



# Modern Slavery Act Statement FY21

This is MACA Limited's ("MACA") statement pursuant to the Modern Slavery Act 2018 (Cth) ("Act"). This statement is following MACA's review of its operations and supply chains in accordance with its reporting obligations under the Act for the financial year ended 30 June 2021.

## INTRODUCTION

MACA is subject to the Act that commenced in operation on 1 January 2019. This is our second modern slavery statement as required by the Act. MACA is committed to protecting human rights within the areas over which it has control and to adhering with the Modern Slavery Act 2018. Our purchasing decisions focus on sustainable and ethical sourcing within our supply chain.

Modern slavery is a broad concept relating to the systematic abuse of fundamental human rights in contemporary workforces. The Act defines modern slavery as including eight types of serious exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour, and deceptive recruiting for labour or services.

## REPORTING ENTITY, STRUCTURE, OPERATIONS AND SUPPLY CHAIN

MACA is a reporting entity under the Act and this statement is presented by MACA on a consolidated basis.

MACA is a diversified services company, incorporated in Australia and listed on the Australian Securities Exchange (ASX: MLD). MACA was established in 2002, listed on the ASX in 2010, and today is one of Australia's leading contract mining companies. As at June 2021, MACA has in excess of 3,500 employees (including contractors) primarily located in Australia. MACA provides contract mining, crushing, civil construction, infrastructure maintenance and structural, mechanical and piping services to a diverse range of clients in both the private sector and government. MACA Limited is a parent company to the following entities:

|  | Country of Incorporation | Percentage Owned (%) |              |
|--|--------------------------|----------------------|--------------|
|  |                          | 30 June 2021         | 30 June 2020 |
| <b>Parent Entity:</b>                  |                          |                      |              |
| MACA Limited                           | Australia                |                      |              |
| <b>Subsidiaries:</b>                   |                          |                      |              |
| MACA Mining Pty Ltd                    | Australia                | 100%                 | 100%         |
| MACA Plant Pty Ltd                     | Australia                | 100%                 | 100%         |
| MACA Crushing Pty Ltd                  | Australia                | 100%                 | 100%         |
| MACA Civil Pty Ltd                     | Australia                | 100%                 | 100%         |
| Riverlea Corporation Pty Ltd           | Australia                | 100%                 | 100%         |
| MACA Mineracao e Construcao Civil Ltda | Brazil                   | 100%                 | 100%         |
| Alliance Contracting Pty Ltd           | Australia                | 100%                 | 100%         |
| MACA Infrastructure Pty Ltd            | Australia                | 100%                 | 100%         |
| Marniyarra Mining and Civils Pty Ltd   | Australia                | 50%                  | 50%          |
| Interquip Pty Ltd                      | Australia                | 60%                  | 60%          |
| Interquip Construction Pty Ltd*        | Australia                | 60%                  | 60%          |
| OPMS Cambodia Co Ltd                   | Cambodia                 | 100%                 | 100%         |

\*Interquip Construction Pty Ltd wholly owned by Interquip Pty Ltd

MACA's registered office is 45 Division Street, Welshpool, Western Australia, 6106.

MACA has previously had operations in Brazil that ceased in early 2020, and MACA continues to wind up its presence in Brazil. In FY21, MACA has commenced operations in Cambodia, and acknowledges that operating in this geography brings additional supplier risks in relation to Modern Slavery.

MACA's supply chain includes the procurement of goods and services. MACA has approximately 2,000 active suppliers and its procurement expenditure in FY21 was AUD \$0.7 billion. The services and products provided to MACA by its suppliers and subcontractors can potentially expose MACA to modern slavery risks in the supply chain, particularly in relation to its suppliers, who in turn likely source products from elsewhere, which presents potential modern slavery risks further down the tiers of MACA's supply chain.

### **CONSULTATION WITH GROUP ENTITIES**

MACA has prepared this joint statement in consultation with each other reporting entity covered by the Statement (see the "Reporting Entity, Structure, Operations and Supply Chain" section of this statement for further details). Consultation with each reporting entity involved an assessment of modern slavery risks to each division and entity, with the business then formulating an approach for the next reporting period to address these risks accordingly.

### **PROCUREMENT PROCESSES AND ASSESSING MODERN SLAVERY RISKS**

MACA has systems and processes in place that it uses to identify, assess and manage subcontractors and suppliers. MACA has procurement processes that outline expectations prior to a subcontractor or supplier appointment and/or award of any subcontract.

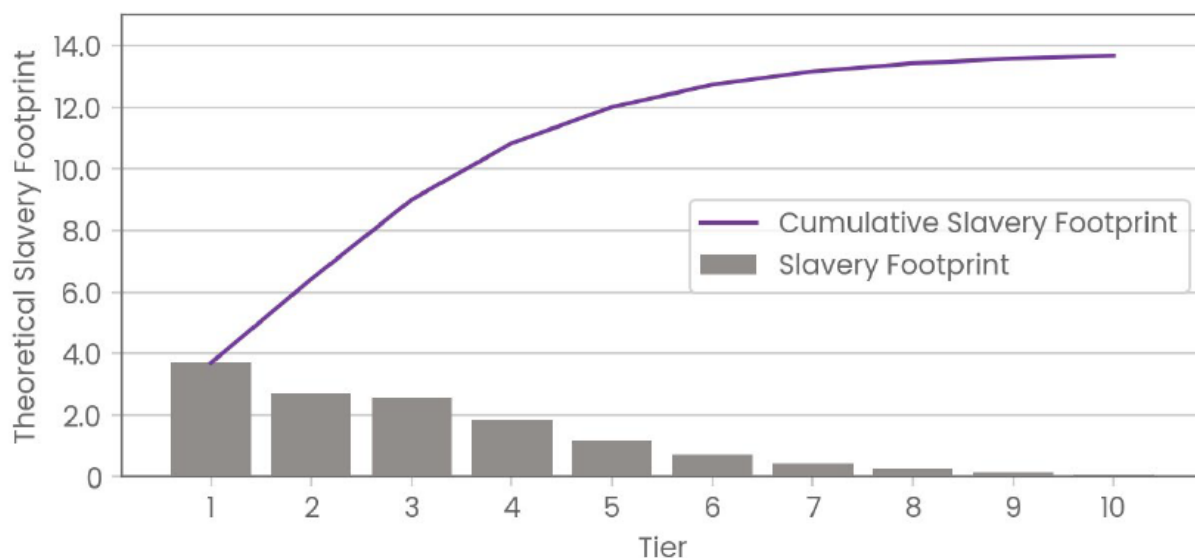
MACA acknowledges that modern slavery practices may be present within its supply chain. Additionally, MACA recognises that it currently has limited visibility with respect to those suppliers beyond Tier 1. As a result, MACA, in conjunction with a third party consultancy and data analytics firm, undertook an in-depth analysis of its supply chain, which analysed the tiers of MACA's supply chain, and then assessed the probability risk of modern slavery occurring within these various tiers.

MACA's review of its supply chain commenced with a detailed listing of spend by supplier, geography and industry. In excess of 99% of MACA's procurement spend in FY21 sits with suppliers in Australia, which presents a low geographic risk of probable modern slavery occurring in our suppliers' operations due to the fact they are primarily located in Australia, which has a strong regulatory framework that reduces the risk of modern slavery.

MACA utilised a proprietary data analysis service provided by the third party consultancy and analytics firm to estimate the total number of potential instances of slavery in MACA's supply chain based on its actual procurement spend in FY21. As part of this initial assessment, a ranking of the suppliers that have the greatest probable risk of modern slavery in the supply chain was generated.

This assessment determined that the greatest risk of modern slavery in MACA’s supplier base was associated with suppliers involved in chemical product supply and wholesale trade. Suppliers of these industries require inputs from a range of countries, including the sourcing of raw materials from some higher risk countries and industries.

Analysis undertaken by MACA on its supply chain revealed that the risk of potential instances of slavery was greater in the higher tiers, where MACA’s power to exert influence is material. This is a change from our prior year assessment and is a direct result of the commencement of our Cambodian operations in FY21, which has resulted in the introduction of new suppliers to our business in Cambodia.



The assessment, combined with further due diligence on individual suppliers, did not reveal any further risks or instances of modern slavery. It was determined that no further remediation or action in respect of these suppliers was required at this time.

The assessment piece undertaken for MACA on modern slavery risks will continue to be used as a benchmark to measure the efficiency of MACA’s modern slavery strategy, and to also generate year-on-year metrics.

MACA continues to monitor emergent risks within its supply chain, relating to products and services (including procurement of garments and labour hire services) and also geographies (MACA’s ramp up of Cambodian operations in FY22).

### MANAGING MODERN SLAVERY RISKS

In conjunction with the in-depth supply chain assessment, MACA has a clear strategy with a set of specific actions to further manage modern slavery risks within its business and supply chain.

This strategy, alongside MACA's strong commitment to corporate governance, is intended to drive improvement in the management of modern slavery risks, and includes:

- **Strong policies:** MACA's response to modern slavery is dependent on compliance with company policies and its Code of Conduct, which ensures a clear commitment and approach to both human rights and modern slavery
- **Training:** providing training, particularly to those employees involved in procurement processes and supplier selection, to increase their knowledge and understanding of risks within the Company
- **Due diligence:** undertaking thorough assessments of the risk and performance of suppliers, in particular those in high risk industries or geographies
- **Engagement:** Those suppliers which have been specifically identified as higher risk, will require engagement and monitoring

MACA's strategy to manage modern slavery and the effectiveness of the actions described above will be assessed periodically by the Board and Management of MACA. MACA's Management will also report to the Board if there are any allegations or incidents relating to modern slavery in its operations, including its supply chain.

Additionally, under MACA's Whistleblower Policy, all personnel (including employees, agency staff, subcontractors and consultants) are encouraged to raise concerns about any conduct contrary to the values and standards of MACA. This includes any concerns of human rights or modern slavery risks in MACA's operations or supply chain.

### APPROVAL

MACA is committed to ensuring that all personnel understand the nature of their obligations under the Act and are sufficiently committed and well informed to be able to play their part in the protection of human and environmental rights.

MACA is committed to respecting human rights. MACA rejects any activities which may directly cause or contribute to modern slavery.

MACA will collaborate with our internal and external stakeholders and strive to improve our processes in order to address our own modern slavery risks.



**Mike Sutton**

Managing Director & Chief Executive Officer

*This statement was approved by the Board of Directors of MACA Limited, on behalf of itself and its controlled entities, on 8<sup>th</sup> December 2021*