

Modern Slavery Act FY 2019-2020 Statement



TECHNOLOGY DEFINING PRODUCTIVITY

1. Introduction

Modern slavery is an emerging global issue. Throughout our value chain, CR aims to ensure that our employees and our business partners operate with respect for human rights and reject modern slavery.

Our commitment to respect and support human rights is aligned to the UN Guiding Principles on Business and Human Rights.

Our Values of Integrity and Respect includes the commitment to work to eradicate the many forms of modern slavery – such as forced labour or child labour - that exist.

2. Our Business

CR is a global IP, engineering, software, and manufacturing company, delivering innovative, Productivity Technology to large surface mining operations around the world.

We are a collaborative partner with the world's best miners, delivering solutions that improve mining productivity, asset availability, and safety around the globe.

As a leader in engineering innovation and manufacturing of mining equipment, our superior range includes hydraulic excavator cast lip systems, load haul optimization software systems, dragline buckets, ground engaging tools (G.E.T), dragline rigging, conveyor systems and fixed plant wear products.

We operate globally covering most major mining regions, with dual headquarters in the USA and Australia, plus manufacturing facilities spread throughout Australia and China, as well as our Global Technology Centre located in Queensland, Australia.

3. Organisational Structure

CR's total global workforce is approximately 300 (full-time equivalent with offices in Canada, Australia, USA, Chile and China and representatives across South America and EMEAR.

Our supply chain is centered in Australia, China, and the Americas. CR's Procurement manages most supplier relationships in partnership with our subsidiary as required.

This statement is for CQMS Razer Pty Ltd (referred as "CR") and applies to our global operations and suppliers of CR which CR managed during FY20. This statement was approved by the boards of CR.

4. Our Governance Framework

We are committed to excellence in corporate governance, transparency, and accountability. This is essential for the long-term performance and sustainability of our company, and to protect and enhance the interests of our shareholders and all other stakeholders. Our control framework includes various policies and standards, some directly referencing modern slavery, others with more general human rights and conduct requirements

5. Our Values, Code of Conduct and Policy Framework

CR's values and the Company Code of Conduct sets the behavioural standards for everyone who works for or on behalf of CR.

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The code of conduct helps us take a consistent, global approach to important ethics and compliance issues. The Code of Conduct is supported with a range of policies – Industry, OH&S, HR, Environment, Quality, Privacy etc.

In FY20, we have undertaken a thorough review of our Value statement, Code of Conduct Policy, Equity & Diversity Policy, and Community Policy to ensure relevancy, alignment, and support to the highest ethical standards. This review was completed and implemented in 2020.

5.1. Our values

Our values describe who we are and what we stand for; they should shape our decisions and actions and guide how we work together.

At CR, we have seven (7) core values:

- Zero Harm – We are all committed to the prevention of injuries and incidents and the highest social standards.
- Customer – We place exceptional customer experience at the centre of our thinking.
- Integrity - We are honest, transparent, and ethical in everything we do
- Collaboration – We work as one team, across all functions and geographies, to encourage diversity and inclusiveness.
- Excellence – We relentlessly pursue excellence and take pride in all we do. Quality of decision making, products and services are cornerstones to the way we work.
- Accountability – As individuals, we are proactive and take full responsibility for our decisions, behaviours and actions.
- Respect – We value all people equally and aim to build trusted relationships with our diverse stakeholders.

5.2. Company Code of Conduct

Our Company Code of Conduct sets out the standards of behaviour we expect of our representatives, including our managing directors, employees, and contractors. It embodies our commitment to good corporate governance and responsible business practice.

We believe our Code of Conduct also reflects the expectation of our customers, investors, regulators, and the community. We have developed the following principles for our Code that are underpinned by our values.

At CR:

- We act in the best interest of the company and our shareholders and work as one team to deliver solutions for our customers;
- We compete fairly and comply with the law in the countries where we operate;
- We act with honesty and integrity and don't make or receive improper payments, benefits or gains;
- We secure and protect the property of CR and others, including company and personal information;
- We maintain a safe and inclusive working environment where we treat each other with respect;
- We seek to make positive and sustainable economic, social and environmental contributions wherever we operate;
- We communicate responsibly and use technology appropriately;
- We're all individually accountable for complying with the Code, and we call things out which don't seem right.

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These are supported by a range of Company policies such as Health and Safety, Human Resource, Grievance, Privacy and Equity & Diversity. We regularly review our Company Code of Conduct, policies and procedures aimed at ensuring they are aligned with all relevant regulatory requirements.

All directors, employees and contractors are responsible for knowing and following the ethical, legal, and policy requirements that apply to their jobs and for reporting any suspected violations of law or our code. Our Management is accountable for creating and promoting a workplace culture in which compliance and ethical business conduct are fully expected and reinforced.

The Company Code of Conduct covers our values and group policies on issues such as fraud and ethical behaviour, health, safety and environment, discrimination and bullying, diversity and inclusion, anti-bribery and anti-corruption and privacy. We may take disciplinary action against employees who fail to act in accordance with our Policies and expectations.

5.3. Our workforce

At CR we have a diverse workforce of people with broad and varied capabilities, spanning salespeople & sales professionals, factory workers through to technology experts. There is a mixture of direct employees and Contractors.

We have a global employment framework that complies with all local laws as a minimum and covers core employment conditions such as minimum wages, hours of work, and leave entitlements. In many aspects, our global employment framework provides conditions and employment processes that go beyond what is required by local law.

We protect the personal information of our people and ensure they know how we are using information that we collect about them.

We ensure our people are treated fairly in matters that impact their employment.

5.4. Recruitment and labour-hire

We have a recruitment process to help ensure:

- All recruitment decisions are consistent with the CR values
- The process is consistently and fairly applied
- We act in accordance with the principles in our diversity and inclusion policy.

We have a formal recruitment process for both our permanent and contingent workforce that all recruiters (including agencies) are required to follow.

To enable our leaders to build a more diverse and inclusive workplace, we have updated our recruitment procedures to support our goal of greater gender, age, and cultural balances.

Our recruitment process has formal approval gates to ensure our policies and procedures are correctly followed. This includes verifying candidates' identity and evidence to confirm their right to work status and generating contracts that comply with these policies and procedures.

6. Our Supply Chain

CR supports human rights as defined in the Universal Declaration of Human Rights as well as our commitment to comply with the UN Global Compact.

Our commitment includes providing a fair, safe, and healthy working environment and not tolerating or supporting the use of child labour, forced, or compulsory labour throughout our supply chain.

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Majority of our products are manufactured in Australia and China.

Our largest category of supplier spend is finished product purchases. These items are produced in CR owned facilities, managed, and run by CR and through contract manufacturing, where production is undertaken to detailed CR specifications.

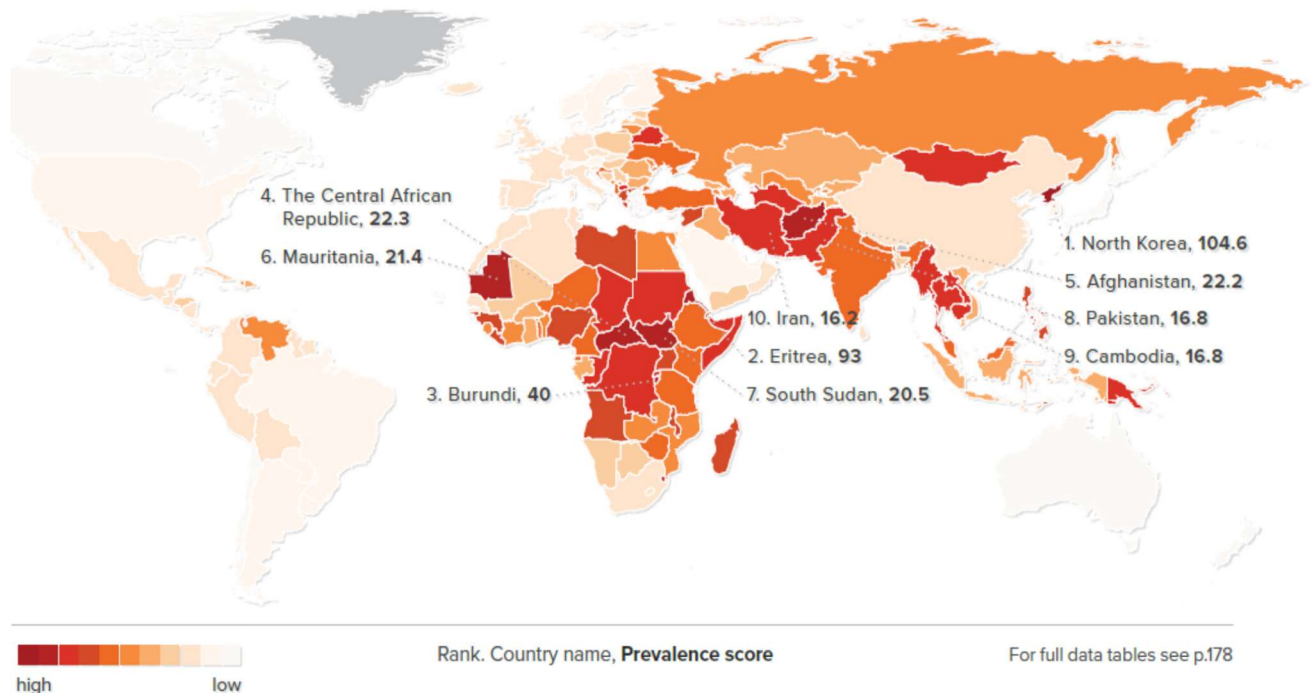
The contract manufacturing facilities are closely monitored by CR and supported by CR employees being located at each facility to monitor compliance and reports on various parts of the operations and processes.

These items manufactured are transported through our Supply Chain and ultimately to our customers located in about 15 countries.

The challenge of ensuring we avoid any involvement in modern slavery throughout our Supply Chain is significant, While we are pleased to advise we do not source any products out of the top 10 countries (reference to 2018 Global Slavery Index) with the highest prevalence of modern slavery, we are committed to continuing to evolve and improving our approach to reject modern slavery within our supply chain and mitigate any developing risks.

Global Slavery Index

According to the 2018 Global Slavery Index, the 10 countries with the highest prevalence of modern slavery are North Korea, Eritrea, Burundi, the Central African Republic, Afghanistan, Mauritania, South Sudan, Pakistan, Cambodia and Iran.



Source: GlobalSlaveryIndex.org\

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6.1. Supplier Governance Framework

CR implements a Supplier Governance Framework with coverage around all Supplier risk types (listed below) to ensure business continuity, driving compliance to ethical and regulatory standards. This framework is supported by a range of indicators and policies including The Code of Conduct, OH&S, HR, Environment, Quality, Privacy etc.



Under this governance framework, we will work through structured audit and review processes with our suppliers to assess whether they are meeting our standards. Where we identify concerns about supplier performance, we will engage with the supplier, seeking constructive dialogue and remediation of non-compliance with our standards.

We require our suppliers to have processes in place for managing their own risks and are expected to work with us to meet our minimum standards. Where suppliers are unable to satisfy us that they have appropriate risk management controls in place, or are unwilling to share this information, we may take further action, such as engaging supplier senior management to implement a remediation plan, or terminating the contract.

6.2. Supplier Code of Conduct

We proactively communicate CR's values and the Company Code of Conduct to our employees and supply chain business partners to ensure the behavioural standards for everyone who works for or on behalf of CR complies to the highest ethical standard. In an effort to drive a stronger focus on Supplier behaviours, we will introduce a Supplier Code of Conduct (SCOC) that will set out the minimum standards of behaviour that CR expects its suppliers to meet in the areas of labour and human rights, health and safety, environment, business integrity, privacy and diversity.

The SCOC will be aligned with the United Nations (UN) Global Compact ten universally accepted principles, Responsible Business Alliance (RBA) Code of Conduct, and other internationally recognised standards. The SCOC also reflects our commitment to support the UN's Sustainable Development Goals.

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CR expects suppliers to read, understand and ensure that their business and supply chain meet the standards outlined in the SCOC. Suppliers should communicate the SCOC to related entities, suppliers and subcontractors who support them in supplying to CR, so that they are aware of, understand and comply with the SCOC too.

Suppliers' ability to meet or exceed standards detailed in the SCOC will be taken into account by CR when making procurement decisions. This will happen regardless of whether or not the SCOC has been formally incorporated into a particular contract with the supplier.

In addition to the SCOC, we may also include more specific social, environment, and/or ethical requirements in our contract terms based on the inherent risk of the agreement.

By supplier, CR means any entity that supplies goods or services to CR or its related companies anywhere in the world. Where the SCOC refers to workers, this includes employees, contractors, agency, migrant, student, and temporary staff of the supplier and its related entities.

CR works with our suppliers to positively influence their environmental, social, and ethical performance. With the introduction of the Supplier Governance Framework, it will include assessing potential modern slavery risk and we will devote effort to deepen our understanding of the specific types of human rights risks associated with areas we do business. Based on Supplier Risk Analysis we will prioritise our assessments of our suppliers' performance, including human rights performance based on risk.

Below are the ten principles of the UN Global Compact:

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

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7. Risk Management and Due Diligence

7.1. Understanding our human rights risks, including those related to modern slavery

CR is an international player with a dispersed workforce and supply chain reach. As such, we have examined publicly available information and sought professional advice to guide us on the identification of the most likely human rights risks.

7.2. Industry cooperation on supply chain

CR will work with both Suppliers and Customers on Supply chain sustainability.

We will use our alliances and memberships to continually keep abreast of the current thinking on the best ways to meet the objectives.

7.3. Supplier Risk Assessment and Mitigation

CR's supply chain have different modern slavery risks depending on various factors, including the level of human rights protection and enforcement within the jurisdiction they are located. We use certain risk assessment tools to assess and monitor our exposure to such risks so we can proactively manage and respond quickly. One of a number of risk assessment tools we use is the Supplier Compliance Assessment currently implemented with all our suppliers.

At the point of preparing this statement, we are not aware of any supplier violations to the modern slavery compliance in FY20.

As part of our continuous improvement initiative, we have identified opportunities we can renew and strengthen our assessment criteria by ensuring all seven (7) risk categories outlined below are incorporated into our Supplier Assessment Criteria, Where issues are identified, we will work proactively with our supplier to remedy them quickly. Where suppliers are unable or unwilling to remedy the risk after multiple engagements, we may take further action, such as engaging supplier senior management to implement a remediation plan or terminating the contract. We believe this will drive stronger compliance to modern slavery.

| | |
|--|---|
| | Labour rights (human rights) including: <ul style="list-style-type: none">• forced or compulsory labour• wages and benefits• work hours• child labour |
| | Freedom of association |
| | Health and safety |
| | Privacy and data protection |
| | Anti-discrimination |
| | Anti-bribery and corruption |
| | Access to grievance mechanisms |

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8. Grievance Mechanism

We encourage everyone to speak up and take action if they have any concerns about unethical, illegal or improper behaviour. In FY20, CR has conducted a thorough review and renewed our Grievance procedure and reporting mechanism in our Code of Conduct. Confidential and anonymous reporting is handled through a whistle-blower hotline by the Human Resources Department.

9. Assessment and Effectiveness

This statement outlines our steps to ensure modern slavery is not taking place in our business and supply chains. We are not suggesting we have solved all challenges to drive compliance. Instead, we believe our existing policies and processes provide important measures to help drive progression.

We are not aware of any modern slavery complaints during FY20 through our complaints processes or our whistle-blower hotline. We will continue to monitor, manage, and report on a range of internal indicators which are used to assess the effectiveness of our responsible business programs and performance.

We recognise our influence and impacts go beyond our own operations and as a result, we will continue to introduce additional indicators within our end-to-end value chain and the community.

10. Training

10.1. Workforce training

Training is an essential component of our risk management, governance, and compliance framework. Our compliance training approach ensures all employees are aware of their obligations under our compliance policies and have access to further information about these when required.

As we continue to enhance our processes, introduce positive changes, and drive stronger governance around modern slavery risk, we will integrate all these changes into our workforce training program to ensure awareness and compliance.

11. Future Works

In FY21, we will continue to integrate the prevention of modern slavery risks into our policies and supply chain governance and processes. This includes:

- Renew and strengthen our supplier risk assessment criteria as part of enhancing our Supplier Governance Framework
- Introduce our essential Code of Conduct elements (SCOC) to our Suppliers.
- Progressively where appropriate, include the modern slavery compliance requirements in our Supply Agreements with our Suppliers.
- Undertake regular governance training with our Supply Chain and related employees
- Review and introduce new indicators to assess the effectiveness of our responsible business programs and performance
- Reviewing findings of supplier audits and developing a standardised approach to actioning the results using remediation, contract variation or terminations

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This statement is made pursuant to the Reporting Requirement under the Commonwealth Modern Slavery Act 2018 and constitutes the Modern Slavery Statement of CR for the financial year FY20.

A handwritten signature in black ink that reads "John Barbagallo".

John Barbagallo
Chief Executive Officer

December 2020