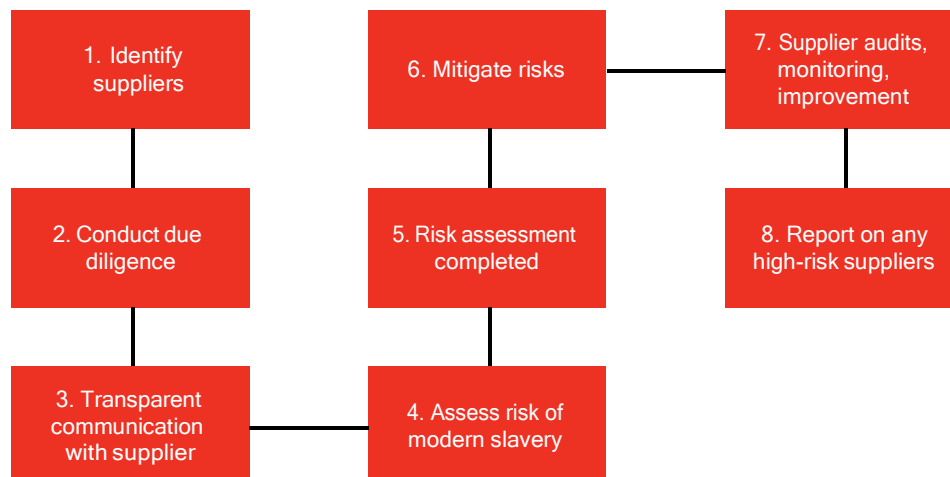
Following the initial assessment of the Group’s supply chain, DDH1 developed a Human Rights and Modern Slavery framework that includes a **Human Rights Policy and Standard**, a **Supplier Code of Conduct**, a **Supplier Due Diligence Process**, and revised its **Purchase Order Standard Terms and Conditions**.

Copies of DDH1’s Human Rights Policy and Supplier Code of Conduct are available at www.ddh1.com.au

DDH1’s Human Rights and Modern Slavery framework sets out specific actions to further understand, respond to and manage human rights and modern slavery risks within its Group’s operations and procurement supply chain. The framework aims to drive continuous improvement in the Group’s capacity to manage modern slavery risks in its operations and supply chain. This framework and the relevant documents were implemented throughout Australian operations during the reporting period.

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

Diagram 1 – Supply Chain Management Process



6. Key Actions to Assess and Address Modern Slavery Risks (continued)

Other Policies and Standards

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

- ♦ **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.
- ♦ **Supplier Terms and Conditions** – DDH1 has reviewed its supplier contracting arrangements, including terms and conditions, and identified the need to update its processes to enhance the management of modern slavery risk. DDH1 has developed a Supplier Code of Conduct and has introduced throughout the Group standard supplier terms and conditions contracts to include modern slavery warranties and obligations.
- ♦ **Whistleblower Policy** – Approved by the Board, 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 Code of Conduct and suspected issues of modern slavery. The Whistleblower Policy does not permit retaliation of any kind against those who have reasonable grounds to speak up about misconduct. A dedicated, independent third-party service is available to receive confidential reports on any potential, suspected or actual modern slavery abuses in writing and by telephone. These reports are confidential and can be made on an anonymous basis.
- ♦ **Inclusion and Diversity Policy** – Approved by the Board, this policy sets out DDH1's commitment to creating an inclusive, productive, and safe workplace, free from discrimination, harassment, and bullying.
- ♦ **Training and Awareness** – Increasing awareness of modern slavery is a critical aspect of identifying and addressing modern slavery risks. The Group provides ongoing e-learning training on Human Rights and Modern Slavery to employees who have a role in procurement. Employees determined to have greater exposure to modern slavery risks will be required to undertake this training on an annual basis.
- ♦ Further work is planned to align our business activities and practices with the **UN's Guiding Principles** on humanrights.

7. Continuous Improvement

During the reporting period, the DDH was primarily focused on developing and implementing the governance measures required to identify, assess and respond to risks of modern slavery within our operations and supply chain, which will continue in the next reporting period.

As we continue to build on our understanding of the potential risks of modern slavery in our operations and supply chain, we have identified various improvement initiatives to continuously improve the effectiveness of our modern slavery risk management approach. These include:

➤ Governance

- ◆ Continue to implement and improve the processes and procedures that support the identification and treatment of modern slavery risks, with a focus on countries and jurisdictions that have an inherently high risk of modern slavery.
- ◆ 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 and alignment with our sustainability goals.
- ◆ Incorporate DDH1's Human Rights and Modern Slavery framework into our sustainability reporting and risk management reporting.

➤ Personal Training and Risk Management

- ◆ Provide ongoing training to relevant employees 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.
- ◆ Continue screening of our supplier database for potential human rights risks and undertake enhanced due diligence, where required, supported by a newly developed supplier onboarding questionnaire.
- ◆ 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.
- ◆ Develop an audit program for our high-risk suppliers for compliance with human rights.

8. Process of Consulting with Group Entities

DDH1 operates with four separate businesses, with each business responsible for its procurement functions, which are then overseen by a Group Procurement Manager.

DDH1 recognises that each entity in the Group has responsibilities to address human rights and 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 November 2022.



Sy Van Dyk
Managing Director and Chief Executive Officer
29 November 2022

Annexure – Disclosure Index of Mandatory Statement Criteria

The table below indicates the location of the disclosure within this statement of the mandatory reporting criteria, as set out in section 16 of the Act.

Mandatory reporting criteria	Section	Page Number
Identify the reporting entity	1	Page 2
Describe the reporting entity's structure, operations, and supply chains.	2 and 4	Pages 3 and 5
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	3 and 5	Pages 4 and 6
Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	3 and 6	Pages 4, 7 and 9
Describe how the reporting entity assesses the effectiveness of these actions.	7	Page 9
Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	8	Page 10
Any other information that the reporting entity, or the entity giving the statement, considers relevant.	7	Page 9



Contact Us

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