



FY24 Modern Slavery Statement

 **Emeco**  **Force**
by Emeco  **Emeco**
Underground

1. Managing Director's Report

Emeco Holdings Limited (ABN 89 112 188 815), together with its consolidated subsidiaries (**Emeco**), is pleased to present our fifth consecutive modern slavery statement. This Statement covers the 2024 financial year (**FY24**) and marks the continued evolution of Emeco's approach to modern slavery risk within our operations and our supply chains.

FY24 was a transition period for Emeco with an exit from underground contract mining and strategic repositioning to focus on a more simplified business model of mining equipment rental and maintenance and rebuild services. As part of this transition, Emeco is committed to building a sustainable business with specific focus on our people.

As part of our broader Environmental, Social and Governance (**ESG**) Strategy implemented last year and highlighted in our Sustainability Report for FY24, we have continued to refine our modern slavery governance framework and response.

Emeco continues to identify, assess and mitigate modern slavery risk within our business and our supply chains. We take purpose driven actions to minimise modern slavery, create meaningful value and distinguish Emeco as a partner of choice in our industry.

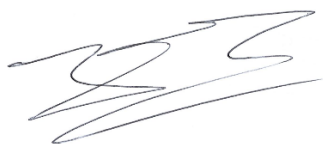
In FY24, we have:

- refreshed our supply chain mapping exercise assisted by FairSupply;
- commissioned a 'deep dive' analysis on a new set of at-risk suppliers and industries from which Emeco procures goods;
- conducted targeted queries with 'at-risk' suppliers;
- established a centralised procurement team with uniform processes to ensure consistency in how we engage with our suppliers; and
- continued our commitment to reduce reliance on contracted labour.

Emeco remains committed to an ethical and sustainable business model that ensures our ongoing operation whilst mitigating our risk of modern slavery. Current economic and geopolitical events, including conflict and inflationary pressures, have placed pressure on Emeco's supply chains. This had the potential to cause delays for the supply of key inputs, however Emeco has been able to mitigate this risk through its robust supply chain management.

In FY24, we sought to consolidate and build lasting supplier relationships in order to provide value for our stakeholders and build a more robust and resilient business. Pleasingly, third-party analysis by FairSupply demonstrated that our modern slavery risk profile, adjusted on a per \$million spent with each supplier, reduced by 6.96% from FY23 to FY24.

Emeco is committed to continuous improvement in FY25 as we further our efforts to ensure the sustainability and overall performance of our business.



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. FY24 Activities

Reporting criteria	Actions	Where reported
1. Identify the reporting entity	- Provided an updated overview of the Emeco group and reporting entities as of FY24	- Pages 4 and 5
2. Describe the reporting entity's structure, operations and supply chains	- Outlined other Emeco brands, nature of operations, workforce and supply chains	- Pages 4 to 8
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 - Pages 4 to 5 - Page 6
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 - Undertook in-depth diligence exercises on specific industries and suppliers. - Reviewed various Emeco policies and procedures utilised to identify and mitigate modern slavery risk	- Pages 6 to 8 - Pages 7 and 8 - Pages 8 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 utilising latest available datasets	- Pages 11 to 12
6. Describe the process of consultation with any entities the reporting entity owns or controls	- Engaged Emeco personnel with additional training and education - Procured modern slavery-specific training and education for procurement team	- Page 12
7. Provide any other relevant information	- Outlined geopolitical impacts in FY24 - Provided an overview of mitigating actions in relation to geopolitical events	- Page 13

3. Operations

Emeco's strategy to identify, analyse and mitigate modern slavery risk in FY24:



The following entities are 'reporting entities' under s 5(1) of the *Modern Slavery Act 2018* (Cth) (**Act**) for FY24:

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

In FY24, Emeco completed the sale of key underground contract mining contracts and assets, streamlining Emeco's business to three core groups: Emeco Rental, Emeco Underground and Force Workshops.

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



Emeco is an Australian-based group providing safe and reliable surface and underground mining equipment rental solutions to its customers. Emeco also provides onsite and offsite repair and maintenance, component and machine rebuild services and supplies technical and engineering solutions and services to the mining industry. In FY24, Emeco exited underground contracting with the divestment of its underground mining services contracts and assets.

Emeco's major operations are based in Australia and comply with Australia's robust legislative framework protecting the labour force. The 2023 Global Slavery Index (**GSI**) ranks Australia as being 149 out of 160 countries assessed in terms of modern slavery prevalence. This represents that modern slavery risk within Emeco's Australian operations is comparatively lower than operators in other nations. Despite this, 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 across the world.

Emeco's Board of Directors and Audit and Risk Management Committee are responsible for monitoring Emeco's ongoing compliance with laws and regulations as well as Emeco's internal governance documentation. This, in conjunction with our human resources team that is responsible for our policies and practices regarding our employees, minimises modern slavery risk within our direct operations.

Emeco's continued actions to safeguard our employees' welfare, including our focus on health and safety, effectively minimise the risk of exploitation in our operations.

In promoting and taking a real and active interest in the health and safety of our employees and 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 values. Accordingly, there are various avenues for concerns to be freely raised. In the 'Workforce' section immediately below, we outline some of the initiatives implemented to promote a safe and inclusive workplace that attracts, retains and develops our people.

Workforce

At the end of FY24, Emeco employed a total of 942 people throughout Australia, representing a roughly 21% decrease from FY23. This change is primarily a consequence of the divestment of the underground mining services contracts and related infrastructure and inventory assets.

Of the 942 people, 832 were full-time equivalent employees, 15 were part-time and 95 were casual workers.

Emeco's industry is heavily reliant on staff in trained trades. Labour shortages in FY24 heightened the competitive nature of the labour market in Australia and strengthened the bargaining power of our employees, both current and prospective. The combination of our skilled workforce and this competitive labour market worked to further lower the modern slavery risk in our operations.

We believe these mitigants also operated to counter any potential increase in modern slavery risk associated with an increase in our casual workers in FY24 due to the typically less secure nature of their employment. Emeco considers that flexible work arrangements are important to attracting a diverse workforce and the increase in casual and part-time workers in FY24 is reflective of these arrangements.

Role	No. of Staff
CEO	1
Key Management Personnel	1
General Managers and Senior Managers	22
Other Managers	50
Professionals	113
Sales	8
Technicians and Trades	528
Apprentices and Trainees	90
Machinery Operators and Drivers	23
Labourers	22
Clerical & Administrative	84
Total	942

In addition to these mitigants, in FY24 Emeco's human resources systems and People and Culture teams ensured that our employees were properly onboarded, trained and overseen in a manner that minimises the risk of exploitation and enriches our employees.

Regular stakeholder engagement undertaken by Emeco of its employees through in-person meetings, email communications, online inductions, training and safety meetings and company-wide communications helped secure the safety, health and management of our employees. In FY24:

- Emeco's total recordable injury rate (**TRIFR**) was 2.8, down from 3.2 in FY23;
- Emeco's lost time injury frequency rate (**LTIFR**) was 0.0 as of June 2024; and
- there were no fatalities recorded across Emeco's operations.

4. Our Supply Chains

Emeco provides services to the mining industry with a specific focus on the provision of machinery and maintenance services to our clients. Emeco relies heavily on imported parts which, in turn, depend on overseas manufacturing and logistics.

This poses an elevated level of risk for Emeco as the ILO's Global Estimates of Modern Slavery has identified that:

- the manufacturing sector accounts for almost one-fifth of all forced labour exploitation of adults; and
- one-third of all forced labour exploitation worldwide can be attributed to service sectors, primarily the procurement of raw materials and their transformation into finished goods.

These industries are heavily based in regions such as China and Africa where labour exploitation occurs at a higher rate compared to Australia. The specialised nature of the mining machinery and parts sourced by Emeco typically requires us to source from specialist suppliers that require oversight by trained mechanics and engineers. This reduces the risk of modern slavery in their operations.

In terms of the service industry, Emeco supplements its workforce with contracted labour from third-party labour hire companies. Utilising these suppliers increases the risk of modern slavery in our supply chain due to the reduced transparency and control over the hiring process. However, the type of employees engaged by Emeco through these labour hire companies are largely skilled labourers who command greater bargaining power and have a lower likelihood for modern slavery and modern slavery-like practices than unskilled labour.

In FY24, Emeco commenced Project Delta, a strategic sourcing initiative aimed at identifying and securing cost reduction opportunities and improving supplier controls. This rationalisation of our supplier base allows for proactive supplier management to help foster improved relationships with suppliers and increased opportunities for collaboration, communication and supply chain visibility.

This, in conjunction with the renewal of our supply chain mapping exercise, provides Emeco with the ability to accurately understand key risks in our supply chain and undertake proactive measures to build greater engagement with suppliers.

Mapping Exercise

Working with FairSupply, Emeco analysed the top 90% of our supplier spend data using FairSupply's proprietary technology to link global trade flow data and our supplier expenditure through multi-regional input-output tables. Through this process, Emeco was able to map our supply chain to the tenth tier, which we refer to as our '**comprehensive supply chain**'.

The mapping exercise also provides Emeco with estimates of forced labour associated with our comprehensive supply chain, which enables Emeco to better understand where modern slavery risk may be present.

As set out in Emeco's FY23 statement, FairSupply regularly updates its data metrics, with the most recent update occurring in FY23. To ensure data is compared on a like for like basis, in Emeco's FY23 statement, data for FY22 and FY23 were processed using the FY22 metrics. This year, the data for FY23 was restated, and the data for FY24 was processed, using the updated metrics from FairSupply, to allow more accurate comparisons between FY23 and FY24.

During FY24, Emeco invested in growth assets, with additional trucks added to its rental fleet, and commenced a substantial new project in Queensland. Repairs, servicing, site specific configurations and transportation of these growth assets contributed to an increased total supplier spend during FY24 and an increase in our total supplier base. However, despite these changes, Emeco's modern slavery risk exposure did not increase proportionately. Indeed, when adjusted on a per \$million spent with each supplier, our modern slavery risk profile reduced by 6.96% from approximately 0.019867 theoretical slaves per \$million in FY23 to approximately 0.0184840 theoretical slaves per \$million in FY24.

Top 20 suppliers

A closer analysis of our top 20 suppliers in FY24 presents a similar consistency with last reporting period, with around 50% of our total expenditure analysed being attributable to these 20 suppliers. Whilst the percentage of our expenditure with these suppliers remained static, the level of estimated people in forced labour attributable to these 20 suppliers, when adjusted on a per \$M spent basis, decreased by 2.48% from FY23. The already low estimated number of people in forced labour decreased from approximately 0.022153 theoretical slaves per \$million in FY23 to 0.021605 theoretical slaves per \$million in FY24.

The list of our top 20 suppliers remained largely the same as for FY23 except for four new entrants primarily related to labour contracting services, corporate travel, as well as machinery and equipment services. These suppliers were within the top 40 suppliers for FY23.

Emeco recognises that labour contracting services incurs modern slavery risk through the reduced level of transparency and control we have over staff. However, our top supplier of these services is a

reporting entity under the Act and has undertaken a number of actions to mitigate their level of modern slavery risk.

Corporate travel largely incurs modern slavery risk through their supply chains due to the increased exposure to industries such as hospitality, transportation and facilities management. Similarly, our top supplier of these services is also a reporting entity under the Act and has taken steps to identify, analyse and mitigate modern slavery risk through actions such as mapping their supply chain.

Due to the nature of our businesses, Emeco has substantial exposure to machinery and equipment services, with over 50% of our total expenditure for the reporting period being attributable to suppliers in this industry. We have heavily analysed suppliers within this industry in previous reporting periods through our 'deep dive' reports conducted by FairSupply.

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, whistleblower 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 may be opportunities to directly engage with these key suppliers including to collaborate on our modern slavery risk approach and receive further information on their response.

Deep Dive Analysis - Company and Industry Analysis

In this reporting period, Emeco commissioned new analyses of a key labour supplier and a key industry (waste management) within our supply chain that we believed may carry an elevated risk of modern slavery. Previous deep dive analyses in past reporting periods have provided strong insights and actionable data which contributed to the FY24 modern slavery action plan, with actions continuing in FY25. Insights from these new deep dive analyses are set out below.

Labour Supplier

The procurement of labour to supplement Emeco's workforce is a key area of our supply chain that is exposed to potential modern slavery risk. The potential risk associated with this supplier was largely related to the sponsorship and employment of overseas workers. This is an area generally known to incur a significant level of modern slavery risk due to the instances of disreputable labour hire providers including debt bondage, in the form of recruitment fees and other forms of exploitation.

The assessment yielded that, whilst there is limited publicly available information relating to this supplier's actions taken to mitigate modern slavery risk, the labour supplied via its operations is limited to trained and skilled workers. The provision of trained and skilled workers and the current competitive labour market within Australia provides some mitigating factors given the lower likelihood for workers of this kind to be exploited.

Noting the due diligence assessment findings and associated theoretical risk, Emeco intends to engage this supplier on a deeper level to better understand their labour hire practices and that the workers that they supply to Emeco are in line with all applicable laws and regulations and do not incur undue modern slavery risk. Whilst no evidence of modern slavery was found in their practices, the limited public information necessitates that Emeco closely manage this supplier to ensure their practices are not supportive of, or conducive to, modern slavery.

Australian Waste Management Industry

The waste management industry has significant exposure to modern slavery risk due to several characteristics including reliance on outsourced labour (typically unskilled and foreign migrant workers), offshore processing of waste materials and various machinery and vehicle supply chain inputs.

The potential for exploitation of workers by operators in this industry has been evidenced by coverage in Australian media of certain disreputable suppliers underpaying a large proportion of their migrant labourers. Additionally, the waste management industry is characterised by significant supply chain exposure through the sourcing of heavy machinery, equipment and waste transportation vehicles. The production of this machinery and vehicles requires various raw material inputs including steel, iron and conflict minerals, which in turn are sources of significant modern slavery risk.

Two key suppliers that we procure services from in this industry are reporting entities under the Act and are required to submit modern slavery statements. Further, due diligence has shown that the two suppliers have undertaken a proactive approach to modern slavery risk, implementing desktop audits of their suppliers and training and educating staff on modern slavery risk.

Emeco remains aware of the significant modern slavery risk exposure by suppliers in this industry and will continue to monitor and engage suppliers operating within this industry to ensure commitment to our modern slavery strategy.

5. Actions taken to mitigate modern slavery risk

Emeco continues to mitigate modern slavery risk by building its corporate governance framework and strengthening management oversight to identify, analyse and mitigate modern slavery risk in our operations and supply chains.

In FY24, Emeco has sought to improve the sophistication of our supplier engagement and management processes. This has included revisions to our supplier questionnaire and preliminary steps to implement our new vendor management software, which will assist with supplier onboarding and contract management.

Operations

Code of Conduct

Emeco's Code of Conduct is a core corporate governance policy. It is shared with all of our personnel who are required to abide by its terms, including 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.

Emeco's Code of Conduct is reviewed regularly to ensure that it is operating effectively and to consider whether any changes are required.

Sustainability Report

Emeco's Sustainability Report has been reviewed and updated for FY24. The Report covers the identification of risk within our operations and supply chains and the steps undertaken by the business to better mitigate such risks.

This includes identification of health and safety threats to our workforce and the communities in which we operate, as well as our suppliers. The Sustainability Report communicates our ongoing commitment to our ESG Strategy with our staff and stakeholders, generating a greater sense of accountability.

In FY24, Emeco has implemented steps to reshape our supply chain and centralise our procurement function. This ensures a continuity of relationships and increases the level of engagement that Emeco has with our trusted suppliers. As described in the Sustainability Report and in this statement, Emeco has also undertaken periodic supplier analysis of our supplier pool and spend profile.

ESG strategy

During FY24, Emeco continued to implement measures under the ESG Strategy that was endorsed by the Board in FY23, including the publication of our Sustainability Report. Data collection and implementation of further processes to enhance compliance and reporting form an integral portion of our modern slavery response.

Training and education

Emeco continues to provide modern slavery training across its workforce. The training module combines online mixed media with a questionnaire to ensure that our staff are aware of and understand the risk of modern slavery within our operations and our supply chains. Training was provided to 71

participants in FY24 for the first-time across the legal, human resources, rental businesses and procurement departments and is now mandatory for procurement staff. 147 Participants who had completed modern slavery training previously were provided with refresher material.

Additional specialised, bespoke training was provided for key members of our procurement team with Anti-Slavery Australia, a leading anti-slavery non-for-profit organisation.

Emeco has also conducted training in relation to elements of our modern slavery strategy, including our Whistleblower Policy. In FY24, 398 staff members received training on our Whistleblower Policy, empowering them to report any instances of modern slavery or potentially risky activities that indicate modern slavery. Separate specialised training was also provided to select managers and employees that are eligible to receive reports under the Whistleblower Policy to ensure that appropriate procedures are followed to capture and refer any formal or informal reports, including any modern slavery indicators.

Training and education continue to be fundamental aspects of our modern slavery strategy as they empower frontline staff and management to be able to identify and mitigate modern slavery risk factors within our direct operations.

Whistleblower policy

Emeco's Whistleblower Policy provides the means for an Emeco employee to 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 various methods including a 24-hour toll-free telephone line, website, email, postal mail and mobile application.

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

- Stopline will refer reports to Emeco's general counsel or their delegate for potential investigation;
- 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;
- 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;
- 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; and
- the results of the investigation will be referred to the CEO or the Chair (as applicable) to determine an appropriate response.

In FY24, 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 including our expectations of how they identify, analyse and mitigate modern slavery risk.

Supplier terms & conditions

During FY24, Emeco developed a suite of supplier agreement templates and updated its Supplier Terms & Conditions (T&Cs). These require suppliers to comply with various requirements in order to engage with Emeco. In relation to modern slavery specifically, the T&Cs require that suppliers:

- implement a system of due diligence, audit and training for their personnel and their subcontractors;
- agree to audits from Emeco to assess their compliance;
- maintain records to trace their supply chains in connection with their relationship with Emeco;
- notify Emeco of any actual or suspected modern slavery in its operations and supply chains; and
- agree that 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, if necessary.

Procurement guides

Emeco has developed a number of guides for our procurement team to assist in engaging suppliers. These guides contain information and training on procurement priorities, procedures and systems. They will be rolled out in FY25 as we seek to ensure consistency in our procurement practices and our supplier engagement.

Supplier onboarding questionnaire

Emeco's supplier 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 supplier questionnaire to ensure ease of completion and high-level insights into potential risk factors such as labour law compliance and treatment of employees. 298 suppliers completed the supplier questionnaire in FY24, including the relevant modern slavery risk questions.

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

In FY25, Emeco will be migrating to the new vendor management software for vendor onboarding and management. This migration will centralise and integrate our supplier questionnaire with various databases to ensure ongoing monitoring and identification of potential risk factors in our supplier base.

Supplier outreach

In FY24, Emeco identified our top 50 suppliers in terms of modern slavery risk exposure based on our comprehensive supply chain mapping exercise in FY23. These suppliers were issued a supplier questionnaire that was specifically tailored to identify risks associated with modern slavery.

Of the 50 questionnaires that were issued, 33 completed responses were received. Of the received responses, there were no specifically identified high level risk factors that warranted further investigation.

With certain key suppliers, including those who did not submit a questionnaire response, Emeco has also engaged in meetings at regular intervals in order to identify issues, disputes, safety concerns, knowledge sharing opportunities and to build and develop rapport with the supplier and better understand their business.

Supplier consolidation

As part of Project Delta, Emeco has sought to rationalise and consolidate expenditure with key suppliers and deactivate smaller spend suppliers. In doing so, Emeco is able to naturally foster greater engagement with a concentrated number of suppliers with whom we are able to better understand our modern slavery risk exposure.

In FY24, 762 suppliers were deactivated. This process will naturally progress in FY25 with regular review of supplier spend, consolidation of spend with preferred suppliers and the divestment of the underground contract mining services business.

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	FY24	Insights
Total theoretical slaves tied to our supplier spend	Increased since FY23	Whilst this figure has increased from FY23, it has increased at a lower rate than our total expenditure has increased, indicating that additional expenditure can be attributed to lower risk suppliers.
Total theoretical slaves tied to our supplier spend weighted per million dollars spent	Decreased since FY23	Echoing the insights above, this decrease in a weighted metric of modern slavery risk exposure demonstrates a lower risk exposure.
Theoretical slaves tied to our top 10 supplier spend amounts weighted per million dollars spent	Decreased since FY23	Adjusted for expenditure, this metric shows that our key suppliers present less modern slavery risk
Theoretical slaves tied to our top 30 supplier spend amounts weighted per million dollars spent	Decreased since FY23	Adjusted for expenditure, this metric shows that our key suppliers present less modern slavery risk
Number of reports of modern slavery received via Whistleblower Policy or other reporting mechanisms.	Maintained at zero	Emeco has undertaken further education of our staff on their rights and protections under our Whistleblower Policy to better equip them to report adverse activity.

With a transition to FairSupply's newest data set, comparability beyond last financial year does not yield accurate results. On that basis, Emeco conducted a comparative analysis of the top 10 suppliers in terms of modern slavery risk exposure and weighted on a per \$M spent basis for the last two reporting periods.

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.

This demonstrates that, overall, the top 10 suppliers are plateauing in the theoretical modern slavery risk presented by key suppliers in our supply chain. There was a minor decrease in modern slavery risk exposure of 5.22% following a shift of three suppliers out of the top 10 suppliers compared to FY23.

7. Collaboration and consultation

Emeco is committed to a unified approach across business units within the corporate group to ensure a seamless collaboration to effectively combat modern slavery risk within our operations and our supply chains. Regular collaboration in FY24 between Emeco's procurement, legal and risk functions, which cut across our entire business, sought to ensure the most at-risk aspects of our business were enabled with tools to identify, analyse and mitigate modern slavery risk. In FY24, we had a specific focus on developing and empowering our procurement team with tailored, bespoke training provided by Anti-Slavery Australia.

Consultation between an informal modern slavery working group across different business units throughout FY24 led to the development and progression of an action list to inform our evolving approach to modern slavery risk. Consultation with management, suppliers, employees and advisors is integral to the process of ensuring that modern slavery risk is minimised.

Modern slavery and/or sustainability practices set by the executive team are communicated throughout the business through training and published statements such as our modern slavery statement and sustainability report.

Furthermore, outreach with our suppliers as well as proactive management of upstream customers to better share ideas and information helped to enrich our understanding of risk factors and better inform our approach to mitigating such risk.

8. Geopolitical impacts

Various events in FY24 have impacted supply chains ranging from conflict, inflation and other political factors limiting movement and availability of certain supplies that are necessary for our business to operate. However, our ongoing commitment to facilitating strong relationships with key suppliers has mitigated large fluctuations of expenditure with many of our top 20 suppliers remaining largely static from FY23.

Skilled labour shortages have also impacted our approach to labour hire with re-orientation to more flexible working arrangements and engagement with labour-hire companies. These factors may otherwise lead to an increased risk of modern slavery but the skilled nature of the workers and their increased bargaining power due to a competitive labour market have effectively countered such an increase.

Emeco continues to monitor the security of our supply chains through assessments and order management. 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.

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 further build out and refine our actions in FY25. Proposed actions for FY25 currently include:

- implementation of new vendor management software to centralise and better integrate procurement processes across the Emeco business;
- review and update of the onboarding supplier questionnaire through the new vendor management software;
- ongoing review of the governance and supplier documents including the Supplier Code of Conduct and the T&Cs;
- roll out of procurement guides to better inform engagement of suppliers;
- continued consolidation of our supply chain to trusted suppliers;
- updating of our FairSupply analysis to conduct comparative analysis utilising similar datasets; and
- refreshing due diligence exercises.