



Modern Slavery Statement FY23

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1. Managing Director's report

For the fourth consecutive year, I am pleased to present the modern slavery statement of Emeco Holdings Limited (ABN 89 112 188 815) and its consolidated subsidiaries (**Emeco**). This modern slavery statement covers the 2023 financial year (**FY23**).

FY23 has been another active year for Emeco as strong conditions in commodity markets have fuelled demand and activity levels across our business. Emeco has had a firm focus on building a sustainable business that generates shareholder value through the cycle. A key factor of this is our commitment to ensure that Emeco conducts business in a manner that is ethical and impacts positively on our stakeholders.

This year marks the first modern slavery statement since the endorsement of Emeco's inaugural Environmental, Social and Governance (**ESG**) Strategy by the Board in February 2023 and reflects Emeco's ongoing commitment to discuss, shape and measure our initiatives to better improve our ESG outcomes.

Assessing, identifying and mitigating the risks of modern slavery in our operations and supply chain is an important element of Emeco's overall ESG strategy.

We have continued to mature and build on our approach to modern slavery risk. In FY23, we:

- refreshed our mapping exercise on our comprehensive supply chain assisted by FairSupply;
- commissioned a 'deep-dive' analysis on key at-risk suppliers and industries from which Emeco procures goods;
- reviewed supplier onboarding processes and data; and
- continued our collaboration and engagement with key suppliers.

Recent geopolitical and economic events have influenced Emeco's business with cost inflation and labour shortages impacting our business. Notwithstanding this, Emeco remains committed to ensuring a safe workplace for our employees and effective management of our costs and labour needs whilst maintaining ethical business practices and mitigating our modern slavery risk.

As a business, Emeco is committed to continuous improvement. We always strive to do better in everything we do. We will continue to review our approach to modern slavery risks and work together with key partners to present a collaborative and holistic approach to identifying, analysing and mitigating modern slavery risks within our operations and supply chains.



Ian Testrow

Managing Director and Chief Executive Officer

This statement was approved by the Board of Directors of Emeco Holdings Limited on behalf of itself and its controlled entities.

2. FY23 activities

Reporting criteria	Actions	Where reported
1. Identify the reporting entity	- Provided overview of Emeco group and reporting entities	- Page 3
2. Describe the reporting entity's structure, operations and supply chains	- Outlined other Emeco brands, nature of operations, workforce and supply chains	- Pages 3 to 6
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	- Reviewed modern slavery exposure in operations in Australia with reference to open sources of data - Analysed modern slavery risk exposure of workforce - Undertook supply chain mapping exercise with FairSupply	- Page 4 - Page 4 and 5 - Pages 6 and 7
4. Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks	- Conducted desktop due diligence with reference to the FairSupply mapping exercise - Reviewed and described the various Emeco policies and procedures utilised to identify and mitigate modern slavery risk	- Pages 8 and 9 - Pages 9 to 11
5. Describe how the reporting entity assesses the effectiveness of these actions	- Provided comparative analysis of year-on-year changes in modern slavery risk and actions	- Pages 11 to 13
6. Describe the process of consultation with any entities the reporting entity owns or controls	- Engaged Emeco group personnel with additional training and education - Expanded the collaborative working group in regard to modern slavery - Formed ESG Committee to shape ESG strategy	- Page 9 - Pages 13 and 14 - Page 9
7. Provide any other relevant information	- Outlined geopolitical impacts - Provided overview of mitigating actions in relation to geopolitical events	- Page 14

3. Operations

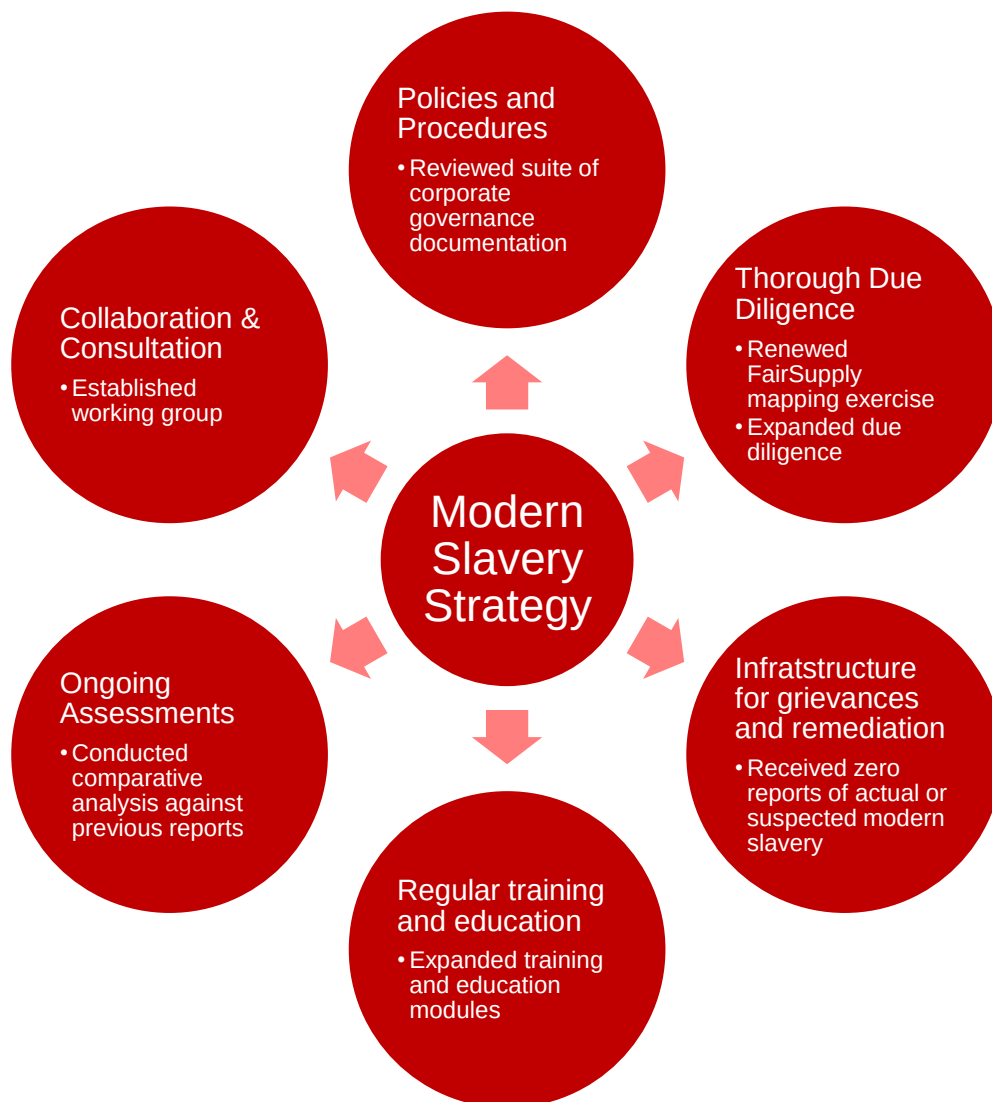


Figure 1: Emeco's Modern Slavery Strategy

Under the *Modern Slavery Act 2018* (Cth), the following entities are 'reporting entities' under s 5(1) of the Act:

- Emeco Holdings Limited;
- Emeco International Pty Ltd;
- Pit N Portal Mining Services Pty Ltd.

This statement has been prepared on a consolidated basis with Emeco Holdings Limited reporting on behalf of itself and its controlled entities including the above reporting entities as well as other key brands such as Borex and Force.



Figure 2: Emeco's key brands

Emeco is an Australian-based group providing open-cut and underground mining equipment rental as well as complementary equipment and mining services, including maintenance, asset and component rebuilds, fleet optimisation technology, and technical and engineering services.

With all major operations based within Australia, Emeco is required to comply with Australia's robust legislative framework regulating labour. This, in conjunction with Emeco's onboarding process facilitated by our human resources team, creates a working environment that minimises modern slavery where possible.

The 2023 Global Slavery Index (**GSI**) ranks Australia as being 149 out of 160 countries globally in terms of prevalence of modern slavery, representing a lower rate of modern slavery than most nations. However, both the GSI and the International Labor Organization's (**ILO**) 2021 Global Estimates of Modern Slavery indicate a rise in the prevalence of modern slavery not only in Australia, but globally.

Our focus on the health and safety of our workforce is at the centre of all we do. Safeguarding the lives and health of our people is integral to Emeco's operational discipline and we continue to embed a zero-harm objective across all our sites.

In promoting and taking a real and active interest in the health and safety of our employees, including by striving to ensure a safe and inclusive workplace, we are also building a framework by which forced labour is minimised. Part of this framework includes encouraging employees to speak up if they see something that is not aligned with our policies and the Emeco Group values and accordingly there are various avenues for concerns to be freely raised. In the 'Workforce' section below, we outline some of the initiatives implemented to promote a safe and inclusive workplace that attracts, retains and develops our people.

Workforce

Emeco employs a total of 1193 people throughout Australia. Of these, 1133 are full-time equivalent employees, 14 are part-time and 46 are employed on a casual basis. An analysis of our workforce demonstrates that the majority of our employees are technical-based roles or tradespeople followed by machine operators and drivers and then professional staff.

The nature of the roles that our employees primarily work in, and the context of the labour shortage that is affecting the economy, suggest strong bargaining power on behalf of our employees and lowers the risk of modern slavery practices occurring in our operations due to the demand for labour.

Table 1: Emeco's workforce breakdown

Role	No. of Staff
CEO	1
Clerical & Administrative	99
General Manager	12
Key Management Personnel	1
Labourer	25
Machinery Operators & Drivers	263
Other Managers	99
Professional	129
Sales	7

Senior Managers	13
Technical & Trades	461
Apprentice	83
Grand Total	1193

Despite this, Emeco has undertaken a proactive approach with our workforce by building strong human resources systems in which employees and potential employees are screened, on-boarded and overseen in a manner that seeks to minimise the risk of exploitation and maximise employee enrichment.

Emeco staff are required to abide by the suite of policies and procedures that ensure we are upholding the law and the high standards of care that Emeco has set. These policies and procedures ensure that our people are aware of their rights and that our workforce is acting in an ethical and professional manner.

Separate from our full-time equivalent staff, Emeco supplements the workforce with contracted labour through specialised labour-hire companies. The contracted labour industry has an increased risk for potential exploitation in the form of recruitment fees and reduced oversight. To counteract this, Emeco is in the process of updating labour hire terms and conditions for use, specifically tailored to our suppliers of contracted labour which will provide greater security in the actions of our partners. Additionally, our Supplier Code of Conduct and our Purchase Order Terms and Conditions apply to our labour suppliers which require any supplied staff to be onboarded via Emeco's processes and includes a questionnaire that highlights any potential modern slavery risk factors.

The majority of personnel sourced from recruitment agencies in FY23 were tradespeople or worked in administrative or office functions such as finance, information technology and accounts. Although the type of roles that Emeco has engaged recruitment agencies for are at a lower risk of modern slavery due to the skilled nature of these contracted workers, Emeco has moved to reduce engagement with contracted labour. One focus in FY23 was to attract, develop and maintain long-term employees. By encouraging development of our employees, we are also able to improve the resilience of Emeco's operations, oversight of labour practices and retention of talent.

In the event of any potential issues, our human resources department as well as Emeco's grievance and whistleblower mechanisms provide a transparent and confidential way to report any unethical behaviour. The process by which whistleblower investigations are undertaken is outlined in our publicly available Whistleblower Policy.

We believe equipping and enriching our workforce creates an environment wherein modern slavery risk factors are diminished. In FY23, Emeco:

- provided an employee assistance project via a third party to all employees;
- conducted leadership development sessions for teams and individuals within the business;
- invested greater time and resources to training and development; and
- continued our focus on attracting, retaining, and developing our valuable workforce.

4. Our supply chains

Emeco provides numerous services to the mining industry including the provision of machinery and mining and maintenance services to our clients. As a result, Emeco sources goods and services from a number of suppliers operating in the manufacturing of heavy machinery, equipment and parts, business services, rental services of machinery and construction work.

The ILO's Global Estimates of Modern Slavery states that the manufacturing sector accounts for nearly one-fifth of all forced labour exploitation of adults and the services sector accounts for approximately one-third of all forced labour exploitation of adults.

The manufacturing sector, specifically the process of transforming raw materials into finished goods, attracts modern slavery risk. At the lower tiers, the procurement of raw materials is associated with higher risk jurisdictions and, in particular, minerals and metals being associated with forced labour in regions in China and Africa. At higher tiers, the process of basic equipment/component assembly is associated with low-skilled manual labourers in riskier jurisdictions throughout South-East Asia. These elements combine to result in a sector of the economy that is, comparatively speaking, at higher risk. For mining equipment, the specialised nature of components and equipment may lower the risk of modern slavery at the higher tiers of the supply chain due to the need of trained engineers and mechanics.

Separately, the services industry, specifically the engagement of third-party labour hire companies to supplement Emeco's workforce, decreases visibility and oversight over the particular circumstances of certain personnel. By contracting and subcontracting labour, there is a somewhat heightened risk of modern slavery due to the lack of insight into the terms of employment to which these contractors are subject.

To conduct further due diligence on these industries and better understand the comprehensive supply chain, we refreshed our supply chain mapping exercise.

Mapping exercise

Working with FairSupply Analytics, we analysed the top 90% of our supplier spend data using FairSupply's technology to link with global trade flow data, utilising multi-regional input-output tables to map the supply chain to the tenth tier. We refer to our supply chain to the tenth tier as our **'comprehensive supply chain'**.

In FY23, Emeco's supplier base consisted of 277 suppliers representing a decrease from 304 suppliers in FY22. However, despite this decrease, overall expenditure with suppliers increased due to inflationary pressure, strong labour markets and an expansion of our equipment fleet and business.

This analytics process provides Emeco with insight beyond our directly contracted suppliers and assists in understanding the potential risk factors of where our suppliers receive their inputs from and how it may heighten our modern slavery risk exposure. The result of the analysis is a number of metrics including 'estimated people in forced labour' that is associated with a particular supplier.

FairSupply's process updates the metrics by which modern slavery risk is determined on a regular basis resulting in shifts in figures. Most recently, FairSupply has incorporated the recent findings of the GSI and the ILO's Global Estimates of Modern Slavery as well as other new data sources resulting in an exponential increase in the estimated number of people in forced labour within the supply chain. For the sake of Emeco's comparative analysis, we requested a secondary analysis utilising previous datasets in order to compare our results for FY23 against previously reported results in previous modern slavery statements.

In FY24, Emeco will utilise updated FairSupply data to accurately reflect shifts in our modern slavery exposure and to aid our comparison.

A high-level analysis of our comprehensive supply chain indicates that the estimated number of people in forced labour has increased from FY22 to FY23. However, this increase should be viewed in light of the changes in Emeco's supply chain including a significant increase in our spending.

To better understand this result, we endeavoured to utilise a weighted metric in order to facilitate a comparative analysis.

By weighing modern slavery risk per million dollars (\$M) spent with each supplier, distortion in our modern slavery risk exposure is removed. On this weighted basis, Emeco recorded a 14% increase in the number of estimated people in forced labour per \$M spent across our comprehensive supply chain.

This increase in the number of estimated people in forced labour per \$M spent is reflective of changes in Emeco's supply chain, particularly the identity of Emeco's top suppliers and the industries in which these top suppliers operate. For example, four of Emeco's top ten suppliers in FY23 changed compared to the top ten suppliers in FY22. These four new entrants are classified as operating in the machinery and equipment industry whereas the previous four suppliers were involved in land transportation and wholesale trade. The higher number of suppliers in the machinery and equipment industry, and increased spend in this category, is for operational reasons, specifically reducing likelihood of equipment downtime due to unavailability of parts. However, this change has had the consequence of increasing Emeco's overall modern slavery risk profile as the machinery and equipment industry generally involves greater modern slavery risk exposure.

Notably, when adjusted on a per \$M basis, the majority of our estimated modern slavery risk is present in the lower tiers of our supply chain. This indicates that there is a lower representation of Emeco's spend and therefore, Emeco's power to exert influence is limited.

Despite this increase, the risk of modern slavery within Emeco's comprehensive supply chain is comparatively low when viewed in contrast with the extent of our supplier spend. As set out in Figure 3 on page 13, the estimated people in forced labour per \$M spend for Top 10 suppliers in FY23 was 0.1411 people.

Top 20 suppliers

To better understand our risk exposure, we undertook an analysis of our top 20 suppliers in terms of dollars spent.

These top 20 suppliers, which account for over 50% of our total expenditure for FY23, represented less than 45% of the total number of estimated people in forced labour within our comprehensive supply chain. Adjusted on a per \$M spent basis, these suppliers present a lower risk profile compared with other suppliers in our comprehensive supply chain.

Moreover, of the top 20 suppliers within our supply chain, 60% had published modern slavery statements on the register, over half had implemented publicly available codes of conduct governing their business operations and 45% had supplier codes of conduct that regulated their supplier engagements. Despite these positive actions as set out further below, Emeco undertook to engage suppliers in a more collaborative manner in order to ensure that modern slavery risk was being appropriately addressed.

Country and industry analysis

To facilitate a more in-depth analysis of key risk areas, Emeco re-commissioned a detailed modern slavery profile of key products/services and entities within our supply chain.

Key suppliers

As a company in the mining industry, there are a number of key suppliers from whom Emeco acquires certain goods and services in order to facilitate business operations. These key suppliers represented over 30% of our total spending for FY23.

We consider an analysis of these key suppliers and their actions to identify and mitigate modern slavery in their own supply chains as an integral part of identifying our modern slavery risk. The reason for this is that Emeco's modern slavery risk generally occurs deeper in our shared supply chain, beyond those we directly contract with.

The analysis revealed that these key suppliers are undertaking actions to mitigate their modern slavery risk exposure through mechanisms such as: supplier standards, self-assessment questionnaires, conflict mineral statements, codes of conduct, due diligence procedures, whistle-blower policies, auditing procedures and other means of identifying, assessing and mitigating modern slavery risk within their respective operations and supply chains. Further, we believe there are opportunities to directly engage with these key suppliers in order to collaborate on our modern slavery risk approach and receive further information on their response.

Key industries

Two identified industries that have posed an enhanced risk of modern slavery in our supply chain have been the procurement of information, communication technology equipment and property services for the offices from which we operate our business.

ICT equipment

The sourcing of information communication technology has been identified as a comparatively higher-risk industry due to the supply chain being based in geographies with at-risk workers. Moreover, the sourcing of key components of ICT equipment is heavily reliant on electronic equipment manufacturing as well as mining for raw materials. Both industries incur modern slavery risk in being characterised as low-margin, high volume and heavily reliant on unskilled workers.

The GSI has outlined that the electronics industry is the highest value at-risk import for the majority of G20 countries. Additionally, the geographic location of a number of these ICT equipment suppliers are based in China, Malaysia, Taiwan and Thailand, all of which are located in South-East Asia, identified by the ILO Global Estimates as being the region with the highest prevalence of modern slavery.

However, suppliers categorised within this industry make up a proportionately low spend within our supply chain of approximately 1.35%. Further due diligence into these suppliers also yielded that 100% of these suppliers had published publicly available modern slavery statements that outlined a number of actions taken to mitigate modern slavery risk within their respective supply chains.

As outlined above, the risk is less with direct suppliers but rather their respective suppliers and as such, the actions outlined to diligence their supply chains present a proactive approach to and provides an increased level of comfort regarding modern slavery risk.

Property services

To conduct our direct business operations, Emeco leases office space and contracts with property service providers in order to facilitate property maintenance, cleaning and security services.

The property services industry has been identified as an at-risk industry due to the comparatively higher proportion of unskilled migrant labourers utilised. Additionally, the contracting and subcontracting of labour within the space also diminishes visibility and increases the risk of exploitative practices occurring.

Data from the Australian Bureau of Statistics indicates that half of the total workforce involved in the cleaning sector are born overseas, almost one-fifth do not speak English, 28% do not have Australian citizenship and 12% are students. This disproportionate representation of at-risk employees increases the likelihood of modern slavery practices taking place and diminishes the probability of its discovery.

Similar to our engagement with ICT equipment suppliers, our supplier spending on property services is comparatively low compared to our expenditure with other suppliers. Additionally, the suppliers of property services with whom Emeco engages are locally-based businesses that are categorised as small-to-medium enterprises. The scope of their connection with modern slavery is limited due to the lack of scale with their operations leading to a lower risk of subcontracted work. Emeco will continue to monitor this industry and our exposure to it in terms of our supplier expenditure.

5. Actions taken to mitigate modern slavery risk

Emeco has continued the approach of implementing a corporate governance framework and management oversight to identify, analyse and mitigate modern slavery risk within our operations and supply chains.

In FY23, Emeco has implemented some new initiatives to further drive our modern slavery risk strategy as well as continued to review and build out pre-existing strategies to provide a greater understanding of our modern slavery risk exposure. Through our review and analysis of supplier onboarding processes and data in FY23, Emeco has sought to:

- confirm and verify the categorisation of its modern slavery risk as identified through the FairSupply mapping exercise; and
- identify any additional processes or strategies or variations in existing processes and strategies which may assist to ensure data quality and user experience.

Operations

Code of conduct

Emeco is committed to a high standard of corporate and individual behaviour. In accordance with Emeco's Code of Conduct, which was reviewed during FY23, all of our employees are required to comply fully with the Code and its requirements to:

- act with honesty, integrity and fairness;
- comply with all applicable laws and regulations;
- build a sustainable business including consideration for ESG factors; and
- maintain a safe and inclusive workplace that is not discriminatory in any manner.

Sustainability report

Our FY23 Sustainability Report outlines our commitment to building a sustainable business. The Sustainability Report identifies key stakeholders, material sustainability risks, and specific concerns related to our employees.

We have continued to set out actions taken to address the risk of modern slavery within our Sustainability Report including our efforts to review data from the supplier onboarding process, conduct desktop due diligence on higher-risk suppliers and roll out targeted training and education. The Sustainability Report also outlines our ongoing commitment to building employee wellbeing through a safe, diverse, enriching workspace that respectful of human rights.

ESG strategy

Our inaugural ESG Strategy was formally endorsed by the board of directors in February 2023 and establishes metrics and targets associated with identified material themes.

This coincided with the establishment of an ESG Committee to further discuss, shape and measure initiatives implementing the ESG Strategy. Data collection and implementation of further processes to enhance compliance and reporting form an integral portion of our modern slavery response and our new Committee and Strategy will form a key element of our broader modern slavery strategy.

Training and education

Emeco has expanded the scope of modern slavery training, extending an invite to members of our workforce across legal, human resources, rental businesses and procurement departments. The training module combines mixed media with a questionnaire in order to ensure that our staff are aware of and understand the risk of modern slavery within our operations and our supply chains.

In FY23, 114 employees were offered first-time training in modern slavery and employees who had already completed training on modern slavery were provided with refresher material.

Whistleblower policy

Emeco's Whistleblower Policy provides the means by which an Emeco employee may report certain misconduct or an improper state of affairs in relation to Emeco. One avenue of reporting is to a confidential and independent provider of whistleblowing services. Emeco employees are able to submit their reports through:

- the 24-hour toll-free phone;
- website;
- facsimile;
- email;
- postal mail; and
- mobile application.

The Policy sets out the means by which an Emeco employee may maintain their anonymity and outlines the process by which reports are handled:

1. Stopline will refer reports to Emeco's general counsel or their delegate for potential investigation;
2. if it is determined to be an investigable matter, an investigator will be appointed, usually Emeco's human resources manager, general counsel or another senior manager.
3. this investigator will be chosen based on their ability to be impartial in the investigation and the investigator will not be directly involved in the matter to which the report relates;
4. in the event the report pertains to the CEO or a person that reports to the CEO, the matter will be referred to the Chair of the Audit and Risk Management Committee;
5. the results of the investigation will be referred to the CEO or the Chair (as applicable) to determine an appropriate response.

In FY23, Emeco received zero reports of any instances of modern slavery, actual or suspected.

Suppliers

Supplier code of conduct

Emeco's Supplier Code of Conduct requires compliance with all relevant modern slavery laws. It requires suppliers to uphold the fundamental rights of workers and treat them with dignity and respect. The Code requires that work is freely chosen and not bonded, forced or compulsory labour. Any supplier that engages with Emeco must agree to identify and address any risk or instances of modern slavery and take the requisite steps to limit such practices and the risk of modern slavery in their own operations and supply chains.

The Supplier Code of Conduct remains a key part of our engagement with suppliers as to our expectations of how they identify, analyse and mitigate modern slavery risk.

Purchase order terms & conditions

Emeco's Purchase Order Terms & Conditions (**POTC**) requires suppliers to comply with various requirements in order to engage with Emeco. In relation to modern slavery specifically, the POTC requires that:

- suppliers implement a system of due diligence, audit and training for their personnel and their subcontractors;
- agreeing to audits from Emeco to assess their compliance;
- maintaining records to trace their supply chains in connection with their relationship with Emeco;
- notifying Emeco of any actual or suspected modern slavery in its operations and supply chains; and
- Emeco may terminate the agreement with the supplier for any breach of Emeco's relevant policies or procedures.

These obligations provide Emeco with the ability to effectively engage with suppliers to better understand modern slavery risk exposure, investigate any claims of suspected modern slavery (actual or suspected) and in the case of continued non-compliance by the supplier, the ability to sever engagements as a last resort. The POTC did not receive any substantial alterations in FY23.

RAPID questionnaire

Emeco's RAPID Questionnaire continues to form a critical portion of our supplier onboarding process and provides insights into the exposure of suppliers to modern slavery risk. Emeco has a tailored form of RAPID Questionnaire to ensure ease of completion and high-level insights into potential risk factors such as labour law compliance and treatment of employees.

Certain responses to specific questions are flagged for further investigation by Emeco and it provides a pre-emptive approach to modern slavery risk mitigation and encourages a targeted approach to identifying modern slavery risks in our supply chain.

As of FY23, 641 suppliers have completed the RAPID Questionnaire, including the relevant modern slavery risk questions to which we have identified several flagged responses for further investigation. Upon further investigation by Emeco, these flagged responses were largely rectified.

As the total number of suppliers having completed the RAPID Questionnaire increases, Emeco has sought to introduce streamlined and technological solutions to more readily identify flagged responses. Emeco will continue to build on this work in FY24.

Although limited to first tier suppliers and a product of self-reporting mechanisms, the responses to the RAPID Questionnaire reflected and confirmed the generally low modern slavery risk at a first-tier supplier level and the overarching commitment of Emeco's first tier suppliers to complying with modern slavery laws and reducing modern slavery risk within their own supply chains.

6. The effectiveness of our actions

A crucial element of our modern slavery strategy is measuring the efficacy of our actions. Due to the difficulty of definitively measuring this, Emeco, with the assistance of industry experts and technology providers, has identified key metrics by which we quantify the level of modern slavery risk within our supply chain, namely:

Metric	FY23	Insights
Total theoretical slaves tied to our supplier spend	Increased since FY22	Emeco's expenditure with our suppliers has expanded since FY22
Total theoretical slaves tied to our supplier spend weighted per million dollars spent	Increased since FY22	The diversity of Emeco's supply chain has changed, with a decreased number of suppliers and consolidation of our trusted suppliers. We acknowledge the increase in this metric but note that as we consolidate to trusted suppliers we have a greater opportunity to: - conduct due diligence; - engage directly in regards to modern slavery; and - complete onboarding processes including the RAPID questionnaire
Theoretical slaves tied to our top 10 supplier spend amounts	Increased since FY22	6 of our top 10 suppliers remain the same from last year. The 4 new entrants into the top 10 were due to an increased expenditure in FY23 compared to FY22.

		These 4 new entrants are classified as operating in machinery and equipment industry whereas the previous 4 suppliers were involved in land transportation and wholesale trade. The machinery and equipment industry involves greater modern slavery risk exposure, the details of which were outlined in Section 4 above.
Theoretical slaves tied to our top 30 supplier spend amounts	Increased since FY22	13 of the top 30 suppliers in FY22 are no longer a top 30 suppliers in FY23. 9 of the new suppliers in the top 30 are as a result of increased expenditure and 4 were new suppliers entirely. These suppliers that now comprise the top 30 represent an increased number of suppliers in the machine and equipment manufacture industry as well as other retail trade. Formerly, the majority of these suppliers were involved in labour services and other business services. As above, the manufacturing industry presents a greater risk of modern slavery comparatively speaking.
Number of suppliers engaged to collaborate with modern slavery information sharing	Increased	RAPID Questionnaire continued to be utilised with responses now received from 641 suppliers. Analysis of flagged answers and commencement of further alterations to the RAPID Questionnaire procedure in order to streamline the process.
Percentage of Emeco staff who have completed the modern slavery training module; and	Increased	Additional training for employees and refreshers conducted. Specialised training for key member of staff
Number of reports of modern slavery received via Whistleblower Policy or other reporting mechanisms.	Maintained at zero	Transparency of our whistle-blower process and regular review of our Whistleblower Policy provides confidence from potential whistleblowers

A comparative analysis of our top 10 suppliers in terms of our modern slavery risk exposure and weighted on a per \$M spent basis yielded the following result:

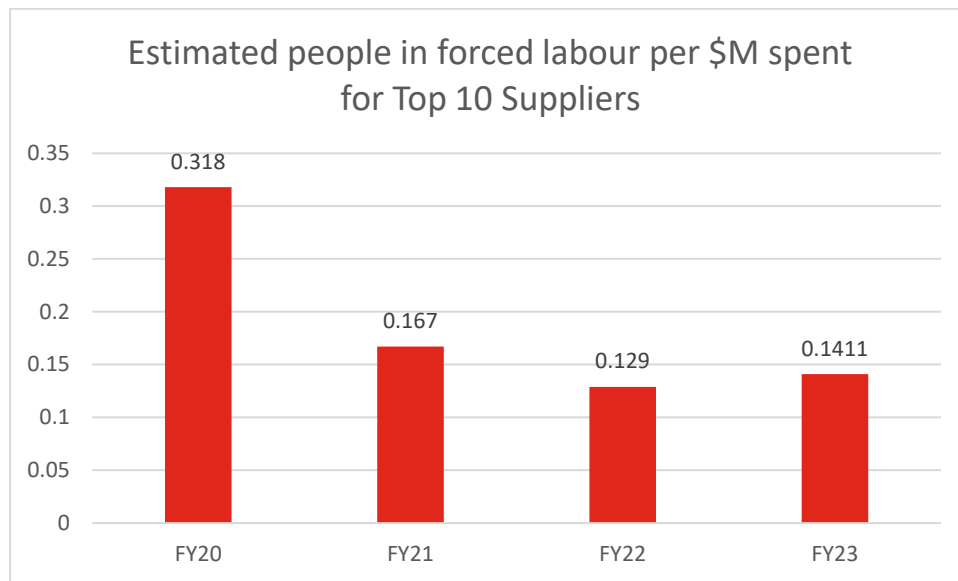


Figure 3: Comparative analysis of our top 10 suppliers (in terms of \$ spent) and the estimated number of people in forced labour in their supply chains on a per \$M spent basis.

Representing an increase of 9.38% from last year but still an improvement from FY20 and FY21, the results of our analysis indicate a levelling of modern slavery risk from the last three years. Whilst these calculations do not utilise the latest in datasets by FairSupply, they provide a better overview of how our actions have impacted our modern slavery risk.

In FY23, due to the changes in our supplier base, there has been a regrettable increase in the estimated number of people in forced labour. However, these estimations of our modern slavery risk coincide with an increased level of supplier engagement and strengthening due diligence processes in relation to our suppliers, both current and proposed. With zero reported instances of suspected or actual modern slavery through our reporting mechanisms, an increased number of responses to our RAPID Questionnaire and increased training of our staff, Emeco remains confident in our modern slavery strategy.

In FY24, Emeco will utilise updated FairSupply datasets on our FY23 data and forthcoming FY24 data in order to provide a more up-to-date overview of our modern slavery risk exposure.

7. Collaboration and consultation

Emeco acknowledges that a unified approach by the entire corporate group towards the risk of modern slavery in Emeco's operations and supply chain is essential. Regular consultation with management, suppliers, employees, advisors, consultants and the Board is integral to ensuring that modern slavery risk is minimised. Emeco ensures entities and businesses are aware of modern slavery and/or sustainability practices set by the executive team including through the Supplier Code of Conduct, which sets the minimum standards applicable to suppliers that are in business with Emeco.

Within Emeco, we have facilitated greater levels of engagement with the issue of modern slavery and have encouraged a cooperative and collaborative approach across our business units through a collaborative workspace. A specific channel for members of Emeco in diverse business units was established for the diarising of tasks, sharing of information and management of key documentation specifically in response to managing and mitigating modern slavery risk within our daily operations. Emeco's procurement, legal and health, safety and environment teams worked collaboratively during FY23 to better identify, analyse and mitigate modern slavery risk within our operations and supply chains. Their efforts have culminated in the publication of this statement.

In FY23, Emeco has continued collaborative efforts to mitigate modern slavery with several key suppliers in our supply chain. Our Procurement team has engaged with numerous suppliers in order to foster a deeper understanding and collaborative effort towards modern slavery risk. Following our review of responses to the RAPID onboarding questionnaire, we have contacted and requested information from 49 targeted suppliers as to their policies, procedures and activities relating to modern slavery risk in their operations and supply chains. While Emeco clearly stated in this correspondence that it does not support any form of modern slavery in Emeco's operations, Emeco expressed its willingness to collaborate with and understand each supplier's circumstances to better address modern slavery risks.

8. Geopolitical impacts

As Australia emerges from the lingering effects of the COVID-19 pandemic, Emeco has had to manage shifting geopolitical events including mining and commodity cycles, skilled labour shortages, extreme weather events, inflation and continuing supply chain disruptions.

Extreme weather events have had a significant impact on our operations during the year with disruptions to mining operations. These events provide a disruption in the demand for our services and lead to downward pressure on our employees. However, Emeco seeks to address this through the inclusion of standby rates within our contracts in order to continue revenue streams in the event of site disruptions or shutdowns.

Skilled labour shortages and increases in labour costs have decreased the risk of modern slavery within our operations as the bargaining power of potential employees has increased significantly. Within this labour market, Emeco has invested time in ensuring employee wellbeing and maintaining competitive remuneration in order to retain talent and attract potential employees.

Emeco continues to monitor the security of our supply chains through assessments and order management. Labour requirements and rosters are also actively managed to minimise any ongoing geopolitical impacts on our operations and supply chains. Supply chain continuity and ensuring that our suppliers maintain steady levels of cash inflow assist in reducing downward pressure on labourers throughout the supply chain. An analysis of our supply spend data demonstrates that over half of our top 20 suppliers (in terms of expenditure) for FY22 remain in the top 20 for FY23 and 19 remain suppliers with Emeco.

In order to limit the impact of recent geopolitical events on our operations and supply chains in heightening modern slavery risk, Emeco has endeavoured to build a sustainable business that remains resilient through cycles.

9. Future steps

Emeco is committed to continuous improvement in our Modern Slavery Strategy and intends to enact and further build out and refine our actions in FY24. Proposed actions for FY24 currently include:

1. Review and consolidate answers from RAPID Questionnaire to inform further rollouts.
2. Update RAPID Questionnaire based on internal review of Emeco's onboarding system;
3. Continue to consolidate our supply chain to trusted suppliers;
4. Updating FairSupply analysis to conduct comparative analysis utilising similar datasets; and
5. Refreshing due diligence exercises.