

FORACO



MODERN SLAVERY REPORT 2024
FORACO AUSTRALIA

Integrity. Innovation. Involvement.

Reporting Entity:

Foraco Australia (ABN 63 137 031 782)

Head Office: Kewdale, Perth Western Australia 6105

Reporting Period: 1 January 2024 – 31 December 2024

Date of Approval: 27 June 2025

Approved by: Australasia Vice President

Purpose

This annual report for the 2024 financial reporting year has been created by Foraco Australia Pty Ltd. ("**Foraco**") for the sole purpose of meeting its obligations and reporting requirements for entities pursuant to the *Modern Slavery Act 2018* (the Act).

Our Company

Foraco Australia operates a modern fleet of 25 drill rigs, providing diamond core drilling, reverse circulation, hydrogeological, grouting, mine service hole and geotechnical drilling services. We are focused on creating a world leading drilling services company by offering a unique combination of global experience, local expertise, and constant customer focus. Foraco develops customised drilling solutions that meet the needs of their customers. Headquartered in Perth, we utilise a regional operating model to place our key people and assets as close to our customers and operations as possible. We have fully resourced satellite facilities located in Paraburdoo, Adelaide, and Moranbah.

Foraco has three core values (i3) that are integrated into all of the work we do: **Integrity**, **Innovation** and **Involvement**. Our commitment to these three values has been instrumental in our past successes and they are our commitment to you. Our I³ values are underpinned by the Foraco Safety Management System which is compliant, current, fit for purpose, consistent, engaging and unambiguous.

Governance Structure

The Compliance Officer and Regional Vice President are responsible for overseeing ethical practices and approving exceptions. Employees are provided with a contact list for escalation and support. Governance structures ensure accountability and transparency in all aspects of operations.

Modern Slavery Risks

Labour Hire Contractors

Labour hire arrangements can present significant risks for modern slavery due to the complex and often opaque nature of subcontracting relationships. Foraco recognises that workers employed through labour hire agencies may be particularly vulnerable to exploitation, especially when recruited from high-risk regions or under precarious visa conditions.

- Lack of transparency in subcontracting chains, making it difficult to trace employment conditions.
- Recruitment of vulnerable populations such as migrant or low-skilled workers who may not be aware of their rights.
- Inadequate oversight by host companies, leading to gaps in compliance and monitoring.
- Potential for wage theft, unsafe working conditions, and excessive working hours.
- Coercive practices such as withholding of passports, threats of deportation, or debt bondage through illegal recruitment fees.

Supply Chain

Foraco Australia recognises that modern slavery risks may be present in its supply chain, particularly in regions with limited regulatory oversight or industries reliant on low-skilled, vulnerable labour. These risks are heightened in sectors involving raw material extraction, manufacturing, and logistics.

To address these risks, Foraco applies a structured due diligence process that includes:

- **Geographic and sectoral risk profiling** using internal and external data sources.
- **Supplier onboarding assessments** via the Ethics & ESG Questionnaire.
- **Review of supplier policies** on labour rights, recruitment practices, and subcontracting.

- **Monitoring of high-risk suppliers** through audits, documentation reviews, and corrective action plans.

Foraco prioritises suppliers operating in jurisdictions with known human rights concerns and those providing services involving manual labour, such as equipment manufacturing, logistics, and site services.

Approach to Modern Slavery

Foraco maintains general due diligence processes that promote responsible, ethical, and legal procurement practices, including with respect to labour practices within the supply chain.

Procurement and Due Diligence Processes

- (a) Foraco's Code of Ethical Conduct for its Suppliers and Business Partners ("SCC") states that Foraco meets labour standards outlined in the Conventions of the International Labor Organisation. Additionally, the SCC expects suppliers to act responsibly and observe the principles outlined in the SCC. This includes any third-party entities that Foraco's suppliers commission to fulfill their obligations to Foraco.
- (b) Foraco's SCC requires that suppliers do not employ forced labour and child labour. Suppliers must comply with the rules outlined by the International Labor Organisation Convention 138 concerning the minimum age of employment for children.
- (c) Foraco's internal Code of Business Conduct and Ethics states that the expectation of Foraco is that all employees will comply with all applicable laws, rules, and regulations.

In addition, Foraco maintains employee policies that prescribe duties, responsibilities, and expectations of employment. This includes workplace policies and procedures to operate in compliance with provincial employment standards, human rights, and occupational health and safety legislation.

Training

Foraco provides employee training both as part of its onboarding process and training. This includes training with respect to safe, ethical, and legally compliant workplace practices and policies.

Foraco is in the process of assessing what forced labour and child labour-related training may be appropriate. Foraco anticipates that training may include: (i) an overview of the Act; (ii) an awareness of the risk of forced labour and child labour within Foraco's supply chain; and (iii) an understanding of the relevant risks of forced labour and child labour in certain countries of origin that are relevant to Foraco's supply chain.

Ethics and Whistleblowing

Foraco Australia maintains a robust ethics framework as outlined in the Foraco Employee Ethics Handbook 2024. Employees are encouraged to report any suspected breaches of ethical conduct, including modern slavery risks, through confidential channels. Anonymous reporting is permitted, and all reports are investigated promptly by the Compliance Officer.

Whistleblowers are protected from retaliation, and investigations are conducted with discretion and fairness.

Ethics & ESG Supplier Questionnaire

Foraco Australia requires suppliers to complete a comprehensive Ethics & ESG Questionnaire as part of its onboarding and review process. This questionnaire assesses:

- Corporate structure and operational geography
- Existence and enforcement of Codes of Ethics
- Anti-bribery, anti-corruption, and whistleblowing policies
- Labour practices including prohibition of child labour and discrimination
- Health and safety compliance and training
- Environmental management and sustainability targets

Suppliers are expected to provide documentation and evidence of compliance. Responses are reviewed by Foraco's Compliance and Procurement teams, and any non-compliance may result in corrective action or termination of the relationship.

The Ethics Questionnaire is a key tool in Foraco's due diligence framework. It enables the company to:

- Identify high-risk suppliers and regions
- Evaluate ethical and legal compliance
- Monitor ongoing supplier performance

- Ensure alignment with Foraco's values and legal obligations under the Modern Slavery Act

Supplier and Partner Expectations

Suppliers and business partners are provided with the Ethics Handbook and Code of Conduct. They are required to comply with anti-bribery, anti-corruption, and human rights standards. Failure to comply may result in termination of the business relationship.

Labour Hire

To address these risks, Foraco is committed to implementing the following mitigation strategies:

- Conducting due diligence on all labour hire providers, including background checks and compliance reviews.
- Requiring transparent and ethical recruitment practices, including the prohibition of recruitment fees.
- Including modern slavery clauses in all labour hire agreements.
- Performing regular audits of labour hire agencies and conducting confidential worker interviews.
- Training procurement and HR personnel to identify and respond to modern slavery risk indicators.

Risk Management

Foraco Australia is committed to identifying, assessing, and mitigating modern slavery risks across its operations and supply chains. While our operations are primarily based in Australia, we acknowledge that sourcing products and services globally introduces potential exposure to modern slavery practices, particularly in regions with lower regulatory oversight or socio-economic challenges. To manage these risks, Foraco maintains a suite of policies and procedures that promote ethical employment practices and responsible procurement. Our governance framework includes regular reviews of supplier conduct, incident reporting mechanisms, and corrective action protocols. Key suppliers are assessed annually for compliance with modern slavery standards, and any concerns are addressed through engagement or escalation. The Board and Compliance Team monitor risk trends and review significant events to ensure continuous improvement. Foraco also ensures its personnel remain informed of legislative changes and industry best practices through training, webinars, and professional updates. This integrated approach supports our commitment to transparency,

ethical conduct, and the ongoing enhancement of our modern slavery risk management framework.

Assessing Effectiveness

Foraco Australia is committed to continuously improving its approach to identifying and mitigating modern slavery risks. To assess the effectiveness of our actions, we have implemented the following measures:

- **Supplier Compliance Monitoring:** We review responses to our Ethics & ESG Supplier Questionnaire annually to identify gaps in supplier practices. Non-compliant suppliers are subject to corrective action plans or termination of contracts.
- **Audit and Review Processes:** High-risk suppliers and labour hire agencies are subject to periodic audits, including documentation reviews and confidential worker interviews. Findings are reported to the Compliance Officer and used to inform future procurement decisions.
- **Incident Reporting and Whistleblower Feedback:** Reports submitted through our confidential whistleblower channels are reviewed and investigated. Trends and outcomes are analysed to identify systemic issues and improve internal controls.
- **Governance Oversight:** The Compliance Team and Board of Directors receive regular updates on modern slavery risk management, including supplier performance, audit outcomes, and legislative developments. These updates inform strategic decisions and policy revisions.
- **Continuous Improvement:** We conduct annual reviews of our modern slavery framework to ensure alignment with best practices and evolving legal standards. Lessons learned are incorporated into our procurement procedures and employee policies.

These mechanisms enable Foraco to measure the impact of its actions and ensure that our efforts to combat modern slavery are both effective and sustainable.

Continuous Improvement

Foraco are committed to the ongoing enhancement of our practices to identify, prevent, and address modern slavery risks within our operations and supply chains. Recognising that modern slavery is a complex and evolving issue, we view our response as a continuous journey rather than a one-time compliance exercise. We are dedicated to regularly reviewing and refining our risk assessment processes, strengthening supplier engagement, and embedding modern slavery considerations into our governance frameworks. Through collaboration, innovation, and

transparency, we aim to build more resilient systems that uphold human rights and promote ethical business conduct across all levels of our organisation.

Consultation

Foraco Australia Pty Ltd recognises the importance of engaging with its owned and controlled entities in the development of its modern slavery statement. During the reporting period, consultation was undertaken with relevant internal stakeholders across our operations, including senior executive managers, regional managers, and compliance personnel.

This consultation involved:

- **Reviewing shared policies and procedures**, including the Code of Business Conduct and Ethics, the Supplier Code of Conduct, and the Expenditure Authority Procedure, to ensure alignment across entities.
- **Collaborative input into risk assessments**, particularly regarding labour hire and supply chain vulnerabilities.
- **Joint participation in training and awareness sessions** focused on modern slavery risks and ethical sourcing practices.
- **Regular meetings and communications** between the Compliance Officer and operational leads to ensure consistent implementation of mitigation strategies.

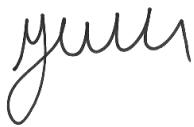
These consultations ensured that all entities under Foraco's control were informed of their obligations under the Modern Slavery Act and contributed to the development of a unified and effective response to modern slavery risks.

Approval and Attestation

This statement was approved by the Board of Directors of Foraco Australia Pty Ltd on 20 June 2025, in accordance with section 13(2) of the Modern Slavery Act 2018 (Cth).

I, Nathan Elford, being a Director of Foraco Australia Pty Ltd and a responsible member of its principal governing body, attest that I have reviewed the information contained in this statement. Based on my knowledge and having exercised reasonable diligence, I confirm that the information is true, accurate, and complete in all material respects for the purposes of the Act.

IN WITNESS WHEREOF the authorised signing officer(s) of Foraco Australia Pty Ltd. have executed this report as of the effective date of the signature set out below.



Nathan Elford

Director

Foraco Australia Pty Ltd

Date: 27 June 2025



Integrity.

We run our business with the highest level of integrity and this value is embedded in all of our daily operations, from the field to our corporate offices.

Innovation.

The global economic, political and geographic landscape is constantly changing and as a result, so is our work environment.

Involvement.

A winning culture and entrepreneurial spirit are two of our key differentiators in the industry. We practice a fluid bottom-up-top-down communication.

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