



MODERN SLAVERY STATEMENT

1 July 2019 – 30 June 2020



Mitchell
SERVICES



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INTRODUCTION

Mitchell Services Limited, its related bodies corporate and all stakeholders are committed to ensuring that we operate with the utmost respect for all human rights and labour rights and are dedicated to ensuring that our business operations are free from corruption.

The term modern slavery is used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom, servitude, forced labour and debt bondage.

Mitchell Services recognises that the increase in regulatory and legislative instruments around the world is indicative of the increasing expectations on businesses to play their part to understand, address and mitigate modern slavery and human trafficking risks.

Mitchell Services acknowledges the responsibility we have to work with our workforce, clients, suppliers, contractors and other external stakeholders to mitigate the risk of modern slavery indicators across our business in order to promote responsible business practice.




Andrew Elf

Chief Executive Officer

THE REPORTING ENTITY

This statement is for Mitchell Services Limited ACN 149 206 333 (ASX:MSV) (Mitchell Services).

Mitchell Services is a listed Australian resource and energy industry service provider whose operations are conducted in accordance with the laws and regulations of the various jurisdictions in Australia, including the Listing Rules of the Australian Securities Exchange (ASX).

This statement is made pursuant to the Modern Slavery Act 2018 (Cth). It constitutes the slavery and human trafficking statement of Mitchell Services for the year ended 30 June 2020 and has been approved by the Mitchell Services Board.

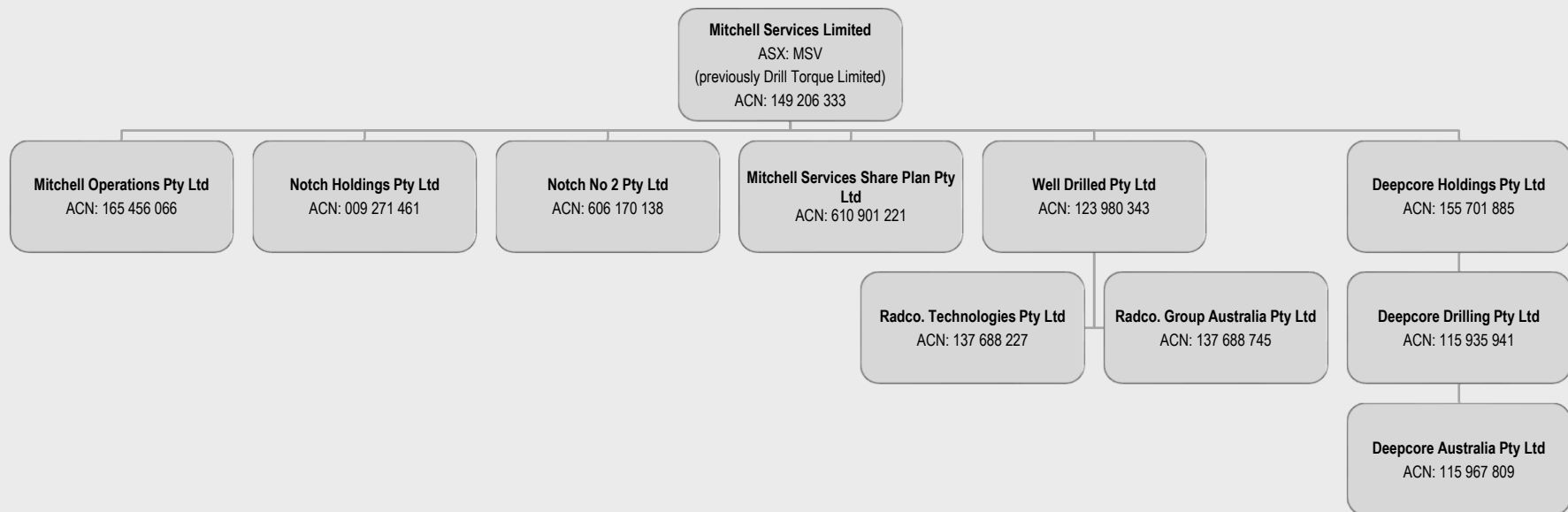


OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

STRUCTURE

Headquartered in Brisbane, our corporate group comprises Mitchell Services Limited as the parent company and a number of wholly owned subsidiaries.

As at 30 June 2020, Mitchell Services had over 100 rigs and circa 750 employees.

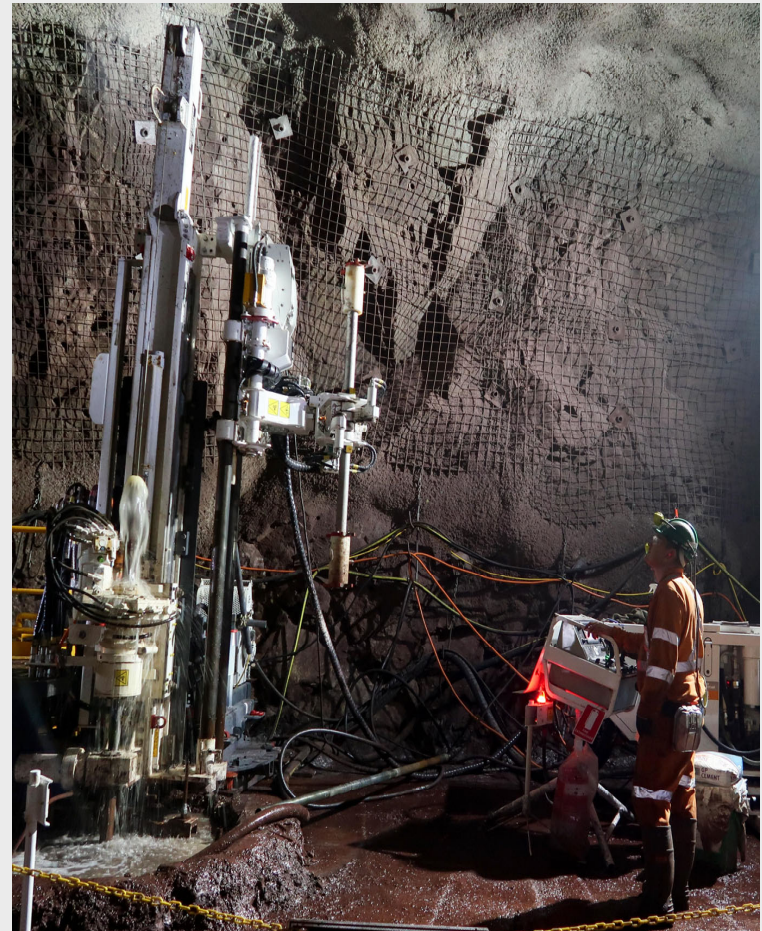


OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

OPERATIONS

Mitchell Services is a leading provider of drilling services to the global exploration, mining and energy industries in Australia. Our services extend across four key drilling divisions: exploration, mine services, drill and blast and underground. As at the date of this Statement, Mitchell Services has no offshore operations and no joint venture partners.

Mitchell Services has vast experience across different commodities and market sectors, reflecting our position as a leading provider of safe, efficient and proactive drilling services.



OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

SUPPLY CHAIN

Mitchell Services' supply chain includes the supply of goods and services used in operations. This includes but is not limited to fuel, drill rigs, trucks, catering, IT equipment, personal equipment, clothing and explosives. It also includes providers of temporary accommodation facilities and transport, including airlines and hire car companies used to transport our employees to various client drill sites.

The majority of our payments by value are made to goods and services suppliers in Australia, Europe and North America. These denote countries where purchase orders were raised and may not always represent the country of origin. Goods and services cover the mining life cycle, from exploration to production services. Our largest spend categories tend to be capital equipment, transportation, logistics and materials.

Mitchell Services has circa 500 suppliers that form part of the operational supply chain, circa 10-20 of whom provide the majority of operational procurement.

RISK OF MODERN SLAVERY PRACTICES

IN OUR OPERATIONS

Mitchell Services only operates in Australia. It has no operations and no joint venture or partnerships in countries reported to have a high prevalence of modern slavery by international organisations or NGOs. In addition, our workforce is subject to the requirements of the Fair Work Act (governing wages, hours of work and conditions) and the various workplace health and safety regimes in the States in which we operate.

Additionally, Mitchell Services' control framework and governance policies, including its Modern Slavery Policy, Code of Conduct and Ethics Policy, Community Policy and Whistle-blower Policy, educate employees and help protect against modern slavery.

Accordingly, and whilst we acknowledge that human rights issues can arise anywhere, given we operate in Australia with good governance and a strong rule of law, Mitchell Services has identified a low risk of causing, contributing to or being directly linked to modern slavery practices in its operations.

RISK OF MODERN SLAVERY PRACTICES

IN OUR SUPPLY CHAIN

The majority of our payments by value are made to goods and services suppliers in Australia, Europe and Northern America. Using tools such as the 2018 Global Slavery Index, these denote countries with lower risks of modern slavery, but we acknowledge these denote countries where purchase orders were raised and may not always represent the country of origin.

Further, some of the types of goods and services we procure may be higher risk than others for modern slavery. Depending on the local context, manufacturing and shipping are amongst the higher-risk activities we have identified in this regard. We have also recognised that increased due diligence may be needed when suppliers engage larger numbers of employees or, especially those who are lower skilled and providing physical labour.

When conducting due diligence into suppliers, we apply a range of steps. These include pre-qualification checks, contractual arrangements and ongoing monitoring, as appropriate.

Based on the responses from our suppliers and because our suppliers operate primarily in Australia, Europe and North America with good governance and a strong rule of law, Mitchell Services has identified a low risk of modern slavery risks in its supply chains.

ACTIONS TO ASSESS AND ADDRESS RISK

During the reporting period, we have endeavoured to extend our understanding of modern slavery risks across our operations and tier one suppliers, particularly where we have limited visibility over where those suppliers source materials.

Mitchell Services will continue to build expertise amongst its procurement personnel and raise awareness among its tier one suppliers in relation to modern slavery issues.



ACTIONS TO ASSESS AND ADDRESS RISK

DUE DILIGENCE

OPERATIONS

Mitchell Services is a drilling services company servicing various projects across Australia. It has no offshore operations. Accordingly, as noted in slide 8, because we only operate in Australia with good governance and a strong rule of law, Mitchell Services has identified a low risk of causing, contributing to or being directly linked to modern slavery practices in its operations.

Notwithstanding this, Mitchell Services' operational control framework and governance policies, including its Modern Slavery Policy, Code of Conduct and Ethics Policy, Community Policy and Whistle-blower Policy, educate employees and help protect against modern slavery. For example, our Modern Slavery Policy recognises the responsibility we have to engage with our workforce, suppliers, contractors and external stakeholders to mitigate any risk of modern slavery and promote the utmost respect for all human rights. All employees complete training as required.

ACTIONS TO ASSESS AND ADDRESS RISK

DUE DILIGENCE

SUPPLY CHAIN

Mitchell Services regularly purchases products and materials from around the world, including advanced technological equipment to service various projects. Mitchell Services has circa 500 suppliers that form part of the operational supply chain, circa 10-20 of whom provide the majority of operational procurement. During the reporting period, we focused on developing a supplier assurance program in relation to these tier one suppliers, including supplier risk questionnaires and declarations.

During the reporting period, the Mitchell Services procurement and governance team developed a due diligence process to help regulate, prevent and mitigate adverse human rights impacts in relation to its supply chains. That process involved creating a supplier risk questionnaire and declaration as to the controls and frameworks of suppliers to identify and address modern slavery risks in their businesses.

ACTIONS TO ASSESS AND ADDRESS RISK

IDENTIFICATION AND ASSESSMENT

Supplier risk questionnaires were completed and returned by some tier one suppliers, not all. Of those returned, suppliers confirmed material due diligence processes to help identify risk factors and programs to address modern slavery risks were in place. We will continue to work with suppliers who have not returned these questionnaires.

Further, new and all existing tier one suppliers of Mitchell Services are required to sign a Modern Slavery Declaration. This letter serves as a shared responsibility with Suppliers to improve transparency about modern slavery, increase business awareness and reduce modern slavery risks in Australian goods and services supply chains, and meet reporting requirements.

INTEGRATION OF FINDINGS

During the reporting period, Mitchell Services developed systems to allow screening of suppliers to understand how they are addressing modern slavery risks. Through the supplier database, key suppliers are tracked to ensure they have acknowledged their obligations and responsibilities under Modern Slavery legislation.

ACTIONS TO ASSESS AND ADDRESS RISK

PERFORMANCE MANAGEMENT

Mitchell Services continues to improve our supplier governance framework and operational controls to address modern slavery risks. The impact of COVID-19 meant Mitchell Services was unable to implement some key actions, including desktop audits of supplier's modern slavery controls and staff training. These will be conducted in 2021.

The Mitchell Services supply team conducts regular reviews on system screening processes designed to ensure that we remain informed of our key supplier's business structures and processes.

COMMUNICATION

Mitchell Services publish this Modern Slavery Statement for the reporting period ending June 2020. Mitchell Services will continue to notify the public regarding internal systems implemented to minimize modern slavery risks throughout all operations and supply chains.

ACTIONS TO ASSESS AND ADDRESS RISK

REVIEWS AND REPORTING

Mitchell Services recognises that awareness, education and collaboration are key to combating modern slavery. As a business we endeavour to always promote and enhance accountability to ensure purchasing decisions are made in accordance with best practice.

During the reporting period, key suppliers are issued with a letter outlining the corporate group's commitment to addressing modern slavery concerns and requires suppliers to return a completed questionnaire declaring that the supplier will address and investigate any risk potential activities or adverse events that may occur or potentially occur in its operations and provide adequate notice to the company of any such risks.

Additionally, members of the governance team participated in applicable industry workshops on modern slavery.

EFFECTIVENESS OF ACTIONS TAKEN

ASSESSING AND ADDRESSING RISK

Mitchell Services regularly review tier one suppliers. These reviews include the supplier response to the Modern Slavery Declaration to enable Mitchell Services to understand the risks in the supply chain. Based on the responses from our suppliers and because we operate primarily in Australia, Mitchell Services has identified a low level of modern slavery risks in its supply chains and operations.

Mitchell Services has a number of remedial mechanisms in place to address adverse human right impacts and track our performance. For example, our Whistleblower Policy provides a safe process to enable employees to raise concerns regarding any negative impacts our business may have on them as workers, or impacts occurring or that may potentially occur to a third party. Further, our Human Resources department encourage open communication and take a proactive approach to address any potential harmful impacts to our workers, to provide a safe and productive work environment. In the current reporting period, we are not aware of any modern slavery complaints in our operations or with our tier one suppliers who have provided responses to our inquiries.

EFFECTIVENESS OF ACTIONS TAKEN

FUTURE ACTIONS

We will continue to develop our processes and practices to address this challenging issue.

In the next reporting period, we intend to:

- extend our understanding of modern slavery risk across our tier one suppliers;
- continue with employee training and awareness on potential modern slavery risks and indicators in our supply chain and operations;
- further build expertise among our procurement team;
- engage with peers and industry groups on modern slavery risks and remediation.



PROCESS OF CONSULTATION WITH OWNED ENTITIES

Mitchell Services has a central procurement function in place across each subsidiary company within the group.

Mitchell Services recognises that each entity within the group has a responsibility to address any modern slavery risks throughout its business operations.

We consulted with all senior managers, executives and the Boards of all wholly owned subsidiaries in the preparation of this statement to develop a comprehensive response plan to ensure best practice and compliance in all departments.

All executives and boards were briefed on the legislative standards implemented and subsequent reporting requirements. Following this, the senior managers in the Mitchell Services leadership team were engaged to review all existing procedures and complete an assessment to identify how modern slavery risks may present and vary across functions. Updated processes and record keeping have been implemented to ensure risk assessments are recorded when engaging new suppliers.

All key personnel and Boards have reviewed, contributed to and approved this Statement, and have implemented the processes and procedures outlined in this Statement.