



Freo Group Pty Ltd
Head Office
91 Investigator Drive
Hope Valley WA 6165
t: +61 8 9499 9600
f: +61 8 9499 9696
e: sales@freogroup.com.au

Modern Slavery Statement 2023/24¹

1. Reporting entity

ACN 009 325 124
ABN 64 009 325 124

This is a joint statement made by the following entities:

- Marmon Construction Services (Australia) Holdings Pty Ltd (ABN 38 154 626 954) (“**MCSA**”);
- Sterling Crane (Australia) Pty Ltd (ACN 154 672 705); and
- Freo Group Pty Ltd (“**Freo**”) (ABN 64 009 325 124),

Together, these entities are referred to as “MCSA Group” (or “we,” “us,” or “our”).

In addition, the below entities are wholly owned or controlled entities of the MCSA Group:

- Global Cranes Pty Ltd (ABN 62 116 217 639);
- WGC Crane Group Pty Ltd (“**WGC**”) (ABN 30 002 091 287);
- Marmon Crane Australia Pty Ltd (“**Marmon**”)
- NSW Cranes Pty Ltd (46 625 563 868); and
- United Crane Hire Pty Ltd (ABN 49 093 547 712).

This is our second statement under the *Modern Slavery Act 2018* (Cth). Since our first statement, we have built on our initiatives designed to minimise and mitigate modern slavery risk, which we outline in section 4.

2. Structure, operations and supply chains

Our structure and operations

MCSA is a holding company registered and domiciled in Australia. All entities within the MCSA Group are private limited companies. Freo and WGC are the only customer-facing operating entities in the MCSA Group.

WGC is not a subsidiary of the MCSA Group but is controlled by MCSA due to a common overseas parent, Marmon Crane Services, Inc., a company registered in the United States of America. The ultimate parent entity of the MCSA Group is Berkshire Hathaway, Inc., a United States-registered company headquartered in Omaha, Nebraska, and listed on the New York Stock Exchange.

Freo and WGC operate in the same industry: the supply of crane services and related labour and ancillary services to the mining, oil & gas, construction, renewable energy and infrastructure sectors

National Hotline: **1300 CRANES** www.freogroup.com.au

Crane Hire | Heavy Lift | Shutdowns | Project Logistics



across Australia. They collectively employ around 1000+ people across 22 branches in six States and Territories throughout Australia.

Our supply chains

The MCSA Group has a consolidated supply chain. As of the end of this reporting period, our supply chain comprised 1445 suppliers, 1436 of which are located in Australia. However, MCSA does purchase cranes from foreign manufacturers represented by local agents or subsidiaries here in Australia. We include further details on our supply chain footprint in section 3.

3. Modern Slavery risks in operations and supply chain

Modern slavery describes 'situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom ("Modern Slavery"). Consistent with the United Nations' 'Guiding Principles on Business and Human Rights', we understand Modern Slavery risks to mean the risk that we may 'cause', 'contribute to', or be 'directly linked to' modern slavery and we have considered our risk profile from this perspective.

Cause and contribute

We recognise that direct risks of Modern Slavery, with respect to the MCSA Group, may surface within our own employment practices. These are situations where we may cause Modern Slavery practices through our own actions, such as underpayment or nonpayment of wages or salaries. There are also situations where we may contribute to Modern Slavery practices. For example, we may set unreasonable expectations on our suppliers regarding the prices of rigging equipment, which could lead to them engaging in Modern Slavery practices to meet these cost pressures.

The MCSA Group ensures the following in its dealing with employees and candidates for employment:

- we do not charge registration fees to be part of our employee database or to be considered for employment with us;
- we do not hold or retain passports or other identity documents on behalf of employees;
- all employees are covered under a registered Enterprise Bargaining Agreement or individual contract of employment that is consistent with Fair Work guidelines and National Employment Standards;
- all new employee information packs include the Fair Work Information Statement or Casual Employment Information Statement as applicable;
- we do not ask for demographic information such as gender, ethnic background, religious beliefs, political affiliation, sexual orientation or age during the recruiting or onboarding process;
- where accommodation is supplied to our employees as part of their employment, this accommodation is safe, clean and of a good standard;
- we do not allow the employment of children in any circumstances;
- we provide training to our staff and managers on legal and appropriate hiring practices, including interview techniques and

- we conduct periodic audits on our payroll system to detect errors or incidences of incorrect payments of wages and salaries.

Our current assessment of the risk of Modern Slavery within our business operations is low. This risk, along with other risks, is assessed at least annually and updated as necessary on our risk register.

We consider the policies, procedures, and processes outlined above and in section [4] of this statement adequate controls to address the risk of causing or contributing to modern slavery in our operations.

Directly linked

We understand that our association with another business may directly link us to modern slavery practices. For example, our supplier may be engaged with a supplier of theirs (or even a supplier of a supplier) who participates in Modern Slavery practices.

We deal with diverse suppliers who supply various items to us and other consumers (for example, stationery, clothing, and protective equipment), and the country of origin of all raw materials or components can be challenging to ascertain.

The indirect risks exist in the form of our exposure to suppliers within our supply chain who may be engaged in or indirectly exposed to Modern Slavery practices. Central to understanding our risk of being directly linked to potential Modern Slavery practices is understanding our supply chain.

Over 99% of MCSA Group's suppliers are located in Australia. However, we purchase cranes from foreign manufacturers represented by local agents or subsidiaries locally in Australia. *An initial risk analysis was performed in 2020, which has subsequently been reperfomed, and no material changes to our assessment have arisen.*'.

As a result of this analysis, we determined that 47% of our total spending in this period was attributable to a group of only 23 suppliers. Providing us with some initial comfort, each of these suppliers is a large multinational and is subject to the requirements of the *Modern Slavery Act 2018 (Cth)*. We engaged with representatives from each of these entities, either via phone, in person or via email, and detailed the various requirements and the measures that each has, or will have, to ensure that their supply chains are free from elements of Modern Slavery. As a result of these communications and our knowledge gained from long-tenured relationships with the suppliers, we have concluded that the risks of Modern Slavery related to these suppliers remain low, and no further action was needed other than an annual update to this mode of risk assessment.

We then expanded our analysis to other large suppliers and found that 19% of our spending was embedded with a group of 265 suppliers. Each of those suppliers was sent a Modern Slavery risk assessment questionnaire and Freo/WGC vendor evaluation questionnaire to help us ascertain the risk of Modern Slavery within the supplier's supply chain. We sent 265 questionnaires and received responses from 196 of these – a response rate of 73.9%. Of the suppliers who responded to our questionnaires, 106 shared their Human Rights Policy and Code of Conduct Policy. These policies

have been reviewed and recorded under their vendor accounts for reference within the Company's ERP system. We also worked with a technology partner (Property Council Platform - Informed 365) and a consortium of similar businesses to share supplier details and information to assess risks relating to suppliers, which has informed our risk categorisation.

Where the responses to the questionnaire or other indicators suggested a higher risk of Modern Slavery in a particular supplier's supply chain or where we were not able to determine a level of risk based on the responses, we contacted the supplier's representatives and met with them to discuss our concerns.

Suppliers were classified into the following categories:

OEM suppliers

These suppliers manufacture the main products we use to generate revenue within our business: cranes and associated lifting equipment. Our spending with these five suppliers accounts for over 25% of our total purchases, and we continue to consider OEM suppliers to possess a medium risk because they generally manufacture overseas.

Senior executives from the MCSA Group met with senior executives at each of our OEM suppliers to discuss their views and attitudes toward Modern Slavery. We also reviewed their Modern Slavery statements, policies, and other documents where available.

Conclusion: After this annual process, we were satisfied that the controls in place by our OEM suppliers acted as adequate and proportionate safeguards to mitigate the risk of Modern Slavery practices arising within this aspect of our supply chain.

We will continue to engage with OEM suppliers to assess our Modern Slavery risk profile each year or more frequently if circumstances indicate the need to do so.

High-value purchases

These are entities such as suppliers of automotive components, fuel, rigging equipment, transport and logistics, automotive repairs and servicing, and insurance. There are 106 suppliers in this category, accounting for 33% of total purchases.

Similarly, these suppliers were all sent a risk assessment questionnaire, and their responses were analysed. We also spoke with 10 of these suppliers by phone to discuss their company's practices and actions to combat Modern Slavery.

Conclusion: Based on the feedback on the sample communicated with, these suppliers had robust Modern Slavery policies and procurement procedures. The risk of Modern Slavery is determined to be low; however, this is continually monitored through our supplier onboarding process and subsequent review process.

These suppliers will remain subject to ongoing annual assessments.

Suppliers of IT equipment and services; food, beverage and catering; and cleaning suppliers

Whilst not a significant value of spend, nor exceptionally high volumes of purchases, this category of suppliers contains some of the “Top 5” at-risk products as determined by the G20 in the 2023 Global Slavery Index (GSI). In the 2023 GSI, the top five highest-value at-risk products imported by the G20 were electronics (US\$243.6 billion), garments (US\$147.9 billion), palm oil (US\$19.7 billion), solar panels (US\$14.8 billion), and textiles (US\$12.7 billion).

We sent risk assessment questionnaires to each supplier (a total of 9), and their responses were evaluated. As these categories, the organisation only deals with top-tier providers of this equipment, such as National companies that have established and documented modern slavery procedures and can highlight, with examples, how they address the potential impacts of modern slavery on their supply chain.

Conclusion: We consider there to be a low risk that elements of Modern Slavery exist in this area of our supply chain.

These suppliers will remain subject to ongoing annual assessments, and new suppliers must pass our modern slavery onboarding questionnaires.

General suppliers

These are the remaining balance of our suppliers who do not fit into the other categories. These suppliers number 754 and account for 34% of total purchases. This group includes 393 suppliers with annual spending of less than \$20,000. These suppliers are based in Australia, classified as a low-risk area in the Global Slavery Index. Additionally, 169 real estate agents in this group, including government agents, non-profit organisations, and banking institutions, show shallow industry risk in the I365 Slavery Risk Index. We have an annual process to send, collect, and assess the risk assessment questionnaires from each supplier.

Conclusion: Based on supplier responses, the risk of Modern Slavery in this aspect of our supply chain is deemed minimal, and to date, no red flags have been identified with suppliers within this category.

4. Actions taken to address risks

In addition to the supplier engagement and due diligence processes described above, these include the following:

Firstly, we have a suite of policies and procedures that assist in mitigating modern slavery risks and educate employees and suppliers about Modern Slavery and broader human rights risks in our supply chains and operations (described below).

The MCSA Group complies with all Australian laws and regulations in relation to the treatment of its employees and believes in equality for all workers regardless of age, gender, race, religious beliefs, sexual orientation or other personal traits. These practices are set out in the MCSA Group’s *Human Rights, Ethics and Compliance* procedure, and this procedure governs all entities within the MCSA Group. We share our Human Rights, Ethics and Compliance procedures with our clients, who often request us to demonstrate how we address the risks of Modern Slavery within our business. Since

the inception of our modern slavery programme, we have provided all new suppliers with this Policy and a copy to all OEM and high-purchase value suppliers.

In addition, the MCSA Group has other policies and procedures that complement *Human Rights, Ethics and Compliance*, including, but not limited to, the following:

- *Diversity and Inclusion Policy*
- *Indigenous Engagement Management Plan*
- *Community & Indigenous Engagement Management Plan*
- *Social Responsibility Management Plan*
- *Employee Relations Policy*
- *Code of Conduct*
- *Workplace Bullying and Harassment Procedure*
- *HSE Management Plan*
- *Marmor Policies 1 and 2* (parent policies that all employees must adhere to and acknowledge via annual declaration)

In addition to these policies, our ultimate parent, Berkshire Hathaway, Inc., provides an annual communication to every employee setting out Berkshire Hathaway's view on ethics and compliance. This communication includes a "hotline" that can be contacted by toll-free phone or email to report suspected breaches of laws, regulations, or unethical behaviour. An independent executive in the broader group investigates every contact with this service.

MCSA Group believes that these policies, procedures and processes, working together, minimise and mitigate any risk of aspects of Modern Slavery existing within our operations and supply chain.

Secondly, we have joined a consortium of similar businesses in Australia to implement a software-based solution to obtain information and intelligence from elements of our supply chain. The software facilitates sending a detailed questionnaire to all suppliers and collects and collates responses to help with a risk rating of each supplier. This information is shared across standard suppliers in the consortium, and by working together with like-minded organisations, we can help better educate our supplier network and reduce or eliminate elements of Modern Slavery, including any legislative updates and changes in risk profile.

Thirdly, we continue to stay aware of what is happening in the Modern Slavery compliance space within Australia by attending webinars, reading guidance notes, and absorbing other information made available by the Australian Border Force and professional service firms such as lawyers and accountants. This occurs monthly, and stakeholders from safety, legal, and procurement are in attendance.

Finally, MCSA Group's compliance with the *Modern Slavery Act 2018 (Cth)* is managed and overseen by a senior member of the MCSA Group executive, including a director of the Group.

Where we suspect that a supplier may be engaged in or indirectly exposed to elements of Modern Slavery, we will address these concerns with the supplier in question. If they cannot provide satisfactory evidence to allay our concerns, we will cease purchasing from this supplier immediately. To date, no evidence has been noted that has required this action.

5. Assessment of the effectiveness of actions

National Hotline: **1300 CRANES** www.freogroup.com.au

Crane Hire | Heavy Lift | Shutdowns | Project Logistics



We are committed to continually improving our efforts to assess and address Modern Slavery risks across our business operations and supply chain. This has included several improvement initiatives to strengthen our detection and preventative measures in this space, such as:

- Independent subject matter expert review of Modern Slavery Statement
- Attendance at various Modern Slavery legislative updates
- Discussions with Australian Border Force representatives
- Database of responses by our suppliers to Modern Slavery questionnaires and risk assessments

6. Process of consultation with other entities controlled by this entity

Each of the reporting entities covered by this statement, as well as the other entities owned or controlled by them that form part of the MCSA Group:

- have joint directors;
- report to the same senior executive team; and
- share centralised administration and support functions and use the same policies and processes.

This preparation of this statement and the MCSA Group's actions throughout the reporting period concerning Modern Slavery were made at the Board level, ensuring consultation with each MCSA for the abovementioned reasons.

7. Other information

Continuous improvement

The commentary included throughout this statement indicates the steps we have taken to improve and enhance our efforts to assess and address the risks of Modern Slavery in connection with our operations and supply chain. As we look forward to continuing to improve our actions, we have set out the goals below:

- Establishing a risk profile matrix to have an independent ongoing review of Modern Slavery risk
- Tailored training to select employees involved in procurement and supplier engagement
- Ongoing reviewing of supplier terms and conditions
- Opportunities to strengthen our practices with peer reviews of similar Company's approach to Modern Slavery


Approval of this statement

This statement is approved for release by the Board of Directors of MCSA, the parent entity of each of the reporting entities. The Boards of Directors for each member of the MCSA Group are comprised of the same directors.

This statement was approved on March 31, 2024.

Signed for and on behalf of

Marmon Construction Services (Australia) Holdings Pty Ltd ABN 38 154 626 954



Sven Gade - President