

MODERN SLAVERY STATEMENT 2022

Fenner Dunlop Australia Pty Ltd - Modern Slavery Statement

This statement is made under the Modern Slavery Act 2018 (Cth) (Act). It sets out the actions taken by Fenner Dunlop Australia Pty Ltd ACN 080 570 574 ("Fenner Australia", "us", "we" or "our"), being an entity incorporated in Australia, to address modern slavery risks in our operations and supply chain during our financial year ending 31 December 2021.

1 FENNER AUSTRALIA'S STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Fenner Australia is wholly owned by Fenner Australia Financing Pty Ltd ACN 146 477 009 ("Fenner Financing").

Founded in 1890 in Melbourne, Fenner Australia is renowned as the world leader in the manufacture of conveyor belting for mining and industrial applications. It is the only company in Australia that can manufacture and supply a complete conveyor system from head-to-tail including belt, electrics and terminal equipment. Our Vision is that "*Fenner will be respected as the safest, most professional and successful Engineered Conveyor Solutions provider in the world*". Relevantly, one of our key core values is that we "Always seek to win, but never unethically".

Fenner Financing and Fenner Australia are wholly owned by Fenner International Limited (a UK entity). These entities are part of the Michelin Group and our ultimate parent company is Compagnie Generale des Etablissements Michelin ("CGEM"). The sound financial platform of our organisation structure ensures the long term viability of our business and, more importantly, the continuity of ethical supply and service to our customers.

Fenner Australia wholly owns Agile Maintenance Services Pty Ltd ACN 146 754 065 (AMS). AMS wholly owns Belle Banne Conveyor Services Pty Ltd ACN 146 806 055. Fenner Australia and AMS are joint venture partners of a business named Belle Banne Conveyors ABN 91 342 398 023.

MICHELIN GROUP'S BUSINESS

Headquartered in Clermont-Ferrand, France, the Michelin Group is present in more than 170 countries, has a global workforce of 124,000 employees and operates over 70 production plants located in 17 different countries and has business operations in 170 countries. CGEM is listed on the Paris Stock Exchange. Michelin is a signatory to the UN Global Compact, thereby undertaking to respect human rights in all its activities and in all countries where the Group operates.

FENNER AUSTRALIA'S BUSINESS



Fenner Dunlop Australia.
A wholly owned subsidiary of Michelin, and world leaders in the manufacture of conveyor belting for mining and industrial applications.

Fenner Australia has over 1,000 employees across eight manufacturing facilities and 19 service centers in Australia.

Fenner Australia's belt products include conveyor systems, wear protection, cured and uncured rubber sheeting and belts, while services include engineering and design.

Other product categories include equipment components, electrical control systems, diagnostics: condition monitoring systems and accessories.

Other services include field services, equipment hire, overhauls and refurbishment, rubber lining and 24/7 conveyor emergency call outs.

Fenner Australia primarily services customers across QLD, NSW and WA.

While other companies are contracting and moving their manufacturing operations offshore, Fenner Australia continues to support the local economy and is proud to be the largest conveyor belt supplier in Australia.

Fenner Australia locations and production overview in Australia (VIC, WA and NSW)

- Three belt manufacturing facilities (West Footscray, VIC; Revesby, NSW; Kwinana, WA).
- Five facilities manufacturing conveyor system related products other than belts.
- 19 service centres located within close proximity to major mining customers.

Overview of Fenner Australia's Belt Manufacturing Plants

Site	Technology	Products	Market
West Footscray, Victoria Established in 1940 and located within inner city residential Melbourne.	Fabric Ply Rubber conveyor belt manufacturing: woven fabric is dipped, calendared with a rubber coating, rotary cured and dried. Equipment is aged and/or at limit of capacity, requiring significant upgrade or new purchase to maintain production.	Fabric ply rubber, including S-grade Ply, and Other Ply. Imports UsFlex and Duracon products.	Mining and other industrial applications – processing, ports, power generation, quarries. Servicing QLD, NSW and WA customers. Largest customer is Anglo Coal (QLD), the second largest Australian and third largest global export metallurgical coal producer operating in open cut and underground mining.
Revesby, NSW Established in 1970 and located within inner city Sydney.	Fabric Solid Woven conveyor belt manufacturing: woven fabric is dipped in moldable thermoplastic PVC and heat air-dried. Equipment is aged, requiring significant upgrade or new purchases to maintain production.	Fabric solid woven (PVC) with fire resistant and antistatic coatings.	Underground mining applications. Servicing QLD and NSW customers. Largest customer is Oaky Creek Coal (QLD), one of the largest coal mines in Asia-Pacific.
Kwinana, Perth Established in 2009	Steel cord belt manufacturing. State-of-the-art equipment, with recent investments to increase	Steel cord, equipment and accessories range	Mining and high capacity applications with high belt tensions. Servicing national customers, and

	production capacity and workforce.	strategically positioned to support developing markets in Asia, Africa, India and South America as well as Europe.
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Fenner Australia's Supply Chain

Fenner Australia sources the majority (>75%) of its raw materials, goods and other services expenditure from Australian suppliers. A further 7% of its expenditure are products manufactured by members of the Michelin Group located in Asia (including China, Japan, Malaysia, Thailand, South Korea, Portugal, Germany, South Africa, Indonesia, Vietnam, India, Italy and Chile).

Fenner Australia also procures certain goods and services in Australia such as logistics & warehousing, technology and telecommunications hardware and services, financial services from Australian banks, consulting services, marketing & events management, insurance, accounting, audit and legal services. It also procures certain goods in Australia to enable it to operate in Australia such as protective clothing, motor vehicles and miscellaneous office supplies.

The procurement of locally procured goods and services, not procured under a Michelin Group managed procurement contract takes place under the supervision of the local purchasing team who follow the process and procedures set out in the Michelin Group's policy (articulated in its Duty of Care Plan - see section 3(b) below) including but not limited to the Michelin Purchasing Principles. Those principles include respecting human rights and provide that the Michelin Group (including Fenner Australia) mandates that its suppliers do likewise.

Fenner Australia imports a small percentage of conveyor belt and conveyor equipment manufactured by overseas suppliers to complement the existing range of products manufactured and sourced in Australia. These products are mainly sourced from China and represent around 4% of total procurement spend.

2 RISKS OF MODERN SLAVERY IN FENNER AUSTRALIA'S OPERATIONS AND SUPPLY CHAINS

The risk of modern slavery in Fenner Australia's supply chain can be separated into two parts:

1. Risk to Fenner Australia for suppliers of raw materials, goods and services (other than those goods and services procured from the Michelin Group)

Fenner Australia recognises that, as it has limited visibility of the supply chains of its first-tier suppliers, there may be modern slavery risks present in those supply chains. Fenner Australia has identified risks of modern slavery in the following areas of its supply chain:

- (a) **Services procurement:** Fenner Dunlop procures services including cleaning and maintenance services from non-Michelin group suppliers. These services carry a risk of modern slavery in Australia, with potential issues of low pay, poor job security, OH&S concerns and poor ethical treatment of workers;
- (b) **Supply of raw materials:** key materials used to manufacture conveyor belt and conveyor systems include synthetic rubber, fillers, chemicals, steel and steel cord. While the majority of Fenner Australia's first-tier suppliers are located in Australia, raw materials may be sourced by first-tier suppliers from countries with high risks of modern slavery. In particular, Fenner Australia's first-tier suppliers of rubber compound are required to procure natural rubber to produce rubber compounds. The cultivation of natural rubber presents risks for

modern slavery as it is labour intensive and produced in countries where the risk of modern slavery is heightened.

- (c) **Procurement from Asia:** Fenner Dunlop acquires goods from suppliers located in China, Japan, Malaysia, Thailand, South Korea, Portugal, Germany, South Africa, Indonesia, Vietnam, India, Italy and Chile. Many of these countries, particularly China, Malaysia, Thailand, South Africa, Indonesia, Vietnam and India carry higher risks of modern slavery practices such as the use of slave labour and non-award payment of wages.

2. Risk in the manufacture and transport of raw materials supplied to Fenner Australia (where manufactured by members of the Michelin Group)

This section focuses on the risks attached to materials purchased directly from the Michelin Group.

The human rights and modern slavery risks of the Michelin Group operations are detailed in its Duty of Care Plan (pages 14 to page 25). These risks are, broadly:

- Health and Safety risks; and
- Human Rights risks.

3 HOW FENNER AUSTRALIA ASSESSES AND ADDRESSES THE RISK OF MODERN SLAVERY IN THEIR OPERATIONS AND SUPPLY CHAIN

Fenner Australia employs a number of processes and procedures to assess and address the risks of modern slavery in its operations and supply chain. These are set out below.

a. Assessing and addressing risk in the global supply chain

Fenner Australia has a comprehensive approach to ensuring compliance, which consists of involvement from the following departments:

- Legal
- Internal Control
- Human resources
- Purchasing
- Internal Audit

As part of the Michelin Group, Fenner Australia has a comprehensive approach to the management of human rights risks in its supply chain, from the selection of the supplier to the end of the contract. The Michelin Group including Fenner Australia have systems in place to ensure all those in its supply chain and its contractors comply with its values and comprehensive supply chain compliance programme. Specific measures include:

- Providing all first-tier suppliers with the Michelin Code of Ethics, the Michelin Purchasing Principles, a document which had to be signed and returned confirming supplier's compliance with these documents, a supplier questionnaire to validate and provide evidence (where required) of compliance, and supplier visits undertaken to visually inspect and confirm supplier compliance.
- Implementation of the Michelin Purchasing Principles which can be found by accessing this link <https://purchasing.michelin.com/en/purchasing-principles/>.

The Michelin Purchasing Principles describe the fundamental principles governing the Michelin Group's supplier relationships (including suppliers to Fenner Australia). It specifies the rules of professional conduct for the Michelin Group's purchasing teams, the supplier approval process, the Michelin Group's quality standards and the environmental, social and ethical performance expected of the Michelin Group's suppliers, including compliance with local law and international standards with respect to human rights.

- In some countries where Michelin manufactures products, and supplies Fenner Australia (i.e. Thailand and Indonesia), human rights impact assessments have been conducted to identify gaps in the prevention of modern slavery. These assessments were followed by action plans where necessary. After having performed the risk analysis and remediation, the residual risks of modern slavery, including child labour and forced labour are considered low on Michelin Group controlled sites in foreign countries.
- Purchasing teams receive training on the application and enforcement of the Code of Ethics (see section 3(b) below), including human rights and modern slavery risks.
- Those procurement contracts that are identified as high risk include a copy of the Group's Purchasing Principles that encourage suppliers to uphold the fundamental conventions of the International Labour Organisation
- Services agreements include specific clauses addressing modern slavery risks, reinforcing the Michelin Purchasing Principles.
- Fenner Australia's Conditions of Purchase include the right to audit all suppliers to ensure compliance with the Michelin Purchasing Principles.
- The Michelin Group including Fenner Australia operate the Navex Ethic hotline that is accessible to all its employees and external stakeholders, including suppliers who may wish to report breaches of the Code of Ethics, including modern slavery.
- Specific policies are in place to protect whistle blowers.

b. Risk mitigation - our written policies

Fenner Australia's ultimate parent company CGEM is subject to the French law known as the Duty of Vigilance Law Act No. 2017-399 of 27 March 2017 ("Duty of Vigilance law"). One of the requirements under the Duty of Vigilance Law is that the relevant company prepare a Duty of Care Plan in compliance with the requirements under that legislation. The Duty of Care Plan describes all of the risks arising in respect of the Michelin Group's business and its main suppliers in relation to environment, health & safety and human rights including the mitigation of those risks (including Fenner Australia). The Duty of Care Plan is a means to consolidate and strengthen the Michelin Group's proactive approach to deploying risk prevention and management processes in these three areas, as well as an opportunity to deepen its due diligence with subcontractors as part of a continuous improvement processes.

In compliance with the Duty of Vigilance Law, the Michelin Group publishes annually its Duty of Care Plan. The Duty of Care Plan applies to all members of the Michelin Group who are required to adopt and comply with the Duty of Care plan. A copy of the Duty of Care Plan can be found by accessing this link <https://www.michelin.com/en/?s=Duty+of+Care+Plan>.

All members of the Michelin Group, including Fenner Australia, have adopted, adhere to and enforce the Duty of Care Plan. It sets out the group's commitment to preventing adverse human rights

impacts, including modern slavery, in its operations and in its supply chains. The Michelin Group's policies reflect the Group's commitment to acting ethically and with integrity in all its business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in its supply chains.

As part of Fenner Australia's commitment to the Duty of Care Plan, Fenner Australia has implemented a number of specific policies as follows:

- Code Of Conduct
- Health & Safety Policy
- Equal Opportunity Policy
- Michelin Purchasing Principles
- Whistleblowing Policy
- FD Aust Environmental Policy
- Quality Policy
- Anti-bribery & Corruption Policy.

c. Risk mitigation - practices in respect of our Fenner Australia employees:

Fenner Australia adopts the following practices in respect of its employees.

- Each employee must consent freely and without constraint to be hired by Fenner Australia;
- Each employee gets a working contract;
- Each employee can decide to leave the company at any time (in accordance with his/her employment contract and local legislation);
- Each employee receives a regular market-based salary;
- The remuneration of each employee conforms with the local laws; and
- Employees can use the ethics hotline to make or lodge a complaint.

d. Risk mitigation - a specific approach for the management of the risks of natural rubber

The Michelin Group has formalised its public commitments in a Sustainable Natural Rubber Policy published in 2016. This policy was drafted with input from stakeholders, particularly environmental and human rights NGOs, and is now a contractual reference document for Michelin Group's suppliers. A copy of the Sustainable Natural Rubber Policy can be accessed at the following link [https://purchasing.michelin.com/en/document - area/](https://purchasing.michelin.com/en/document-area/).

The Michelin Group also assesses its natural rubber suppliers on human rights issues: its direct suppliers are assessed via EcoVadis desktop reviews and onsite audits, and for the upstream supply chain and small holders, it developed an innovative mobile application called Rubberway. Thanks to this application, the CSR practices of the various stakeholders in the natural rubber supply chain are mapped and the areas with the most social or environmental risks are highlighted. The data is shared with suppliers and can be used to prepare improvement plans.

e. Risk identification - Whistleblowing

The Michelin Group including Fenner Australia maintain an anonymous Navex Ethics Hotline that is managed by an independent third party. All employees and suppliers are advised of this facility and have access to it. Employees are actively encouraged to raise concerns relating to ethical issues including those relating to corruption and modern slavery with their managers, human resources department and / or via the Navex Ethics Hotline.

Whistle blowers are protected by whistle blower protection policies.

f. Risk mitigation - Training

To ensure a high level of understanding of the corporate social responsibility (CSR) and ethical risks in the Michelin Group's supply chains and its business, the Michelin Group provides training to Fenner Australia staff. A specific e-learning for purchasing teams specifically addresses human rights and modern slavery risks with Fenner Australia's suppliers.

f. Remediation - disciplinary action

Fenner Australia will take disciplinary action against any employee found to be involved in breaking the law in relation to any form of modern slavery including but not limited to child labour, forced labour, slavery and human trafficking.

Fenner Australia addresses, escalates and where appropriate remediates all issues that are raised in connection with its business through the Navex Ethics Hotline.

Fenner Australia continues to consider and work on ways to enhance the manner in which it addresses modern slavery risks including remediation processes.

g. Risk mitigation - human rights impact assessments

In some countries where Michelin manufactures products, and supplies Fenner Australia (i.e. Thailand and Indonesia), human rights impact assessments have been conducted to identify gaps in the prevention of modern slavery. These assessments were followed by action plans where necessary.

After having performed the risk analysis and remediation, the residual risks of modern slavery, including child labour and forced labour are considered low on Michelin Group controlled sites in foreign countries.

4 EFFECTIVENESS OF MEASURES TAKEN BY FENNER AUSTRALIA TO ASSESS AND ADDRESS RISKS OF MODERN SLAVERY IN ITS OPERATIONS AND SUPPLY CHAIN

We continue to develop and implement means to measure the effectiveness of the actions outlined in section 3 above. Our standard audit process incorporates all aspects of our compliance framework including modern slavery.

Our Board is aware of and considers as appropriate the measures in place, as well as those that could be developed, to monitor the effectiveness of our risk mitigation procedures.

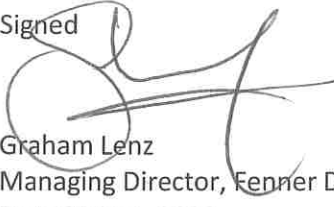
In order to monitor the effectiveness of the actions taken to prevent modern slavery in our business operations or by our suppliers, the Michelin Group also assesses each year an array of indicators, such as : - Number of suppliers assessed each year on CSR issues, including human rights - Number of suppliers that reach the accepted CSR standards of the Michelin Group.

5 CONSULTATION TO PREPARE THIS STATEMENT

This report was produced with input from the purchasing department, the personnel department as well as in consultation with the management team of Fenner Australia. In addition, material for the production of this statement was contributed by the Durable Development Department as well as the purchasing department of the Michelin Group in France.

This statement was approved by the Board of Fenner Australia Pty Ltd ACN 080 570 574 on behalf of Fenner Australia on 30 June 2022.

Signed



Graham Lenz
Managing Director, Fenner Dunlop Australia Pty Ltd
Date 30 June 2022