

The background is a solid dark blue. In the top-left corner, there is a vertical strip of diagonal yellow lines. Scattered across the page are several gear icons: a large light blue gear in the upper left, a medium light blue gear in the lower center, a small light blue gear in the lower right, and a cluster of three yellow gears (one large, one medium, one small) in the upper right. The word "MADER" is written in a large, bold, white, sans-serif font, centered horizontally and partially overlapping the gear icons.

MADER

Modern Slavery Statement

FOR THE YEAR ENDED 30 JUNE 2021

MADER GROUP LIMITED
ABN 51 159 340 397

Modern Slavery Statement 2021

1. Introduction

This Modern Slavery Statement (**Statement**) is made pursuant to the *Modern Slavery Act 2018* (Cth) (**Act**). This is the second modern slavery statement of Mader Group Limited ACN 159 340 397 (**Company**) under the Act. This Statement covers the operations and supply chains of the Company and its controlled entities (**Mader Group**).

The Mader Group opposes all forms of modern slavery and is committed to operating its business lawfully, ethically and in respect of human rights. This Statement sets out the actions the Mader Group has undertaken during the financial year ending 30 June 2021 (**FY21**) to identify and address the risks of modern slavery in its operations and supply chains. This Statement also outlines the actions proposed to be taken by the Mader Group in relation to modern slavery risks in the future.

2. The Mader Group

Overview

The Mader Group is a leading, global equipment maintenance provider, powered by mechanically minded specialists. The Mader Group provides premium heavy mobile equipment maintenance support and ancillary services to mining and civil clients throughout Australia, Asia, Africa and the Americas.

Structure and Operations

The Company is the ultimate parent company of the Mader Group. The Company is listed on the Australian Stock Exchange (ASX:MAD). All Mader Group entities operate under the direction and governance of the Company.

The Mader Group is headquartered in Perth (WA) and has regional offices in Kalgoorlie (WA), Brisbane (QLD), Hunter Valley (NSW), Ulaanbaatar (Mongolia), Solwezi (Zambia), Hong Kong (Hong Kong) and Fort Collins (USA). The Mader Group also has a workshop in Perth (WA).

Over its 16 years of operation, the Mader Group has gained experience throughout Australia, Asia, Africa and the Americas, providing a wide range of maintenance services to over 370 sites and 240 customers worldwide. The Mader Group currently has over 1,600 staff servicing customers providing specialised contract labour for maintenance of heavy mobile equipment in the resources sector.

Mader Group revenue for FY21 was \$304 million, comprising \$273 million in Australia, \$24 million in USA and \$7 million in all other countries.

Supply Chain

The Mader Group's supply chain for FY21 consisted of over 600 direct suppliers across a broad range of products and services. Key products and services the Mader Group procure includes vehicles, spare parts, fuel, tools and equipment for use in its operations, together with travel services, corporate and administrative services and IT services.

In FY21, total procurement spend of the Mader Group was over \$50 million, of which around 80% was paid to Australian suppliers and around 20% was paid to international suppliers (principally in Asia, Africa and the Americas).

3. Modern Slavery Risks

The Mader Group recognises that modern slavery risks have the potential to exist in a businesses' operations and supply chains through a variety of circumstances. The following areas may be indicators of higher potential risk areas for modern slavery practices:

- *Geographic locations* – Certain countries are associated with a greater risk of modern slavery practices (for example, see the UN Global Slavery Index).
- *Industry sectors* – Certain industry sectors are deemed higher risk in international and national guidance documentation (for example, see the ACSI guide on Modern Slavery Risks, Rights & Responsibilities 2019).
- *Commodities/products* – Certain commodities and products are deemed higher risk in international guidance documentation (for example, see the ILAB's 2020 List of Goods Produced by Child Labour or Forced Labour).

The Mader Group believes the overall risk of modern slavery is low in its operations and direct supply chains. The Mader Group is taking the actions set out in this Statement to address modern slavery risks where they may potentially exist.

4. FY2021 Actions & Outcomes

The Mader Group's focus in FY21 was to strengthen its understanding of potential risks of modern slavery practices in its operations and supply chains and commit to actions that will improve its ability to identify and reduce those risks in the future. As such, the actions taken by the Mader Group in FY21 are set out below:

- a. *Risk assessment* – We completed an updated risk assessment of our operations and supply chains seeking to identify further potential modern slavery risks. No immediate concerns were raised as the majority of goods and services purchased by the Mader Group were sourced from low risk, first tier and domestic based suppliers. However, to ensure that Modern Slavery is detected within our supply chain operations, our supplier due diligence processes will be further reviewed to reduce the exposure to modern slavery within our supply chains.
- b. *Supplier engagement* – We have formalized a standard modern slavery questionnaire which we intend to provide to our direct suppliers identified as higher risk for modern slavery due to their industry sector, geographic location or product category. These questionnaires will be issued to suppliers to better understand these supplier's supply chains and evaluate their processes and controls to mitigate modern slavery risks.
- c. *Policy review* – We undertook a review of our Modern Slavery Policy to consider its effectiveness in mitigating modern slavery risks in our business and supply chains as part of our broader framework of policies and procedures. We believe that our

Modern Slavery Policy appropriately address modern slavery risks in our operations and supply chains at this time.

- d. *Risk management framework* – We reviewed our approach to risk management across all areas of our business potentially affected by modern slavery risks, in particular our procurement processes and risk management procedures in place for engaging our direct suppliers. Throughout FY21, we identified further areas of improvement in our risk management framework, including around supplier engagement and awareness of modern slavery risks in our business.
- e. *Contracting* – We reviewed our contract templates used to engage our direct suppliers and have commenced work on incorporating modern slavery clauses into higher risk contract templates.
- f. *Awareness & training* – We continued to raise awareness to more of our staff on modern slavery risks and how to mitigate such risks.

5. FY22 Actions

The Mader Group will regularly assess potential modern slavery risks in our operations and supply chains and work to improve and develop our modern slavery risk mitigation measures.

Acknowledging that the ongoing effects of COVID-19 creates uncertainty and unique difficulties in respect of operations and supply chains, the Mader Group presently plans to take the following actions in FY22 to identify and address modern slavery risks:

- a. *Risk assessment* – We will complete an updated risk assessment of our operations and supply chains to identify potential modern slavery risks, expanding on previous risk assessments to include a wider range of direct suppliers, whilst generally looking to strengthen and refine this due diligence exercise to better target higher risk suppliers and gain greater visibility into their supply chains and procurement practices.
- b. *Supplier engagement* – We will continue to engage with our direct suppliers who have been identified as higher risk for modern slavery due to their industry sector or product category.
- c. *Update Supplier Contracts* – We will aim to complete the updating of our higher risk contract templates to include modern slavery clauses.
- d. *Policy review* – We will continue to review our corporate governance framework including our Modern Slavery Policy to consider its effectiveness in mitigating modern slavery risks in our business and supply chains as part of our broader framework of policies and procedures.
- e. *Risk management framework* – We will complete an updated review of our risk management framework, including improvements made as a result of our FY21 review and focus on our procurement processes in light of the potential modern slavery risks faced by our business.

- f. *Awareness & training* – We will continue to raise awareness to more of our staff, in particular in our contracting, procurement and finance teams, on modern slavery risks and how to mitigate such risks.

6. Measuring Effectiveness

The Mader Group has undertaken a number of actions to date as set out in this Statement to identify, address and mitigate the risks of modern slavery in our operations and supply chains. The Mader Group is continuing to collect information regarding the modern slavery risks in our operations and supply chains.

The actions to be taken in FY22 as set out in this Statement are aimed at updating our modern slavery risk detection, assessment and mitigation strategies across our operations and supply chains and measuring the effectiveness of risk mitigation measures adopted by the Mader Group in FY21.

The Mader Group will explore further mechanisms to measure the effectiveness of our actions undertaken to address modern slavery risks.

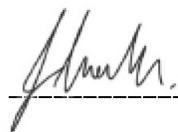
7. Consultation with controlled entities

Each controlled entity in the Mader Group operates under the direction and governance of the Company. These entities were consulted in relation this Statement, the actions taken, and future commitments made in relation to modern slavery risks. The supply chains and operations of all controlled entities in the Mader Group were included in the risk assessment undertaken in FY21.

In accordance with section 14(1) of the Act, this Statement is given by the Company and covers the Company and the following reporting entities:

- Mader Contracting Pty Ltd (ACN 114 021 537)
- Mader Queensland Pty Ltd (ACN 611 004 552)

This Statement has been approved by the Board of the Company.



Justin Nuich
Chief Executive Officer
Mader Group Limited

Dated: 31 December 2021