

Modern Slavery Statement

BPW Transpec

Identify the reporting entity;

1.1 Identify the reporting entity

BPW Transpec Pty Ltd ('BPW' from here) is an Australian Private Company ABN 63 006 645 272 active from 31 March 2000. The registered office and principal place of business of BPW is: 1-11 Cherry Lane, Laverton North VIC 3026.

The number of FTE employees as at 31.12.2020 is 62.

Identify the Reporting entity, describe the reporting entity's structure, operations, supply chains;

2.1 Structure:

BPW Transpec is 100 % owned and part of the BPW global group of companies. BPW Transpec controls two wholly-owned companies incorporated in and operating in New Zealand: BPW Transport Efficiency Limited and BPW Aftermarket Ltd.

The Parent company is called BPW Bergische Achsen Kommanditgesellschaft, based in Wiehl, Germany founded in Germany in 1898, and currently registered German company registration number HRA 16859. The group has an extensive global presence. At the time of the 2019 Annual Report, there were 44 related entities in Europe and a further 12 across South Africa and Australasia. The related entities variously comprise: manufacturing companies, service companies, sale companies in the original equipment business, and spare parts trading companies.

2.2 Operations:

BPW's operations occur in Australia and New Zealand. The most significant operations are: axle assembly, sales and distribution of parts and components. The minor operations are workshop activities servicing heavy machinery used in transport and logistics. Related to those business activities, BPW owns several premises consisting of warehouse and office space in Brisbane, Melbourne, Sydney, and leases one premises in Western Australia and two in New Zealand. BPW directly hires the majority of its staff with a small regular labour hire workforce from one supplier.

Distribution and Sales: BPW sells and distributes the following products:

- Air Brake Control Systems;
- Landing Legs;
- Ballrace Turntables;

- Agricultural Equipment such as air sprung, hydro-pneumatic, or mechanical suspension assemblies, axles with adjustable track widths and self steering axles;
- BPW Genuine Spare Parts;
- PE Automotive products comprising high quality parts for commercial vehicles;
- Ringfeder & VGB trailer couplings and weldable and demountable towing eyes;
- Edbro telescopic cylinders for rigid tippers and semi-tippers;
- Cargo Floor which is a hydraulic 'moving floor' loading and unloading system;
- Tridec steering system for trailers;
- Netcap sliding tarp systems; and
- PWP SA tailor made door systems for commercial vehicles.

Assembly: BPW assembles from raw materials and partially fabricated components the following products:

- Trailer Axles; and
- Suspension.

Provision and delivery of products and services: As part of its business BPW engages in the following activities:

- Repair and servicing; and
- Advertising of the Products including through print media, digital media, trade shows, conferences.

Leasing of property: BPW owns and leases several commercial properties in Perth, Sydney, Brisbane, and Melbourne (head office). These premises comprise office space, warehouses, and service workshops.

Direct Employment of Workers: as BPW's business involves assembly, distribution, and sale of its products, BPW directly employs the following categories of staff:

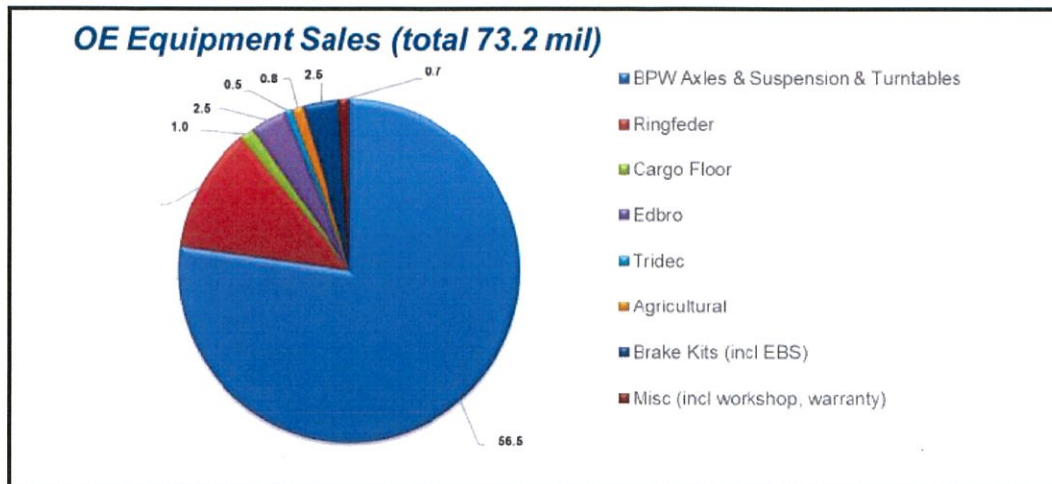
- Engineers;
- Parts interpreters;
- Sales representatives;
- Warehouse, workshop and axle assembly workers;
- HR & OHS manager; and
- Administrative staff.

2.3 Supply Chains

BPW does the vast majority of its business through long standing supplier relationships, almost all of BPW's supply of goods comes from our German parent company- BPW Bergische Achsen KG. There is a number of European companies in our supplier list such as Ringfeder & VGB, Edbro, Cargo Floor, Tridec, Netcap, PWP SA, PE who are our major suppliers and BPW is the appointed distributor of their product in Australia and New Zealand. The rest of our suppliers are local Australian and New Zealand companies.

Products provided to BPW by suppliers:

BPW's major supplier relationships are with our German parent company (BPW Bergische Achsen KG) and a select number of equipment suppliers that account for 99% of our sales. Refer to graph below for a breakdown of Original Equipment Sales for 2019.



BPW also has a number of minor suppliers for goods like: office supplies, merchandise and promotional materials, workshop tools and consumables. These are procured from local suppliers in Australia and New Zealand.

Services provided to BPW by suppliers:

BPW has a range of suppliers that provide it with services, all of these service providers are based in Australia or New Zealand:

- External consultants, engineers;
- External marketing;
- Distribution/logistic service providers;
- Financial services and credit providers: banks, other lenders; and
- Cleaning and business support services: office and commercial premises cleaning services, external IT support, and legal services providers.

Products and services used by indirect suppliers in BPW’s supply chains:

BPW’s supply chain extends to downstream or indirect suppliers who provide goods or services to immediate suppliers of BPW considered above. As described earlier, the vast majority of supply that BPW receives is from our parent company BPW Bergische Achsen KG and related entities. BPW has no control over what suppliers are engaged for the raw materials and partly fabricated components which are then supplied to BPW and form the majority of our business operations.

In so far as our Australian and New Zealand suppliers, all people that work directly to provide services indirectly to BPW are located onshore in either Australia or New Zealand. As concerning our minor local suppliers of goods, BPW has no effective control or oversight of the supply chains of those providers.

Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls;

BPW has investigated its direct and indirect supply chains to assess the risk that BPW is engaged in modern slavery practices in the sense that BPW’s activities have the potential to cause, contribute to, or be directly linked to, modern slavery in our operations and supply chains.

We have assessed our risk of being engaged in modern slavery to be extremely limited. The vast majority of our supply comes from BPW Bergische Achsen KG. BPW Bergische Achsen KG in its *2020 Sustainability Report* demonstrates its deep commitment to Corporate Social Responsibility which informs its practices in procurement and production. The Report discloses that compliance with Human Rights and Anti-Modern Slavery principles is an element of the procurement process. Two present focus areas are

occupational safety and child labour, with an increasing number of suppliers undergoing an extensive audit for compliance. Further, there is specific consideration whether the supplier's own Corporate Social Responsibility initiatives are taking effect.

A major pillar of the commitment to Human Rights and Anti-Modern Slavery is support for the UN Global Compact including the Sustainable Development Goals. As part of its commitment to Employees and Community, Product Responsibility, Environment and Energy, BPW Bergische Achsen KG has adopted 10 Corporate Principles including most relevantly:

Principle 1: Companies should support and ensure the protection of global Human Rights.

- The protection of human freedom, safety and health are the basis of the management guidelines and Code of Conduct at BPW.

Principle 2: Companies must ensure that they do not contribute to human rights violations.

- BPW obliges its business partners to observe comprehensive quality specifications. These include traceability across all business processes, environmental standards and national and international legal provisions, including protection of human rights. The company's main sources for procurement of raw materials and commercial goods are located in Germany and Europe.

Principle 5: Companies should support the eradication of child labour.

- As a family business, BPW cares particularly about child protection. BPW obliges suppliers, service providers and their sub-suppliers to comply with international legal provisions- including, of course, child protection.

Considering the deep commitment of BPW Bergische Achsen KG to human rights in the way it conducts its business in its immediate and more remote supply chains, BPW is confident that policies and procedures being brought in at parent company level make BPW the beneficiary of robust vetting and monitoring processes in respect of products that form part of BPW's business operations across Australia and New Zealand. This confidence is bolstered by BPW's compliance with German law- the *CSR Directive Implementation Act*- implementing EU Directive 2014/95/EU on non-financial reporting in the EU which promotes supply chain transparency, requiring businesses to report on actions taken to minimise modern slavery risk in supply chains.¹

The risk of BPW being involved in modern slavery practices exists in respect of more indirect suppliers of that are engaged in operations of our local suppliers of goods and services. These account for an extremely minor part of our business operations. Nonetheless, our commitment to eradication of modern slavery means we take these risks seriously.

BPW has identified the following areas of risk of modern slavery in its operations and supply chains:

Sector and industry risks

- We acknowledge that our indirect supply chain through our German and European suppliers includes products of the minerals and manufacturing industry which is a recognised high risk sector for modern slavery practices.² In particular, the origin of the steel used in BPW components presents a relevant risk in that BPW does not have full control or visibility over the supply chain for that material and therefore those components. In this way, there is a risk that BPW is directly involved in modern slavery practices if suppliers of our parent company and associated entities are not complying with their obligations in respect of upholding human rights and working to eliminate modern slavery.
- A very minor amount of commercial goods used in our business operations relate to the textiles industry, mass produced office supplies and promotional materials, as well as mechanical

¹ Described in the Global Slavery Index Report 2018, p 114.

² Mining is recognised as a high risk sector for modern slavery in the February 2019 Guide on Modern Slavery Risks, Rights and Responsibilities produced by the Australian Council of Superannuation Investors in collaboration with KPMG; also noted in the 2017 Global Estimates of Modern Slavery referred to in the Global Slavery Index Report 2018.

workshop tools and consumables. BPW recognises that our local suppliers of such products are likely to source either the raw materials or the finished products from overseas. This means BPW may be linked to modern slavery in our supply chain for such goods,³ since monitoring and compliance with international human rights and labour law standards may be deficient creating a risk of modern slavery practices occurring.

Product and services risks:

- There is a risk that BPW is contributing to modern slavery through subcontracting cleaning services which is a known high risk industry however BPW Transpec pays above the federal award rates for these services which dramatically reduces the risk that BPW is involved in modern slavery in connection with this sector.

Geographic risks:

- BPW does not at present have effective oversight of the supply chain of our parent company beyond the fact that it mostly comprises German and European entities. The risk of modern slavery associated with German and European suppliers is relatively low given the high standards of human rights and labour law obligations within the European Union. Further, BPW Bergische Achsen KG audits its suppliers as part of its commitment to the UN Global Compact for compliance with the applicable international regulations that relate to treatment of people. However we recognise that Germany and Europe cannot be considered modern slavery free as shown by the *Global Slavery Index Report 2018*, despite Germany performing well on a range of markers compared to the rest of the region and the world.⁴
- There is a geographic risk in downstream suppliers of our local Australian/New Zealand suppliers as considered above however BPW does not presently have oversight over those supply chains beyond our immediate contracting partners.

Entity risks:

- BPW has not identified any specific entities in our supply chain that have been identified as comprising a risk of modern slavery.

Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes;

BPW is committed to undertaking human rights due diligence which means to engage in an ongoing management process to identify, prevent, mitigate and account for how we address actual and potential adverse human rights impact in our operations and supply chains, including modern slavery.

In this first year of reporting and providing a Modern Slavery Statement, BPW is focussing on increasing our competencies in identifying risk of modern slavery in our operations and supply chains.

The Board of BPW Transpec has introduced an *Anti-Slavery and Human Trafficking Policy* as of [1st April 2021]. The Policy is our commitment to upskilling our management, staff and business partners to tackle the problem of modern slavery. This Policy has been promulgated across our organisation and staff have been encouraged to familiarise themselves with it and actively engage with management to raise any concerns of risk of modern slavery in BPW's operations and supply chains.

³ Global Slavery Index report 2018 lists garments as a 'top 5 product at risk of modern slavery' imported into the G20, it stands to reason it occupies a similar position for imports into Australia. Garments also listed as 'product at risk of forced labour' in chapter 6 'Importing Risk: Understanding the Risk Imported by G20 countries', p 103.

⁴ See chapter 5 'Regional Findings: Europe & Central Asia' p 92- 100.

As part of our *Anti-Slavery and Human Trafficking Policy*, we have adopted the *UN Guiding Principles on Business and Human Rights* as outlined in *Chapter II: The Corporate Responsibility to Respect Human Rights*. BPW recognises that businesses have capacity to impact on human rights directly and indirectly and therefore have a responsibility to be proactive in avoiding infringing on human rights through their operations and in their supply chains. BPW will engage in the process of developing due diligence frameworks to engage with our suppliers and investigate what modern slavery risks exist within our supply chains in order to collaborate with suppliers to remediate those risks and encourage best practices.

Management of BPW are taking the lead on increasing knowledge of Modern Slavery risks and best practice by undertaking the *Antislavery.org.au* e-learning module on Modern Slavery. Management carries responsibility for supplier contract administration completed the course in [June, 2021] and we are encouraging staff at all levels of the organisation to also complete the course as part of the ongoing discussion around substantively meeting our commitments to combat modern slavery.

As part of our tracking and monitoring processes, our annual Modern Slavery Statement will reflect the increasing rigour of our internal processes. This public communication of how we engage with our suppliers will include what steps are taken to mitigate risks identified and to remediate any harms to which BPW contributes. At this stage, we have identified no specific harms to which BPW has contributed and therefore there are no remediation practices immediately required. However, we recognise that BPW has a role to play in leveraging our influence with suppliers where risks of modern slavery are identified down the supply chain. As such in the coming year, BPW will engage in BPW Bergische Achsen KG's supplier audit process and formalise processes for engagement with identified risk and identifying how best we can leverage our business relationships to reduce the risk of there being modern slavery practices even in the most remote parts of our supply chain.

Describe how the reporting entity assesses the effectiveness of these actions;

BPW is in the process of developing a framework for evaluating the actions we take to assess and address risks of modern slavery. We recognise that absent actual knowledge of modern slavery practices in our supply chains, it is impossible to assess the effectiveness of our actions. Instead, we are aiming to put in place best practices in Human Rights and Anti-Slavery Compliance for an entity of our size and role in the group of companies.

There are several mechanisms we have put in place:

1. BPW has introduced an annual senior management meeting where the present actions with respect of assessment and addressing risk of modern slavery are reviewed. This procedure will coincide with the process of drafting the Modern Slavery Act Statement such that the past Statement's actions can be considered and retained, replaced, or expanded as relevant for the following period.
2. As part of our procurement processes, any new major supplier relationships will involve a process of assessment for risk of modern slavery. This process will involve requesting information from the supplier about what steps are being taken in their business to identify and address risk of Modern Slavery in their business and supply chain.
3. Feedback mechanisms are already in place. BPW staff in every department are encouraged to engage with management when they have observations or suggestions regarding our current Anti-Modern Slavery practices or have identified risks that may not be addressed consistently with best practice.
4. Engagement with the parent organisation will be formalised around Human Rights and Anti-Modern Slavery. BPW Bergische Achsen KG will be engaged in respect of the steps being taken as part of the *2020 Sustainability Report* developed by BPW Bergische Achsen KG. In particular,

BPW will seek information on, and participate in the process of BPW Bergische Achsen KG pursuing its Corporate Principles dealing with robust support for the UN Global Compact and Sustainable Development Goals in respect of upholding human rights and eradicating modern slavery.

Describe the process of consultation with any entities the reporting entity owns or controls (joint statement must also describe consultation with the entity giving the statement);

This criterion does not apply to us as we do not own or control any other entities with which we had to consult in drafting this Statement.

Provide any other relevant information.

We have no further information to provide.

This statement has been approved by the Board of Directors of BPW Transpec on 01.04.2021

Achim Kotz
Director

Signature

Stefan Oelhafen
Director



Signature

Peter Kennedy
Director



Signature