

PERENTI GLOBAL LIMITED

**Modern Slavery Act
Statement
FY21**

This Statement is made under the Australian Modern Slavery Act 2018 (Cth) for the financial year ending 30 June 2021 ("FY21") and is published on behalf of Perenti Global Limited (ACN 009 211 474) (Perenti) and its subsidiaries (including Ausdrill Pty Ltd, Barmenco Holdings Pty Ltd, MinAnalytical Holdings Pty Ltd and idoba Pty Ltd), which operate throughout Australia, Africa and North America (collectively referred to as "Perenti" or the "Company")

This Statement is Perenti's second modern slavery statement and details the steps it has taken to assess modern slavery risks within its operations, inclusive of its supply chain, and the actions being taken to help manage these risks.

Our company

Perenti is a diversified mining services company incorporated in Australia and listed on the Australian Securities Exchange (ASX: PRN). Headquartered in Perth, Australia, the Company has operations and offices in 12 countries, and a workforce of ~8,000 people primarily in Australia and Africa.

Perenti is today one of the world's largest providers of surface mining, underground mining and mining support services at scale through a range of specialist operating segments, across the following industry sectors, namely:

- **Underground Mining** – This segment comprises Barminco and African Underground Mining Services. Services include rapid high-speed mine development, production, diamond drilling, vertical development, design planning and scheduling, and equipment supply and maintenance.
- **Surface Mining** – This segment comprises Ausdrill in Australia and African Mining Services in Africa. Services provided by Ausdrill include exploration drilling, production drilling, blasting services and geotechnical services. Services provided by African Mining Services include a full complement of open pit mining services.
- **Investments** – This segment comprises entities that offer a range of support services to the mining sector, including equipment rental, mineral analysis, and supply chain logistics. These businesses also provide support to the Company's underground and surface mining operations.
- **idoba** – This segment is a digital transformation service business comprised of three new acquisitions, namely; Sandpit Innovation, Improvement Resources and Optika. This business brings together multiple technology offerings, operational expertise and broader energy and resources technical capability.

In January 2021 the Surface Mining and Underground Mining Industry Sector Groups (ISGs) were combined under the leadership of our mining chief executive, driving greater collaboration across key areas such as safety, tendering and commercial discipline. This has helped in the standardisation and roll-out of corporate processes and procedures, and streamlined internal communications.

Our supply chain

Perenti has approximately 2,880 active suppliers and its procurement expenditure in FY2021 was AUD \$1.3 billion. Approximately 64 per cent of this expenditure was made within Australia, and the remainder was largely spent in Canada and Africa. While the majority of our suppliers are located in Australia, Perenti recognises that its suppliers likely source products from elsewhere, which presents potential modern slavery risks within the Company's supply chain.

Perenti's supply chain is governed at Group Level by a centralised Procurement Team and managed by the Procurement Teams within the operating segments. There are three key systems used to manage suppliers including Coupa, SAP and Pronto. Having a centralised team responsible for procurement ensures that all entities are aligned with our Group level procedures and processes and have oversight of their implementation. This helps ensure potential modern slavery risks are identified and raised promptly across the business.

Our global business

OPERATING IN

12 Countries
4 Continents

YEARS OF EXPERIENCE

30+ Domestic
30 International

GLOBAL PROJECTS

GLOBAL EMPLOYEES

60 **~8,000**



Our approach

Given the global prevalence of modern slavery and the nature of the mining industry, Perenti acknowledges that modern slavery practices may be present in the Company's operations and supply chains. This potential risk is recognised throughout the Company, starting with the Board. Recognising the sensitivity of human rights risks, Perenti has consulted with its subsidiaries during the development of this Modern Slavery statement and the rolling out of Group level policies and procedures, to raise awareness of modern slavery and inform the supplier risk assessment.

At Perenti, we believe that considering sustainability in everything we do is critical to deliver our purpose to create enduring value and certainty for all our stakeholders. Respecting human rights is a key to our commitment to sustainability. This commitment is captured and operationalised by Perenti's Code of Conduct, which sets out employee expectations, and is referenced within the Sustainability Policy.

Other initiatives helping to operationalise Perenti's commitment to human rights, include:

- Speak Up Policy and Standards** – Approved by the Board in December 2019, this policy sets out the expectations that all employees have a responsibility to help detect, prevent and report immediately instances of misconduct, including breaches of the Code of Conduct. Speak Up is an independently managed service that provides numerous avenues to confidentially report allegations of misconduct. In FY21 the Company launched a Speak Up campaign across the business to build awareness of the disclosure options available.

- Inclusion and Diversity Policy** – Reviewed and approved by the Board in April 2020, this policy sets out Perenti's commitment to creating an inclusive, productive and safe workplace, free from discrimination, harassment, and bullying. This policy has been revised in FY21 to better align the associated Ausdrill and Barmenco policies under a single Perenti policy.
- Security Management Standards** – In 2020, the Board endorsed a new approach to security management, which aligns with the Voluntary Principles on Security and Human Rights.

Perenti's Governance Framework plays a critical role in helping the business deliver on its strategy and objectives. It provides the structure through which business objectives are set, performance is monitored, and risks are managed. It includes a framework for decision making across the business and provides guidance on the standards of behaviour expected of our people across our business.

At Perenti, human rights risks, inclusive of modern slavery risks, are overseen by our Audit and Risk Committee; however, ownership of our modern slavery actions and implementation of these actions is the responsibility of the organisation's senior leaders across all our entities.

ORGANISATIONAL STRUCTURE MAP AND LINES OF RESPONSIBILITY AND ACCOUNTABILITY



Assessing modern slavery risks

In FY21, Perenti conducted a high-level risk assessment of its business to understand where human rights risks, including modern slavery risks, may exist. A key part of this assessment was understanding the existing controls in place and identifying any potential gaps.

The assessment was undertaken by an expert independent consultancy and was guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs).

The assessment involved a desktop review of relevant corporate policies and procedures and information relating to the Company's operational footprint, inclusive of its supply chain. In addition, interviews and workshops were conducted with key people from across the business to ensure a cross-functional understanding and perspective of potential risks, existing controls and gaps were captured. Functions involved included: Legal, Supply/Procurement, Human Resources, Security, Safety, Environment, Risk and Sustainability.

The assessment found that the risks were largely dependent on location, with higher risks linked to complex operating environments, where there are greater safety and security issues, political unrest, and corruption.

Key modern slavery risks identified through the assessment included:

- **Labour** – We are aware that the risks of modern slavery are exacerbated in business models that rely on complex contracting and sub-contracting arrangements and where third parties are extensively used. While the majority of Perenti's workforce is directly employed, labour hire services are used in some locations to source specific skill sets or local employees. Employees and those employed via a labour hire service receive the same induction, which sets out an expectation that those employed by Perenti adhere to the Company's Code of Conduct and other relevant corporate policies and procedures.
- **Procurement** – Perenti procures a range of goods and services from approximately 2,880 suppliers. Key spend categories and services procured include utilities, tyres, professional services, parts and spares, light vehicles, labour hire, heavy equipment, ground support, freight and logistics, explosives, consumables and equipment hire. Perenti is aware that manufacturing facilities, particularly those outside of Australia, may have poor working conditions, which can create an enabling environment for slavery-like practices to occur. Perenti recognises that it currently has limited visibility with respect to some of its suppliers, particularly those beyond Tier 1, and is still developing its capacity to systematically identify and respond to modern slavery risks across its supply chain.
- **Business Relationships** – The assessment identified that Perenti, due to the nature of its business, may be complicit in the actions of its clients. Perenti is typically engaged by mine operators to provide services. Specific consideration was given to ensuring measures are in place to identify these potential risks, and explore ways to leverage the Company's relationship with its clients to manage risks – particularly in relation to water usage, waste disposal, health and safety, and community interactions.

Managing modern slavery risks

In FY20, Perenti developed a program of works, which sets out specific actions to further understand, respond to and manage human rights risks, including modern slavery risks, within its business operations and supply chain. The program of works, a rolling three-year plan, is underpinned by a risk-based approach, so as to focus the Company's efforts on areas assessed as having a higher potential of modern slavery risk.

The program of works aims to drive continuous improvement in Perenti's capacity to manage modern slavery risks in its operations and supply chain. We have progressed a number of actions in FY21, including:

- Supported diversity and inclusion, by launching a Paid Parental Leave Policy, rolling out a Flexible Work Practice Standard across the Group, and developing an Inclusion and Diversity Strategy.
- Developed comprehensive criterion for mining business partners that requires prospective partners to provide details on what they do to prevent modern slavery.
- Finalised the combined Mining Emergency Management Plans, along with associated guidelines, tools and an online training package.
- Developed of a Human Rights Training Module (**Module**) – The Module has been initially rolled out to senior leaders and key individuals from across our entities. These individuals were identified based on their positions and role in the management of modern slavery risks. The aim of the module is to increase knowledge and understanding of human rights, inclusive of modern slavery, within the Company, and ensure there is clarity in how human rights risks are managed. The Module will continue to be rolled out in FY22, and on an as needs basis.
- Refined our internal supplier audit questionnaire. The purpose of the questionnaire is to verify supplier conformance with Perenti's policies and procedures, and international good practice. Based on feedback from the initial roll out, the Company is looking to further refine the questionnaire. This will involve development of a general set of questions for all suppliers, as well as a more detailed set of questions for those considered high-risk.
- Conducted a review of the Company's Tier 1 suppliers to further understand potential risks and opportunities. The process categorised suppliers based on a range of factors, including the type of goods and/or service provided, the sector risk, the value of spend, and the country of operation.
- Going forward, all new suppliers will be assessed at the time of their engagement to determine if they are a high-risk supplier. This will then be used to trigger monitoring and/ or auditing requirements to enhance identification of potential modern slavery risks within the Company's supply chain.
- Commenced development of a Group Level Grievance Management Procedure. The aim of this is to assist with standardising the Company's approach to internal grievances across our entities. This will help ensure that the workforce, including employees and contractors, have adequate ways in which they can raise concerns and receive remedy, where appropriate. This Group procedure will be rolled out and implemented in FY22.

A look forward

To continue to mitigate modern slavery risks across our business and supply chain in FY22 Perenti commits to:

- **Governance**

- > Formalise the roles and responsibilities for overseeing the management of human rights risks including modern slavery at the Board level.
- > Develop a Human Rights Policy, which will provide guidance to directors, management, employees, contractors and suppliers on the Company's expectations regarding human rights, inclusive of modern slavery.
- > Incorporate more comprehensive due diligence for human rights related risks in the new country risk assessment process.
- > Roll out the online Emergency Management Team training package.
- > Continue to play an active role in the Western Australian Human Rights Resource and Energy Collaborative Group to provide consistency across the industry in managing modern slavery risks.

- **Labour**

- > Continue to roll out human rights training to employees to increase knowledge and understanding of modern slavery risks within the Company. A training record will be maintained and monitored to ensure successful roll-out of the training.
- > Implement the Group level Grievance Management Procedure to ensure consistency across Perenti, including adapting the Speak Up Policy and Speak Up Standard across the Company.
- > Commence a program to review labour hire practices to ensure consistency across the business, so that there is appropriate oversight.
- > Develop an accommodation checklist to ensure an adequate standard of living is provided in line with international best practice.

- **Procurement**

- > Continue to align the documents that govern procurement practices to ensure they comply with Perenti's human rights commitments.
- > Develop a process to assess the performance of suppliers, with a particular focus on those considered high risk from a modern slavery perspective. This will include the development of an audit program.
- > Review the Company's approach to contract management and develop key performance indicators, where appropriate, to track performance.
- > Ensure human rights related provisions within contracts and service agreements are applied consistently across the Group, in progress to be complete early FY22.

Perenti recognises the value of continual improvement and the importance of assessing the effectiveness of the actions taken to address modern slavery risks through reporting on the program of works. To ensure the program of works is effectively controlling these risks, reporting will draw findings from annual risk assessments, reviews of external and internal processes and procedures, and measurement of key performance indicators with a focus on compliance and delivery of training.

Management will also report to the Board if there are any incidents and/or allegations of modern slavery in its operations, including its supply chain, identified or disclosed during the year, and if so, the steps taken to respond to these risks.

Approval

Perenti is committed to respecting human rights and managing modern slavery risks in accordance with this Statement. The Company recognises that the risks of modern slavery are complex and evolving, and will continue to work to address these risks. This will involve actively engaging with stakeholders to assess the effectiveness of the identified actions to continually enhance the approach to management.

The Perenti Board of Directors authorised and approved the publication of this Statement on 29 November 2021.

Mark Norwell

Managing Director and Chief Executive Officer
Perenti



MODERN SLAVERY ACT STATEMENT FY21

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