



MODERN SLAVERY STATEMENT FY2025



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❖ About this statement

This is the Lucas Group’s sixth statement made under the Australian Modern Slavery Act 2018. This statement covers AJ Lucas Group Limited (ACN 060 309 104) and its relevant subsidiaries, as listed below (together referred to as “Lucas”), for the financial year ending 30 June 2025.

It has been approved by Lucas’ board of directors as the parent entity of all relevant subsidiaries, in compliance with the Modern Slavery Act 2018 (Cth) on the 27 November 2025.

The following is a list of subsidiaries (“relevant subsidiaries”) covered by the statement:

- 1. AJ Lucas Operations Pty Ltd ACN 087 777 633
- 2. Lucas Engineering & Construction Pty Ltd ACN 159 594 180
- 3. Lucas Shared Services Pty Ltd ACN 087 777 571
- 4. Lucas Drilling Pty Ltd ACN 093 489 671
- 5. Lucas Contract Drilling Pty Ltd ACN 120 778 654
- 6. Jaceco Drilling Pty Ltd ACN 078 318 859
- 7. Geosearch Drilling Services Pty Ltd ACN 052 402 481
- 8. Mitchell Drilling Corporates Pty Ltd ACN 117 060 732
- 9. McDermott Drilling Pty Ltd ACN 000 819 536



CEO Statement



At Lucas we maintain a zero-tolerance approach to modern slavery within our operations and supply chain. We acknowledge our responsibility to understand, identify and mitigate modern slavery risks. Expectations on business to do so are ever increasing, evidenced not least of which by, the increasing regulatory and legislative obligations around the world.

Modern slavery is a term that encompasses practices such as slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruitment, and the worst forms of child labour (situations where children are subjected to slavery or similar practices, or engaged in hazardous work).

We recognise modern slavery is a serious world wide issue, and the risk it poses to our business and supply chains. According to the Walk Free Global Slavery Index, approximately 50 million people (an increase of 10 million since 2018) were victims of modern slavery globally in 2021, with the highest prevalence in countries affected by conflict, state-imposed forced labour, and weak governance. The Index emphasises the need for ongoing vigilance, robust due diligence, and collaboration between governments, businesses, and civil society to address and eradicate modern slavery.

We also recognise the responsibility businesses have to respond accordingly. Lucas aligns its policies with the UN Guiding Principles and the Commonwealth Modern Slavery Act 2018. This Sixth Modern Slavery Statement outlines the measures taken to identify, assess, and manage modern slavery risks in our operations and supply chains, in compliance with the Modern Slavery Act 2018 (Cth).

The actions we have taken to mitigate the risk of modern slavery focus on:

1. Initial supplier engagement due diligence

As part of our supplier selection and onboarding process, we require suppliers to acknowledge and commit to our Supplier Code of Conduct. By agreeing to supply goods and/or services to Lucas, suppliers acknowledge their commitment to cooperate with Lucas in reasonable risk assessments and investigations related to modern slavery. Suppliers are expected to take proactive steps to identify, assess, and address modern slavery risks within their own operations and supply chains. Should any modern slavery practices be identified, suppliers must promptly inform Lucas, take all reasonable actions to address or eliminate these practices and remediate any adverse impacts.

2. Awareness and training across our business

All employees are required to complete mandatory training on modern slavery. This training is designed to ensure that staff gain awareness of the risks associated with modern slavery, particularly when engaging with suppliers. By equipping our workforce with this knowledge, we strengthen our ability to prevent, detect, and address potential instances of modern slavery within our supply chain.

3. Grievance mechanisms

We maintain a Whistleblower Policy that enables employees, contractors, and third parties to confidentially report concerns.

4. Monitoring of existing supplier practices supply chain to identify potential risks

To effectively monitor existing supplier practices and identify potential risks within the supply chain, we employ a combination of proactive measures. Suppliers are regularly sent self-assessment questionnaires designed to capture key information on their policies, procedures, and risk management practices, enabling us to track supplier governance progress. Additionally, desktop audits are conducted allowing us to remotely review supplier documentation, certifications, and processes. These measures help us identify and address potential risks in our supply chain efficiently.

5. Ensuring we have contractual rights to investigate and obtain cooperation from our suppliers

To uphold our commitment to ethical sourcing and compliance with modern slavery laws, we ensure that our supplier contracts include clear rights for us to investigate potential modern slavery risks within our supply chain. These contractual provisions require suppliers to cooperate fully with any reasonable requests for information, audits, or investigations related to modern slavery. Suppliers are also obligated to provide prompt assistance and take corrective action if any risks or incidents are identified. By embedding these rights and obligations into our agreements, we strengthen our ability to detect, address, and remediate modern slavery risks in collaboration with our suppliers.

🔦 FY25 Highlights

During the year, we continued to:

Increase our understanding of modern slavery risk

100% of our 278 Australian based employees (as at 30 June 2025) of the Group have completed training on Modern Slavery Risks. All new employees will continue to complete training as part of our onboarding process.

Through ongoing supplier engagement, we continued to increase awareness and refine our assessment of modern slavery risks within our supply chain.

This year we have further developed our Supplier Self-Assessment Questionnaire. We also expanded on the number of suppliers that have been sent Self-Assessment Questionnaires. We received a response rate of 47%, which is a slight drop in response rate from last year. Next year we will work to increase the response rate of the Questionnaires.

We continue to strengthen our supplier onboarding process, including the assessment and approval process of new suppliers. Since commencement of the Act, all suppliers have been required to contractually commit to our supplier code of conduct and appropriate obligations to reduce the risk of modern slavery.

Developed policies and procedures

We continued to develop our Supplier Risk Matrix to incorporate our learning.

We are investigating appropriate platforms to best capture modern slavery information gathered from our supplier due diligence.

At times we are unable to enforce that suppliers accept our supplier code of conduct. This is usually because they have equivalent policies of their own in place. In these instances, we review the supplier's code of conduct and/or policies to ensure they align materially with the expectations and requirements set out in Lucas' Supplier Code of Conduct.



🔦 Our Business and Supply Chains



Our Business

Lucas specialises in providing advanced drilling services to the coal mining sector along Australia's eastern seaboard, with a particular emphasis on coal mine degassing and exploration. As a leading provider of exploration, production, and directional drilling solutions, we serve some of the world's largest mining companies. We also have a presence in the United Kingdom through our investment in Cuadrilla Resources Holdings Limited, a UK-based oil and gas exploration company. Our services are delivered through a dedicated workforce and a network of contractors and suppliers. We recognise that certain segments of our supply chain including manufacturers, repairers, resellers, and indirect suppliers of components such as rare earth metals in electronic equipment, as well as essential items like drilling fluids, lubricants, hoses, and rubber products may be indirectly sourced from suppliers that operate in regions with a higher risk of modern slavery. We are committed to identifying and addressing these risks to uphold the highest standards of ethical conduct throughout our operations and supply chains.

Where We Are

We are headquartered in Brisbane, Australia and have a strong presence across eastern Australia. Our Drilling division is operated out of our Brisbane head office with regional facilities strategically located in Moranbah near our key customers operations in Queensland. Our Australian operations, including head office staff, number approximately 280 employees which fluctuates with the level of drilling work. We also have investment in exploration licenses in the UK.

Our Suppliers

In FY2025 we spent over AUD\$89 M on goods and services from approximately 601 contractors and suppliers, mostly located in Australia. Our commercial team aims to develop and strengthen relationships with customers, contractors and suppliers who are committed to implementing actions against modern slavery. Each of our contractors and suppliers have their own supply chain and we recognise that each level in the supply chain has a responsibility to ensure compliance with all applicable laws, regulations, and respect for human rights.

The goods and services we utilise in our drilling operations predominantly comprise the following key categories:

- Drilling equipment, infrastructure and maintenance
- Drilling consumables and tools
- Equipment hire
- Travel and accommodation services
- Technology and consulting services

Our Modern Slavery Approach



Risk Assessment

Given the prevalence of modern slavery globally, Lucas acknowledges that modern slavery practices may be present in its supply chain. In FY25 we have used the following risk factors to undertake our risk assessment of our supply chain:

Geographic Risk	Sector & Industry	Products & Services	Entry Risks	Materiality (Spend)
Some Countries may have higher risks of modern slavery due to poor governance, weak rule of law, conflict, migration flows and socio-economic factors like poverty	Some sectors and industries may have higher risks due to their products and processes (extractives, textiles and fashion, fishing, electronics, cleaning and agriculture	Due to the way items are produced, provided or used (bricks, cobalt, cotton and rubber, and services such as cleaning).	Some entities may have higher risks due to poor governance structures, history of treating workers poorly, or human rights violations.	We have used this metric to prioritise our analysis, targeting our highest spend first.

Walk Free's Global Slavery Index's Importing Risk Analysis provides a high-level indication of how we may contribute to modern slavery not through exploitation occurring within our own borders but by the goods that we import. <https://www.walkfree.org/global-slavery-index/map/#mode=data:dimension=i:compare-country=AUS> Australia imports \$17 billion dollars (USD) worth of electronics, garments, textiles, fish and solar panels.

Areas of risks that we have identified in our risk assessment:

Remote Accommodation

We acknowledge the potential risk of inadvertently contributing to modern slavery practices within the area of remote accommodation. Our staff and contractors frequently stay in facilities where catering and cleaning services are provided. We have identified cleaning and catering as high-risk sectors due to the prevalence of subcontracting and limited oversight, particularly for workers assigned to night shifts who may be less visible. These industries often rely on low-skilled, low-paid labour, with a significant proportion of short-term, seasonal, and migrant workers. We will continue to engage with suppliers in this industry.

Electronics

Lucas have continued to engage with suppliers in this industry in the form of Self-Assessment Questionnaires. The completed Questionnaires we have received indicate the presence of reasonable policies, procedures and governance. We recognise that this is a high-risk industry and will continue to engage with suppliers in this area.

Garments

Throughout 2025, we continued to engage with key suppliers through annual self-assessment questionnaires. Suppliers reported improved understanding and oversight of their supply chains, supported by internal ESG committees and collaboration across business divisions. These efforts help ensure that suppliers and their partners meet both international and internal standards related to modern slavery, ethics, and sustainability. We will continue to monitor progress across our supplier base.

Extractions

Many of our clients are large global companies who are involved in the extraction, production and processing of minerals and metals and energy products for sale. They mine and beneficiate minerals across a range of commodities (including, coal, copper, cobalt, nickel, zinc, lead and ferroalloys) across many countries. Many of which have been identified as high risk by the Walk Free 2023, Global Slavery Index 2023. (Available from: <https://www.walkfree.org/global-slavery-index/>).

As part of our commitment to understand how we may contribute to Modern Slavery through our operations, we are dedicated to understanding our clients. Our contracts with our major clients contain clauses requiring mutual acknowledgement of the risks of Modern Slavery and affirm the commitment of both parties to minimising and mitigating those risks. We have continued to monitor our clients progress by conducting desktop analysis audits to understand their commitment and the progress they are making in identifying risks in their supply chains.

Due Dilligence

During the reporting period, we expanded the number of Self-Assessment Questionnaires distributed to our suppliers. We have implemented a process to track suppliers' progress year-on-year, monitoring their growing understanding of supply chain complexities and the development of policies and procedures to address modern slavery risks. The Questionnaires have helped us to understand where our suppliers operate, source materials and identify what policies and procedures / governance they have in place.

We recognise that engaging smaller suppliers in our supply chain presents unique challenges in addressing modern slavery risks. Many of these suppliers are not required to report under the Modern Slavery Act. As a result, they may lack awareness or a clear understanding of modern slavery requirements. We are committed to supporting our smaller suppliers through education and engagement, helping them understand their obligations and the importance of honest, thorough supply chain assessments to uphold our shared ethical standards. We have continued to engage with these suppliers and whilst we have not identified any actual or suspected modern slavery practices, we understand that a risk of modern slavery exists.

We have been impressed with the response of the majority of our suppliers. Most show good governance and at least a "developing" to "moderate" understanding of their supply chains. Through FY26 we intend on further improving our Questionnaire and tracking the progress our suppliers are making in understanding and analysing their supply chains. We will also further develop our mitigated risk matrix and procedures around the actions that are required once suppliers have returned their completed questionnaires.

We have Identified, assessed, and implemented ongoing mitigations of modern slavery risks.

- a. We have developed a methodology for identifying and assessing potential modern slavery risks that could be contributed to by our actions.
- b. We have developed standard clauses which are incorporated in our high value supplier contracts.
- c. As a condition of our supplier approval and onboarding process, all prospective suppliers are required to agree to our Supplier Code of Conduct ("SCOC") (or agree to abide by an equivalent Code of Conduct). The SCOC details our expectations of suppliers and contractors in the areas of ethical business practices; labour and human rights; and Safety, Health, Security, Environment and Community. The SCOC is available on our website.
- d. All of our Contracts with our client's contain standard clauses which require the client to, at a minimum, acknowledge their Modern Slavery risk, commit to minimising and mitigating such risks and reporting obligation in the event risks are realised.

We have enhanced our understanding and capabilities

It is crucial that we train our employees to identify and address the risks of modern slavery practices. As reported in our previous Modern Slavery Statement, training material was rolled out to all existing Australian based employees of Lucas to ensure there was an acceptable level of awareness of Modern Slavery risk and of our policies to mitigate the risk of Modern Slavery across our organisation. This training has been incorporated in the employee onboarding process for all new recruitment in the future. To date 100% of our employees have undergone Modern Slavery Risk training.

We have a mechanism for raising grievances

We have a Whistleblower Policy. This policy includes a comprehensive mechanism for employees, contractors and third parties to raise a grievance, ~~will be expanded to explicitly including potential instances of modern slavery and human rights abuses, suspected or actual illegal activity and breaches of Company policy.~~

Assessing the Effectiveness of our Actions

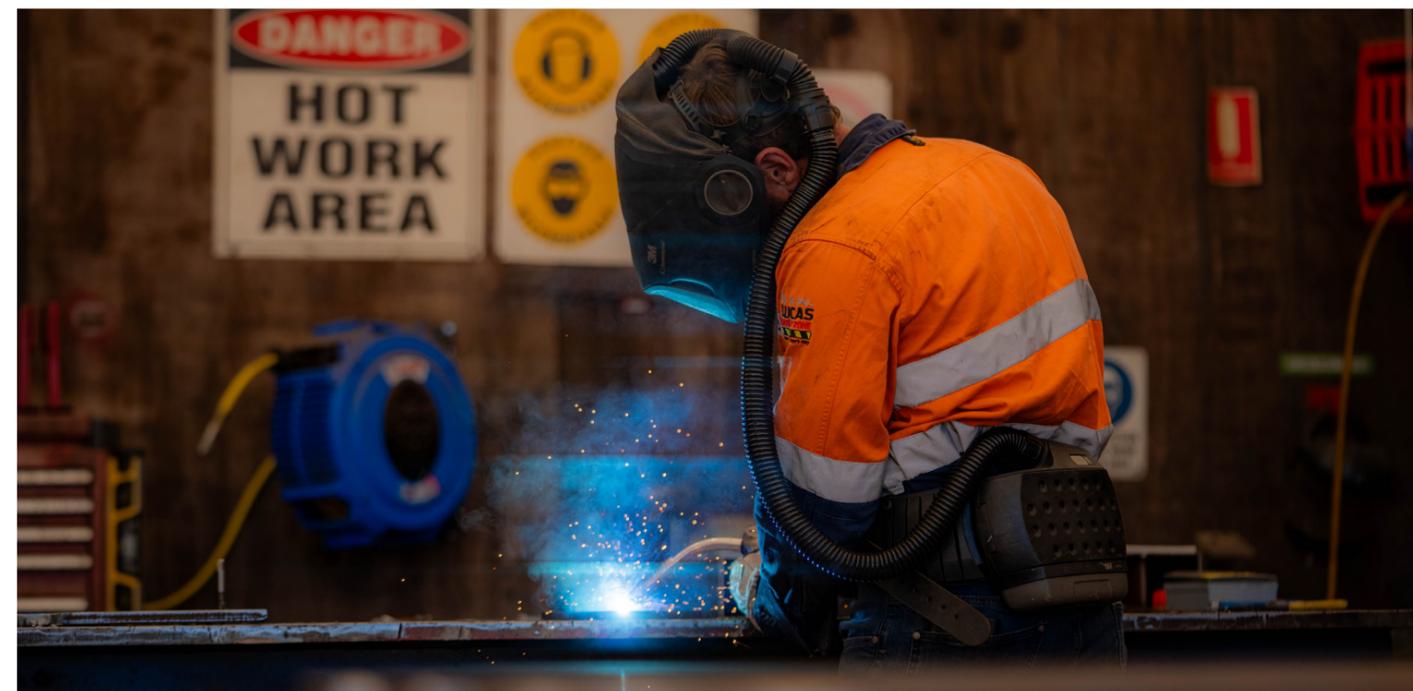
We will continually assess our effectiveness of identifying modern slavery risks through:

- a. Reviews of our policies, procedures and training deployment mechanisms
- b. Encouraging discussions and feedback on our policies that are mandated to our suppliers through our regular supplier engagements.
- c. Continuing to review our Supplier Risk Assessment annually for changes.
- d. Tracking actions we have undertaken to measure their impact. For example, Supplier Questionnaire responses/ outcomes and working with suppliers to monitor performance in relation to any remedial corrective action plans.
- e. Monitoring Government for new guidance, results of review processes and future proposed regulations and legislations.

We consulted the relevant companies we own or control in the development of this statement. Lucas operates a Drilling operation in Australia with its Commercial department overseeing the procurement function across Lucas and its relevant subsidiaries, reporting to the Group's Chief Commercial Officer.

This statement is signed by Greg Runge in his role as the Chief Executive Officer of AJ Lucas Group Limited and each of the Relevant subsidiaries.

Greg Runge
Group Chief Executive Officer
Date: 27 November 2025



Contact Us

Address

Level 22, 167 Eagle Street
Brisbane QLD 4000

Phone: +61 7 3363 7333

E-mail: sales@lucas.com.au

Web: www.lucas.com.au

