

# AU Modern Slavery Statement 2021

## **Intro**

This statement relates to the 12-month period from January 1, 2021 through December 31, 2021. The purpose of the statement is to address Marine Power International LLCs (“MPI LLC”) commitment to minimizing the risk of modern slavery throughout its operations and supply chain. MPI LLC is an ethical enterprise and expects its employees, suppliers, agents, and subcontractors to engage in lawful and ethical business practices, including refraining from slave labor and/or human trafficking. The use of slave labor or human trafficking in the manufacture of MPI LLC products or components supplied to the Company is unethical, unacceptable, and entirely prohibited. MPI LLC fully supports global efforts to protect human rights through ethical supply chain management.

## **Reporting Entity / Structure / Operations**

Marine Power International LLC, ACN: 25 003 100 007, operating under the trade name Mercury Marine, is an importer, distributor and marketer of marine engines, engine parts and accessories, and boat parts and accessories. MPI LLC is a foreign corporation registered with the Australia Securities and Investment Commission and headquartered in Dandenong, Victoria, with locations in New South Wales and Queensland. MPI also operates facilities at each of these locations for warehousing stock and providing technical product training and support to dealers. MPI LLC’s ultimate parent company is Brunswick Corporation (“Brunswick” or “BC”). MPI LLC controls Marine Power New Zealand LLC (“MPNZ”) in Auckland, NZ, who also imports, distributes and markets marine engines, engine parts and accessories and boat parts and accessories.

MPI LLC and MPNZ distribute products through a network of independently owned dealers, distributors, and original equipment manufacturers in Australia and New Zealand, respectively.

## **Supply Chain**

MPI LLC’s and MPNZ’s main supplier is Mercury’s global headquarters in the United States, along with Mercury owned and controlled facilities in China, Japan and Belgium. MPI LLC and MPNZ have a limited number of 3<sup>rd</sup> party suppliers for accessories and marketing materials primarily from local suppliers in Australia and New Zealand. Additionally, there are local service providers to assist in the import and transportation of goods, as well as cleaning services, warehousing, etc.

## **Modern Slavery Risks and Mitigation Efforts**

MPI LLC believes that the risk of the operations of either MPI LLC or MPNZ causing, contributing to or being linked with modern slavery is low. The employees of both companies work in either Australia or New Zealand and work in the low-risk areas of management, sales, warehouse, administration, IT support and engineering.

While there are risks of modern slavery throughout the supply chain, it is severely limited based on the primary source and manufacturer of materials being from related parties that are controlled by Brunswick and subject to its employment policies which prohibit modern slavery. To the extent

that third party materials are included in the goods sourced from related parties, MPI LLC's parent company solicits feedback on the supply chain through Conflict Mineral and Responsible Sourcing initiatives, as well as requires that all suppliers accept the Brunswick Supplier Code of Conduct. The Code also requires that Brunswick's suppliers take steps to ensure that all of their suppliers, employees and subcontractors involved in Brunswick business are aware of and comply with the Code. Further details can be found on the Brunswick website at:  
<https://www.brunswick.com/corporate-responsibility/brunswick-policies-practices-standards>

The Brunswick Supplier Code of Conduct requires that all suppliers agree to abide by basic human rights initiatives and mitigate the risk of modern slavery by their company, as well as throughout their supply chain. We believe there is very low risk that there is any modern slavery within Brunswick's tier 1 supply chain.

Brunswick solicited feedback from Mercury's manufacturing/assembly facilities in China and Mexico to help identify any risks of human trafficking, child labor or modern slavery. At this point, no additional risks with those suppliers have been identified.

Brunswick continues to expand its modern slavery program, including efforts to:

1. Enhance internal policies around modern slavery and human trafficking;
2. Enhance the supplier code of conduct providing further guidance on our expectations and requirements; and
3. Create a modern slavery solicitation process whereby further risks of modern slavery can be detected and mitigated.

While there is presently no formal modern slavery-based audit program, MPI LLC and MPNZ, along with its parent company, maintains a supplier audit program allowing our staff to visit suppliers and identify on-site risks of modern slavery. Any risks identified during these site visits can be reported to management, to the compliance team or anonymously through the ethics hotline.


#### **Approval**

This statement is issued by Marine Power International LLC, in consultation with Brunswick Corporation and Marine Power New Zealand LLC, confirming that the statement is in alignment with the understanding of modern slavery risks within the supply chain.

This statement was approved by the Brunswick Board of Directors on 16 February 2022.



David Foulkes  
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Brunswick Corporation



Brad Zoelle  
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Marine Power International LLC