

FY22 Modern Slavery Statement

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1. Introduction

I am pleased to present the third consecutive Modern Slavery Statement (**Statement**) of Emeco Holdings Limited ABN 89 112 188 815 and its consolidated subsidiaries (**Emeco**). This Statement covers the reporting period of 1 July 2021 to 30 June 2022 (FY22) under the *Modern Slavery Act 2018* (Cth) (the **Act**).

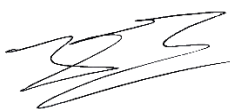
Throughout a challenging year with the ongoing impacts of COVID-19, a tight labour market, increasing inflationary pressures, hard borders and extreme weather events, I am proud of the Emeco team and the way we performed in FY22. As we aim to make Emeco a sustainable and resilient business, a key part of this is our ongoing actions to identify, mitigate and minimise modern slavery risk in our operations and our supply chains.

This Statement marks the third year of consecutive reporting. We have made important strides in creating organisational capacity to address modern slavery risk and general improvements in our governance framework to assist in identifying and policing misconduct and breaches of our policies.

Our third modern slavery statement coincides with the release of the International Labour Organization's (ILO) 2021 Global Estimates of Modern Slavery, which reports that there are 50 million people in situations of modern slavery on any given day. The alarming rise in modern slavery from the last global estimates released by the ILO in 2017 provides important context as we assess and measure our performance in addressing modern slavery risk in our operations and supply chains. These global insights also reaffirm Emeco's commitment to uphold our modern slavery strategy and continue to improve our response to identify, minimise and mitigate modern slavery risk.

In FY22, we endeavoured to maintain our strong governance, conducting a review of our suite of policies and procedures to continuously improve our governance framework. We renewed our mapping exercise to better understand our comprehensive supply chain, our sources of elevated risk and conducted a comparative analysis to assess the effectiveness of our actions over the last three reporting periods. We also engaged key suppliers and customers to foster a collaborative approach to modern slavery to share information and build our industry's capability in the modern slavery space.

Australia and the world have started a return to normalcy, with government restrictions imposed as a result of the COVID-19 pandemic starting to lift. Emeco remains committed to ensuring safe work practices, and the reduction of the impact of the pandemic on our business operations, our supply chains and modern slavery risk continues to be a priority. This statement covers the initiatives we have continued to refine over the last three years.



Ian Testrow

Managing Director & 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. FY22 activities

Area	Actions completed	Page(s)
Due diligence	• Categorised Emeco's first tier suppliers in FY22 on an industry and geographic basis to drive risk assessment • Mapped and assessed Emeco's comprehensive supply chain using first tier data, assisted by FairSupply, a third-party technology provider for the third consecutive year • Performed comparative analysis of metrics over the last three years • Focused further analysis of five products/services identified as having a potentially elevated modern slavery risk	6 – 9
Policies & protocols	• Continued the rollout of RAPID Questionnaire to new suppliers • Commenced targeted rollout of RAPID Questionnaire to existing suppliers • Developed second iteration of RAPID Questionnaire for smaller suppliers • Updated purchase order terms and conditions including to better address modern slavery • Updated Supplier Code of Conduct including to better address modern slavery • Reviewed Human Rights Policy • Instituted Labour Hire protocol for suppliers that provide Emeco with labour, to minimise modern slavery risk	9 – 11
Grievances & remediation	• Leveraged internal communication channels to reinforce staff awareness of reporting mechanisms for modern slavery concerns • Maintained an independent third-party provider reporting line allowing instances or concerns relating to modern slavery in Emeco's supply chain to be reported confidentially and anonymously • Noted no reports of modern slavery concerns made in FY22 through our reporting mechanisms	10
Training & education	• Conducted internal training on modern slavery for key members of Emeco's departments and entities • Provided refresher training and update on modern slavery for individuals that have previously received training in modern slavery	12
Assessing efficacy	• Maintained review processes on similar parameters as prior reporting period to facilitate measurement of modern slavery risk in our supply chain against established baselines and conducted a comparative analysis • Assessed overall risk across supply chain year-on-year to measure efficacy of supplier screening and on-boarding process after adding new suppliers in FY21 • Studied movements in our first tier supplier list against the last reporting period to assess efforts to maintain continuity in the supply chain and mitigate COVID-19 impacts	12
Collaborative efforts	• Engaged with key operational personnel across corporate structure, including newly acquired business unit, to assess, identify and mitigate modern slavery risk • Engaged with suppliers to foster collaborative relationship and information sharing in relation to modern slavery. • Engaged with Emeco customers to share information relating to modern slavery actions taken by Emeco to help educate and inform their modern slavery action • Established online workspace for internal Emeco teams to collaborate on modern slavery action	13
COVID-19	• Continued protocols and practices to protect the health and wellbeing of Emeco's workforce during the COVID-19 pandemic • Maintained the continuity of first tier supplier relationships to mitigate the impact of COVID-19 on lower tiers of the supply chain and related risks of modern slavery • Continued rigorous screening protocols for new suppliers	13 – 14

3. Operations

Emeco Holdings Limited, Emeco International Pty Ltd, Force Equipment Pty Ltd and Pit N Portal Mining Services Pty Ltd are reporting entities under s 5(1) of the Act.

This statement is presented on a consolidated basis and Emeco Holdings Limited is reporting on behalf of its controlled entities, including Emeco International Pty Ltd, Force Equipment Pty Ltd and Pit N Portal Mining Services Pty Ltd. Emeco Holdings Limited has been listed on the ASX (ASX:EHL) since July 2006.

Emeco is an Australian-based group providing open-cut and underground equipment solutions and services for the mining industry in key mining regions of Australia. Emeco has operated in the industry for over 50 years and has a high-quality and diverse customer base consisting of large and junior mining companies, some of which Emeco has been working with for over 20 years, operating in a wide variety of commodities including gold, coal, iron ore, nickel and copper.

Emeco primarily operates under four key brands: Emeco, Force by Emeco, Pit N Portal and Borex. Emeco has around 1,000 items of equipment in our rental fleet, supported by a network of maintenance and component rebuilding workshops across the country, and powered by Emeco's proprietary asset management and fleet optimisation technology.



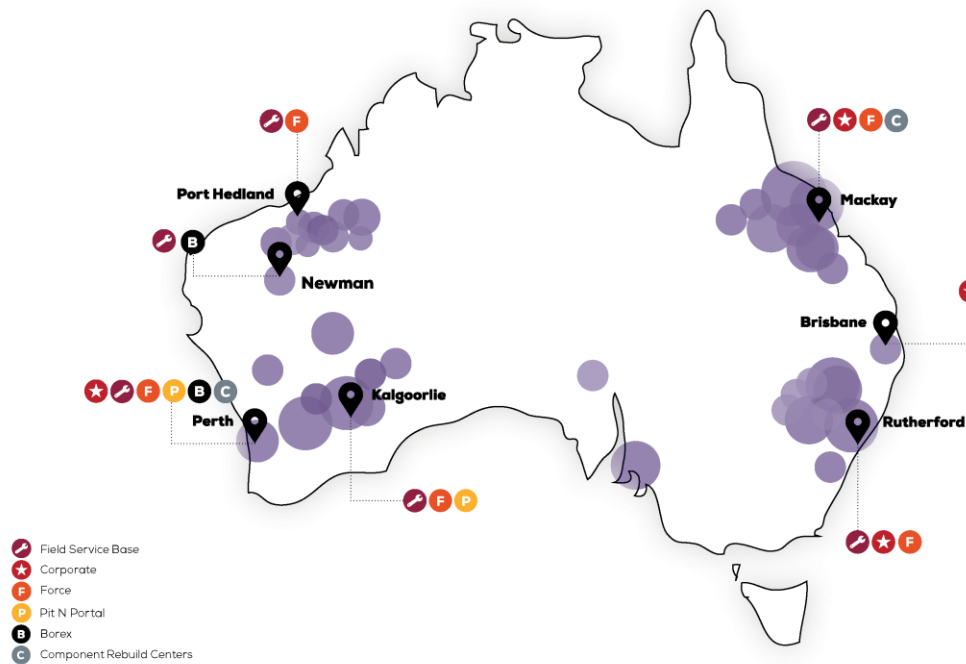
All of the entities within the Emeco group corporate structure are wholly-owned by Emeco Holdings Limited, either directly or indirectly resulting in, the workforce, operations and suppliers of all of these entities being subject to Emeco's governance framework and the constituent policies and protocols.

Historically, Emeco had operations in several other countries including Indonesia, the United States, Canada and Chile. With a strategic exit from the last of our overseas operations in 2018, Emeco's current operations are focussed in Australia and conducted through the key group entities listed below.

Emeco Holdings Limited key group entities:

Company	Country of Incorporation
Parent entity - Emeco Holdings Limited	Australia
Emeco International Pty Limited	Australia
Force Equipment Pty Ltd	Australia
Pit N Portal Mining Services Pty Ltd	Australia
Pit N Portal Equipment Hire Pty Ltd	Australia

Below is a map of Emeco's operations across the mining regions of Australia



Emeco's exposure to modern slavery risk on a geographic basis is limited due to Emeco's Australian focus for its operations, due to the regulatory framework provided by the Australian government.

Together with Emeco's strong oversight function at a company level, the generally lower instances of modern slavery in the industries in which Emeco operates and our largely skilled workforce, the risk of modern slavery in Emeco's operations is relatively low.

Workforce

As at the end of FY22, Emeco's workforce has grown significantly to around 1,400 people employed on a full-time equivalent basis. This increase in our workforce is primarily attributable to our continued growth and expansion following the acquisition of our Pit N Portal entities in FY21 and the Borex business in FY22.

These full-time equivalent employees are directly employed by Emeco whilst the rest of our workforce is labour contracted through specialised labour hire companies. These companies operate within an industry that has an elevated level of modern slavery risk due to the lack of oversight that Emeco has on the terms of their employment. To counteract this, Emeco has previously undertaken specific due diligence to better understand hiring practices and the way in which they provide labour to Emeco and other partners.

Function	No. of Employees	
CEO	1	In respect of Emeco's direct employees, the robust protocols of Emeco's human resources department and strong oversights of Emeco's experienced executives allows us to screen, on-board and oversee employees in a manner that mitigates modern slavery. Employees are required to adhere to Emeco policies, standards of practice and procedures to ensure that they and Emeco act in an ethical and professional manner.
Key Management Personnel	1	
General Managers	13	
Senior Managers	11	
Other Managers	111	
Professional	121	In respect of Emeco's contracted labour, all labour suppliers are required to comply with Emeco's Supplier Code of Conduct under the terms and conditions of Emeco's Purchase Order. In addition, Emeco requires those contracted workers that are onboarded (including those that are to perform services onsite) to complete a questionnaire as part of that process which investigates the potential presence of modern slavery indicators.
Technical & Trades	503	
Clerical & Administrative	113	
Sales	8	
Machinery Operators & Drivers	400	
Labourers	20	Emeco is intent on making sure all its workers are aware of their rights and responsibilities.
Apprentices	88	
Total	1,390	

Emeco provides accessible grievance mechanisms for individuals to raise complaints or concerns and processes for their resolution. Both direct employees and onboarded contracted workers are required to read and acknowledge the Emeco Whistleblower Policy.

In FY22, Emeco continued to build Project Align, which focuses on attracting, retaining, and developing our valuable workforce. This has involved the engagement of our people to maintain our shared values of accountability, growth, pride, communication, family, and teamwork. These values are instrumental in engaging with Emeco's people and disseminating a message of honesty and transparency.

4. Our supply chains

Emeco operates a crucial role in the mining industry, providing machinery and mining and maintenance services to our clients. As part of these services, Emeco sources from a wide range of suppliers. However, a large proportion of our supplier spend relates to the acquisition of mining or drilling machine parts, equipment and labour services in the form of repairs and machinery servicing.

These industries are heavily reliant on manufacturing which, in turn, requires a diverse range of inputs. Emeco appreciates that these industries incur modern slavery risk relating to raw inputs in the form of metals, minerals and chemical materials. In general, manufacturing industries are associated with an elevated level of modern slavery risk as identified by the International Labor Organization's Global Estimates of Forced Labour, stating that one-fifth of all forced labour is concentrated in manufacturing. This is due to the fact that manufacturing is concentrated in geographic regions with lax labour laws and regulatory oversight, cheaper labour and greater number of uneducated labour. This combination of these factors raises the potential for labour exploitation in the form of forced labour, debt bondage and child labour. These low-margin, high-volume industries contribute to an elevated level of modern slavery risk throughout the supply chain despite an overwhelming number of direct suppliers being located in Australia.

The sourcing of labour is commonly associated with modern slavery given the high prevalence of recruitment agencies and the high incidence of forms of debt bondage and deceptive recruiting occurring in these industries.

Noting these identified issues associated with the industries from whom we receive supplies, we undertook detailed analysis outlined below to better understand our specific risk profile.

5. Mapping of supply chain and assessment and identification of modern slavery risk

For the third consecutive year, Emeco, in conjunction with FairSupply Analytics (**FairSupply**), undertook an in-depth analysis of Emeco's supply chain. To facilitate comparative analysis against the baseline metrics established in FY20 and FY21, Emeco reviewed and analysed the probable risk of modern slavery in our comprehensive supply chain. The concept of a comprehensive supply chain acknowledges that Emeco's modern slavery risk is incurred through a significant number of overlapping supply chains, starting from our direct suppliers through to the tenth tier which encompasses the sourcing of the raw inputs.

FairSupply utilises proprietary technology to link global trade flow data with Emeco's supplier spend data, using multi-regional input-output tables (**IOTs**) to map the comprehensive supply chain against data gathered from 190 countries and in relation to 15,909 industry sectors.

The IOTs help Emeco identify the inputs required from different industries in different countries around the world to produce the supplies represented by our direct supplier spend. This spend information is then mapped out throughout each tier, industry and country, providing Emeco with data beyond our direct suppliers to readily identify if Emeco is potentially causing, contributing to or directly linked to modern slavery. The detailed nature of the information gathered from this exercise allows Emeco to take targeted action and determine Emeco's leverage to direct, negotiate or question purchasing decisions in order to lessen that risk.

In FY22, Emeco's analysis covered 304 suppliers which had increased from 257 in FY21.

With further refinements of Emeco's categorised data and utilising the proprietary algorithm and data analysis system provided by FairSupply, Emeco mapped the top 90% (based on spend) of Emeco's comprehensive supply chain on an industry and geographic basis. Utilising similar parameters as last reporting period, together with weighted metrics that account for year-on-year changes in supplier spend amounts, has allowed Emeco to undertake a comparative analysis against the last two sets of data.

As a first step in the process, Emeco categorised first tier suppliers by country and industry to enable further diligence.

5.1 Country and Industry Analysis

The vast majority of Emeco's spend during the reporting period was with suppliers in Australia and, to a lesser extent, the USA with only two suppliers. As such, Emeco's first tier suppliers presented low geographic risk of probable modern slavery occurring in their operations as they are primarily located in Australia and USA being countries with strong regulatory frameworks. However, noting that the inputs for these first tier suppliers may have an increased risk of modern slavery, Emeco endeavoured to ensure that our direct suppliers maintain their operations and respective supply chains in line with our values and as such, we have taken a number of actions in relation to these suppliers as detailed in Section 6.

Whilst nearly all the direct suppliers showed a low to average risk of modern slavery on an industry and geographic basis, Emeco recognises that this assessment at the industry category level may not reveal whether the modern slavery risk profile of a specific product or service in an industry category is materially different from other products and services within the same industry category. Accordingly, Emeco undertook a further, focused analysis of five products or services identified in the comprehensive supply chain mapping and assessment which may carry a potentially elevated modern slavery risk. This focused analysis was conducted on the same products and services that we analysed in the FY21 reporting period in order to understand whether modern slavery risk indicators have changed for these key elements of our supply chain and inform Emeco as to whether further action was required. This further analysis focused on:

- three products in the form of equipment parts linked to four of our key suppliers; and
- two products/services in the form of information technology equipment and property services linked to a particular supplier.

Focused Analysis – Equipment Parts

The manufacture and supply of parts for our equipment presents an elevated level of modern slavery risk due to the high instance of forced labour within the industry. Manufacturing or the transformation of raw materials and other manufacturing products into new products, accounts for nearly one-fifth of all forced labour exploitation of adults.

The high instance of forced labour in this sector can be attributed to the sourcing and handling of raw materials and inputs. Sourcing raw materials such as metals and minerals carries a higher risk of forced labour due to the low skill and education qualifications of workers in this area. Furthermore, the high instance of low-margin goods throughout the supply chains for the equipment parts industry and the high prevalence for such goods to be manufactured in jurisdictions with weaker regulation also contributes to a greater risk of exploitation.

These risks, associated with the equipment parts industry as it relates to Emeco and our direct suppliers, is located deeper in the supply chain with entities in the lower tiers that mine minerals, process and refine metals, and then manufacture components that form the final piece of equipment.

These entities and the associated risk are somewhat removed from Emeco and our direct suppliers in Australia from whom we source parts. Our direct suppliers are subject to the laws and regulations in Australia. In addition, we require that our suppliers abide by our Supplier Code of Conduct and relevant contractual provisions to ensure that they are conducting business in a manner that aligns with our standards, including the restriction of any form of modern slavery.

In addition to these requirements, Emeco has initiated the process of engaging select direct suppliers to better understand their policies and procedures as it relates to their suppliers and the risk of modern slavery occurring in the lower tiers of our shared supply chains.

Focused Analysis – Information Technology

In order for Emeco to conduct its operations, we rely on the sourcing of information technology equipment from suppliers. The use of IT equipment incurs a significant level of modern slavery risk, with 90% of the world's computers and mobile phones being manufactured in China.

IT equipment relies on a number of low-margin, high-volume goods and unskilled labour to assemble equipment. The combination of the two elements leads to high instances of labour exploitation in order to minimise cost and maximise efficiency. As such, the IT equipment industry presents an elevated level of modern slavery risk.

Additionally, the sourcing of the raw inputs required to manufacture components for IT equipment presents a high risk of modern slavery as the minerals and metals used are usually associated with “conflict minerals” being cobalt, gold, tin and tungsten. These minerals are sourced from jurisdictions such as the Democratic Republic of Congo where mining is often tainted by forced labour practices and the proceeds used to fund conflicts.

The risks outlined above are general risks associated with the IT sector as opposed to identified instances of modern slavery found with our suppliers. Our analysis of our suppliers in the industry and the product or service provided showed that the above average level of risk of modern slavery attributable to each analysed product or service appeared in the lower tiers of the impacted supplier's supply chain. The analysis indicated that the level of risk directly linked to Emeco's spend with these suppliers is very low.

Focused Analysis – Supplier specific

The further analysis on these specific suppliers yielded positive results in terms of their actions taken to mitigate modern slavery risk with each entity or their parent entity providing modern slavery statements under the Act or an equivalent legislative framework provided by other jurisdictions in the USA and the UK. The suppliers have also implemented various governance documents and undertook due diligence in respect of their suppliers to directly address modern slavery risk within their supply chains.

However, our analysis also noted that these suppliers, whilst implementing a modern slavery response, have largely stagnated in their approach with the exception of several suppliers undertaking to continuously improve and implement robust approaches to identifying and mitigating modern slavery risk.

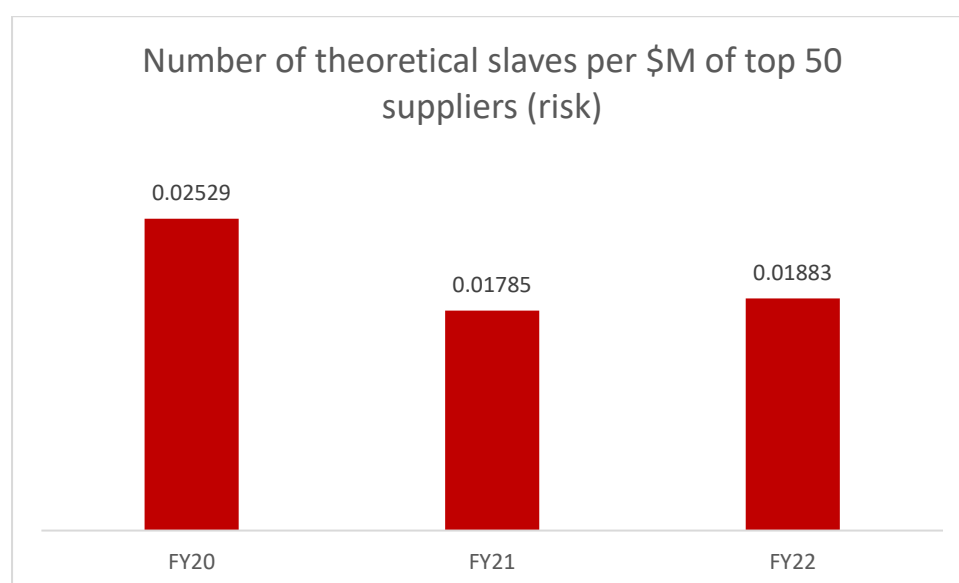
The revised risk assessment and the further focused analysis on the five products/services within Emeco's supply chain did not reveal a heightened risk or instance of modern slavery, particularly in comparison to other reporting periods. It was determined that no further remediation or action in respect to our suppliers was required at this time.

5.2 Comparative Analysis

Our analysis of our revised risk assessment involved a comparative analysis with the results from our assessment report from FY21 and FY20. A comparative analysis of several key metrics derived from these assessments allows us to determine the measurable result of our efforts to mitigate the risk of modern slavery within our supply chain. Even though Emeco had a low modern slavery risk in FY20 and FY21, we endeavoured to continue to maintain this low risk and reduce any semblance of modern slavery within our supply chains.

Emeco and FairSupply undertook an analysis of our top 50 suppliers in terms of modern slavery risk. Using the number of theoretical slaves tied to each of these suppliers and then adjusting the metrics to every \$1 million spent with these suppliers allowed us to undertake a comparative analysis from year-to-year.

Our results indicate minor changes in the modern slavery risk profile attributable to these top 50 suppliers throughout our comprehensive supply chain, with a 5% increase year-on-year. However, looking at the past three years, Emeco's modern slavery risk has reduced significantly since our inaugural modern slavery statement with a 25% reduction in the number of theoretical slaves when compared to our results in FY20. This decrease over the three year period is notable in the context of wider increases in global modern slavery over the past five years as indicated by the ILO 2021 Global Estimates of Modern Slavery, 9.3 million more people were in modern slavery in 2021 compared to 2016 global estimates, representing an increase of 23%.



6. Actions taken to mitigate modern slavery risk

6.1 Policies and protocols

Emeco's approach towards modern slavery relies on strong corporate governance and management oversight in the form of a number of policies and protocols. The corporate entities within the Emeco group are all wholly-owned by Emeco either directly or indirectly. Emeco sought to embed our governance framework throughout the Emeco group to ensure uniformity by engaging our employees through training and education.

Emeco continued its efforts in FY22 to ensure that our policies, procedures and values were communicated and embraced by our workforce to create a holistic and cohesive approach across the group to modern slavery. In addition, Emeco conducted a review of a number of policies and procedures in order to ensure that they remain in line with the legal and regulatory framework of Australia and international convention.

Emeco Operations

Sustainability Report

Emeco has published our FY22 Sustainability Report providing an overview of our commitment to our people, systems, environment, and the community. The FY22 Sustainability Report announced the development of our inaugural ESG strategy which included an analysis of our current ESG performance.

The Sustainability Report is used as a means of engagement with our stakeholders, including investors, customers, employees and suppliers and provides a high-level overview of our sustainability actions and our achievements within the ESG space, including our actions in relation to modern slavery.

Human Rights Policy

Our Human Rights Policy sets out the high standards of corporate and individual behaviour that direct the way Emeco conducts business. The Policy outlines our commitment to internationally recognised human rights laws and standards and sets the foundation of Emeco's approach to the risk of modern slavery in our operations and supply chains and our actions to reduce that risk. This Policy was reviewed in FY22 by our Board of Directors to ensure its ongoing efficacy.

Whistleblower Policy

Emeco continues to provide mechanisms by which our employees, contractors and suppliers are able to report misconduct.

Our Whistleblower Policy provides a system by which our people are able to report conduct in a free, anonymous manner and provides them with protections from detrimental acts or omissions including victimisation and retaliatory conduct.

In FY22, Emeco received zero reports of any instances of modern slavery, actual or suspected.

Supply Chain

Emeco remains committed to mitigating modern slavery within our supply chain and engaging with our suppliers in a manner that upholds our high standards of business. In our third reporting period, Emeco understands that the key source of our modern slavery risk is incurred in the lower tiers of our comprehensive supply chain and as such, we have undertaken a number of actions to mitigate this modern slavery risk.

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.

In FY22, Emeco undertook a review of our Supplier Code of Conduct, instituting amendments that further strengthen our commitments to ensuring a high standard of business across the partners with whom we engage.

Purchase Order Terms and Conditions

Emeco's Purchase Order Terms and Conditions require suppliers to undertake numerous actions to mitigate the risk of modern slavery including:

- implementing an appropriate system of due diligence, audit and training for all personnel and subcontractors;
- agreeing to audits from Emeco to assess their compliance;
- maintaining records to trace their respective supply chains in connection with their relationship with Emeco; and
- notifying Emeco as soon as it becomes aware of any actual or suspected modern slavery in its operations and supply chains.

In FY22, Emeco undertook a review of our Purchase Order Terms and Conditions, instituting several changes, including inserting a provision that allows us to immediately terminate agreements for a breach of our Code of Conduct or Modern Slavery Policy.

Labour Hire Terms & Conditions

Emeco utilises labour hire companies as suppliers of short-term and/or contracted labour from time-to-time. The use of third-party or contracted labour to supplement our workforce is a common practice within the industry but Emeco understands that these forms of labour attract modern slavery risk.

In FY22, Emeco adopted its own labour hire document to be utilised when engaging with suppliers to provide labour. This document contains several representations and warranties regarding the suppliers' workforce to provide assurance that our third-party labour is not subject to any form of modern slavery and in turn, provide us with the related remedies for a breach of these representations and warranties.

RAPID Questionnaire

In FY22, Emeco refined our revised RAPID Questionnaire, which was introduced in FY21. The RAPID Questionnaire is an integral tool to help Emeco identify suppliers where additional assistance or monitoring of modern slavery indicators is required. In FY22, following engagement with Emeco's suppliers, we adopted two forms of the RAPID Questionnaire. This allows us to better engage with our diverse supplier base, with a shortened form of the questionnaire providing better outcomes for smaller operators.

The RAPID Questionnaire responses provide Emeco with the ability to identify modern slavery risk within the prospective suppliers' operations and supply chains. Based on certain responses, prospective suppliers can be flagged for further due diligence to investigate any indicators of modern slavery risk. This process allows Emeco to prevent the engagement of any suppliers that would be subject to an elevated level of modern slavery risk or alternatively allow for Emeco to collaborate with entities to improve their modern slavery processes in order for Emeco to contract with them as a supplier.

Since FY21, approximately 380 suppliers have answered the RAPID Questionnaire. The responses to the Questionnaire have not indicated any actual instances of modern slavery. Rather, they have provided the basis for Emeco to conduct ongoing due diligence and engage in dialogue with suppliers, both current and prospective, to further implement a more holistic and collaborative approach to modern slavery risk.

On its introduction in FY21, the revised RAPID Questionnaire was originally distributed to new suppliers to Emeco as part of our onboarding process. In FY22, Emeco commenced distribution of our RAPID Questionnaire to targeted existing suppliers, first targeting suppliers within our top 30 suppliers in terms of spend amount, together representing 50% of our total supplier spend data. This targeted approach provides Emeco with certainty that our biggest suppliers are undertaking the expected steps to counter modern slavery risk.

Case Study – RAPID Questionnaire

- The RAPID Questionnaire is a strong complement to the analytic technology and specialists used by Emeco for ongoing due diligence of our suppliers.
- The RAPID Questionnaire is a valuable tool to:
 - identify practices of a prospective supplier which merit further diligence, monitoring or support; and
 - foster collaboration with suppliers to address those risks.
- Following the review and amendment of the RAPID Questionnaire in FY21 with the help of external specialists, Emeco further refined our RAPID Questionnaire based on feedback from our suppliers to adopt a more refined and targeted approach in FY22
- In FY22, Emeco adopted a second form of RAPID Questionnaire that is easier to understand and to complete for smaller suppliers without diminishing the quality of modern slavery information provided.
- Following these updates, Emeco commenced the roll out our RAPID Questionnaire to our top 30 existing suppliers in a targeted rollout to better understand the majority of our spend.

6.2 Education

In FY22, Emeco continued to roll out modern slavery training for key individuals within Emeco utilising the online training modules prepared with the assistance of FairSupply. Human resources, recruitment, payroll, legal and office administration were identified as key teams to equip and empower to adequately identify and report indicators of modern slavery risk within Emeco. As part of our training strategy, Emeco required employees who had completed training to submit a written response to a quiz to ensure engagement with the training materials.

These modules will be provided on an ongoing basis to allow for education of later hired employees to ensure continued and improved compliance with Emeco's policies and protocols.

Emeco employees that completed modern slavery training in FY20-21 received a refresher which included information regarding Emeco's actions to identify, address and mitigate modern slavery risk in our operations and supply chains over the last twelve months. By undertaking these exercises, Emeco was able to ensure that employees are aware of Emeco's evolving actions to mitigate modern slavery and foster collaboration amongst employees to further our modern slavery strategy.

6.3 The efficiency of our actions

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

- total theoretical slaves tied to our supplier spend;
- total theoretical slaves tied to our supplier spend weighted per million dollars spent;
- theoretical slaves tied to our top 10 supplier spend amounts;
- theoretical slaves tied to our top 30 supplier spend amounts;
- number of suppliers engaged to collaborate with modern slavery information sharing;
- percentage of Emeco staff who have completed the modern slavery training module; and
- number of reports of modern slavery received via Whistleblower Policy or other reporting mechanisms.

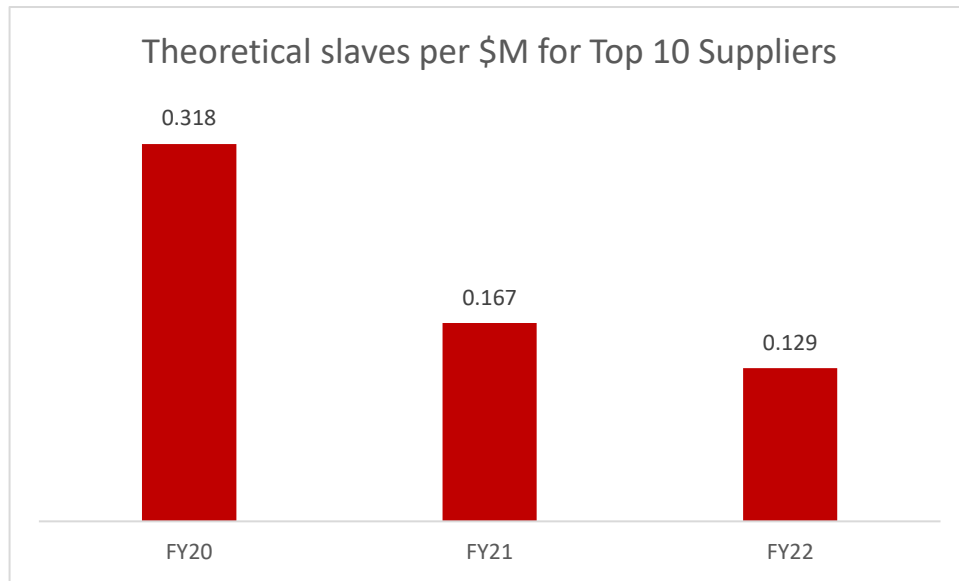
For a second consecutive year, Emeco has identified a low level of modern slavery risk existing in our comprehensive supply chain. The results of our analysis indicates the positive results of our mitigation actions as we have reduced our modern slavery risk from our initial analysis in FY20 despite increasing our overall spend with suppliers and the on-boarding of new direct suppliers.

A comparative analysis between FY21 and FY22 of such metrics yields positive results. Emeco has effectively reduced our exposure of modern slavery in our supply chain with our top 100 suppliers from last year.

The top 10 direct suppliers represent 54.82% (FY21) and 41.40% (FY22) of our total spend. With support from technology providers FairSupply, it was concluded that the cumulative number of theoretical slaves per million spent with each of these suppliers was 0.167 (FY21) and 0.129 (FY22) respectively.

This indicates a consistent level of modern slavery risk as determined in the number of theoretical slaves in our supply chain represented by our spend data with our top 10 suppliers. The minor reduction in the modern slavery risk exposure of our top 10 suppliers indicates positive action by our largest suppliers that represent a significant amount of our direct spend.

This continues a trend of falling levels of modern slavery risk in our top 10 suppliers when adjusted for per \$1 million spent with each supplier.



6.4 Collaboration

Emeco acknowledges that a unified approach by the entire corporate group towards the risk of modern slavery in Emeco group's operations and supply chain is essential. Regular consultation with management, suppliers, employees, advisors, consultants and the Board are integral in ensuring that modern slavery risk is minimised.

Project Align was initiated in FY21 and continued into FY22, encouraging teamwork, communication and collaboration across the Emeco group and was a major factor in facilitating the consultative process and creation of a cohesive approach to risks in the business, including modern slavery. We have established collaborative online workspaces where employees across different business units within the Emeco group are able to share information and work together to mitigate modern slavery risk in operations and supply chains.

In FY22, Emeco has extended our 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 collaborative effort towards modern slavery risk. We have requested information from these suppliers as to their policies, procedures and activities relating to modern slavery risk in their operations and supply chains. These suppliers operate within our industry and Emeco has started this endeavour to share information and engage with suppliers to create a holistic understanding of our modern slavery risk and to help equip suppliers with the requisite means to identify, assess and mitigate modern slavery risk in their respective operations and supply chains.

Emeco has also extended our modern slavery mitigation efforts "upstream" in the supply chain, engaging with our customers to share knowledge of our steps taken in regards to modern slavery. Emeco engaged with select customers to whom we supply our goods and services in order to create engagement with these entities to foster greater understanding of modern slavery risk within our shared comprehensive supply chain.

This Modern Slavery Statement is the culmination of our collaborative effort, during the most recently completed reporting year, with our entities to manage and mitigate modern slavery.

7. COVID-19 impacts

7.1 Operations

The COVID-19 pandemic has continued to pose challenges in maintaining the health and safety of workers. The procedures first implemented in FY20 and refined during FY21 have continued to serve Emeco well and have remained in place for the entirety of FY22.

These measures have included:

- Establishment of a “Coronavirus hotline” that is available to the entire workforce (both full-time and contractors) with 24/7 access.
- Restricting travel across the country (including fly-in, fly-out workers) where non-essential.
- Increased communication and coordination with customers and suppliers to maintain continuity in safety measures.
- Creating unique coronavirus management response plans for every site at which we operate, including all head offices, workshop, and project sites.
- Maintaining “Coronavirus leave” to provide support to employees while the requirements to isolate were in place.
- Implementing remote-working permissions and protocols for non-essential sites and office teams as appropriate.

Emeco will continue to modify workplace health and safety practices in line with government regulations and other external advice.

7.2 Supply chain

Emeco recognises COVID-19 may have increased the risk of modern slavery and other forms of exploitation in parts of our supply chain as there has been an increase in the vulnerability of workers in the COVID-19 climate. In addition to the efforts noted above in respect of operations, Emeco strove to maintain continuity in supplier relationships to minimise the impact of the pandemic on employees and customers.

By making the continuity of first tier supplier relationships a priority, Emeco also sought to mitigate the impact of COVID-19 on lower tiers of the supply chain and related risks of modern slavery. Emeco conducted a review of our first-tier supplier profile in FY22 against our first-tier supplier profile in FY21 to assess the efficacy of these efforts. The review revealed that the suppliers representing our top 50% (by spend) remained largely unchanged.

The success of Emeco’s strategy in mitigating the COVID-19 impact is bolstered by the previously assessed low prevalence of modern slavery risk for first tier suppliers. These combined factors provide little indication that the risk of modern slavery in the upper tiers of our supply chain has materially changed as a result of the COVID-19 pandemic. Emeco will continue to monitor our spend and first tier supplier list on a periodic basis.