

Modern Slavery Statement

Financial Year ending 30 June 2021

Introduction

This statement is submitted as a joint statement in accordance with the *Modern Slavery Act 2018* (Cth) (**Act**). It is submitted by Engenco Ltd (ACN 120 432 144) (**Engenco**) on behalf of itself and its wholly owned Australian subsidiaries (**Engenco Group**). It describes the steps taken by the Engenco Group to assess modern slavery risks in its operations and supply chain during the financial year ending 30 June 2021 (**FY21**). Although Engenco's subsidiaries are not required to report under the Act, the Engenco Group has decided to nonetheless include a voluntary report of its subsidiaries' actions in this joint statement for completeness and consistency as all entities in the Engenco Group have employed the same approach to combating modern slavery. This statement was prepared in consultation with management and supply chain personnel from each reporting entity within the Engenco Group.

About the Engenco Group

The Engenco Group employs approximately 700 people in over twenty locations in three countries (Australia, Sweden and United States of America).

Through the Engenco Group's three main business streams: Rail and Road, Power and Propulsion and Workforce Solutions, the Group provides high-quality solutions across multiple industry sectors including defence, resources, marine, power generation, rail, heavy industry, mining and infrastructure.

Engenco Group businesses specialise in:

- Maintenance, repair and overhaul of heavy-duty engines, powertrain, propulsion and gas systems;
- Maintenance, repair and overhaul of locomotives;
- Manufacture and maintenance of wagons, carriages and associated rail equipment;
- Project management, training and workforce provisioning services; and
- Manufacture and supply of road transport and storage tankers for dry bulk products.

The Engenco Group entities covered by this statement include:

- Gemco Rail Pty Ltd (ACN 079 764 444)
- Convair Engineering Pty Ltd (ACN 058 868 134)
- Drivetrain Australia Pty Ltd (ACN 060 704 789)
- Centre for Excellence in Rail Training Pty Ltd (ACN 104 577 933)
- Total Momentum Pty Ltd (ACN 109 979 991)

Our governance and policy framework

The Engenco Group is committed to ethical business practices with the health, safety and wellbeing of our staff, customers and supply partners as our number one priority. Our commitment to these principles is embodied in our Code of Conduct and underpinned by our Values.

Make Safe

Safety is core to our key values, as we demonstrate every day and in every role. Our first priority will always be the safety, health and wellbeing of our people, delivered through positive Work Health Safety practices and a robust safety culture.



Integrity
The power of honesty

We are committed to doing the right thing. We are motivated to promote a culture of trust, to operate ethically, honestly, legally and transparently and to deliver on what we promise.



Commitment
The power of responsibility

We are committed to accepting our responsibilities and delivering on our promises. We pledge to maintain a healthy and safe working environment, to practice sustainable business and to work with our customers to deliver quality solutions.



Collaboration
The power of working together

We are committed to working as a team to accomplish our individual and Group goals. We understand that our differences make us stronger. We listen to each other and welcome the opportunity to learn something new. Together we will succeed.



Excellence
The power of quality

We are committed to be the best at what we do. We are driven to never compromise on quality, safety, to prioritise value and to celebrate innovation.

Engenco | GEMCORAIL CONVAIR | Drivetrain HEDEMORA TURBO & DIESEL | Momentum CERT

Our policy and governance framework supports our commitment to assessing and addressing the risk of modern slavery in our operations and supply chains.

- Our **Code of Conduct** sets out the principles and standards with which all officers and employees of the Engenco Group are expected to comply in the performance of their duties.
- Our **Whistleblower Policy** supports staff and suppliers to report any actual or suspected illegal or unethical conduct within the Engenco Group.

- Our **Modern Slavery Policy** provides the framework for how the Engenco Group will assess and address modern slavery in its operations and supply chains.
- Our **Supplier Code of Conduct** outlines the expectations for ethical business practices that the Engenco Group has for its suppliers, including expectations for suppliers to investigate, assess and address the risks of modern slavery within their own operations and supply chains.

Copies of these and other policies can be found on our website at www.engenco.com.au/investor-center/governance/.

Structure, business operations and supply chains

Engenco Ltd

Engenco is a publicly listed company (ASX: EGN) with its registered office at Level 22, 535 Bourke Street, Melbourne, Victoria 3000. Engenco provides corporate shared services to the Engenco Group entities. Corporate shared services are comprised of finance, legal, human resources, marketing, information technology and general administration functions. Engenco employs approximately 58 people at its corporate offices in Melbourne, Victoria, Welshpool, Western Australia and Forrestfield, Western Australia.

In addition to the Engenco Group entities covered by this statement, Engenco also owns Hedemora Turbo and Diesel AB, a company incorporated in Sweden, and HS Turbochargers America, Inc, a company incorporated in the State of Nevada, United States of America.

Engenco has a decentralised procurement function with each entity largely responsible for engaging and managing their own suppliers. Suppliers to Engenco consist mainly of professional advisory services (legal services, auditing and financial services), fleet management services, recruitment services, contract labour hire and office cleaning services.

Gemco Rail Pty Ltd (Gemco Rail)

Gemco Rail is a proprietary limited company wholly owned by Engenco with its registered office at Level 22, 535 Bourke Street, Melbourne, Victoria 3000. Its principal place of business is 860-870 Abernethy Road, Forrestfield, Western Australia 6058. Gemco Rail employs approximately 212 people across Australia with key operations in Forrestfield, Western Australia, Dynon, Victoria and Gladstone, Queensland.

Gemco Rail specialises in providing fleet-management services to Australian rail operators and in the manufacture, refurbishment and overhaul of rail rollingstock and other rail equipment.

Gemco has strategic partnership agreements and/or long-standing relationships with rail part suppliers in the United States of America and Australia. Gemco also procures industrial products (e.g. oil and grease) and electrical services, engineering services and recruitment services from Australian suppliers.

Gemco Rail has a dedicated supply chain team lead by an experienced National Supply Chain Manager.

Convair Engineering Pty Ltd (Convair)

Convair is a proprietary limited company wholly owned by Engenco with its registered office at Level 22, 535 Bourke Street, Melbourne, Victoria 3000. Its principal place of business and manufacturing facility is located at 93 Miller Street, Epping, Victoria 3076. Convair employs approximately 27 people at its Epping facility.

Convair specialises in the manufacture, supply and service of pneumatic dry bulk tankers.

Convair has a stable, long-term supply chain consisting of local Australian and international suppliers. Convair is the Australia/New Zealand agent for aluminium pneumatic dry bulk tankers manufactured in Germany by Feldbinder Spezialfahrzeugwerke GmbH. Convair is also the national distribution agent for several ancillary parts manufacturers from Germany and the United States of America.

Convair's supply chain is managed by a dedicated Procurement Manager.

Drivetrain Australia Pty Ltd (Drivetrain)

Drivetrain is a proprietary limited company wholly owned by Drivetrain Power and Propulsion Pty Ltd (ACN 052 506 886) (**DTTP**). DTTP is a non-trading holding company wholly owned by Engenco. Drivetrain's registered address is Level 22, 535 Bourke Street, Melbourne, Victoria 3000 and its principal place of business is 13 Firebrick Drive, Thornton, New South Wales 2322. Drivetrain employs approximately 80 people at its workshops across Australia.

Drivetrain is a leading supplier of technical products and services to the mining, energy, transport and defence industries. From its workshops located in Victoria, New South Wales, Queensland, South Australia and Western Australia, Drivetrain provides engineering, maintenance, repair and overhaul services on driveline components, utility vehicles and other equipment.

Drivetrain has stable, long-term supply agreements with its major suppliers. Drivetrain acts as the Australian distributor for manufacturers located in Canada, Sweden, Germany, the United States of America and Australia.

Drivetrain's supply chain is managed by a centralised team lead by an experienced Supply and Inventory Manager.

Centre for Excellence in Rail Training (CERT)

CERT is a proprietary limited company wholly owned by Engenco Investments Pty Ltd (ACN 124 975 462) (**Engenco Investments**). Engenco Investments is a non-trading holding company wholly owned by Engenco. CERT's registered address is Level 22, 535 Bourke Street, Melbourne, Victoria 3000. CERT employs approximately 49 people across Australia.

CERT is a nationally registered training organisation (**RTO**), primarily delivering nationally accredited qualifications and industry compliance programs to the Australian transport, resource and defence markets. CERT operates across Australia delivering a range of training options, including classroom, on-site, distant and remote learning.

CERT's key suppliers are Australian-based equipment and service providers. CERT has a long-term supply agreement in place with a medical services provider to perform rail and other workplace medicals. Other long-term suppliers include heavy equipment hire (forklifts and cranes) for high-risk training courses.

Total Momentum Pty Ltd (Momentum)

Momentum is a proprietary limited company wholly owned by Engenco with its registered office at Level 22, 535 Bourke Street, Melbourne, Victoria 3000. Momentum employs approximately 282 people across Australia.

Momentum is a leading provider of contract labour solutions and outsourced workforce management to the Australian rail industry. Momentum operates nationally within Australia delivering skilled staff to rail operators and infrastructure owners.

Momentum procures accommodation services from local Australian hoteliers.

Identifying and addressing modern slavery risks in our operations and supply chain

The Engenco Group considers the risk of modern slavery in its operations to be very low. All direct employees of the Engenco Group are engaged under written contracts of employment on terms and conditions that are in accordance with Australian legislation, and any applicable modern awards or enterprise agreements. The Engenco Group has policies, procedures and resources to ensure compliance with relevant laws, including with respect to employee pay and entitlements. Our Code of Conduct ensures that employees are treated fairly and our Whistleblower Policy supports staff and suppliers to report any actual or suspected illegal or unethical conduct within the Engenco Group.

In FY21, the Engenco Group formed a Modern Slavery Working Group (**Working Group**) to inform and drive implementation of the Engenco Group's response to modern slavery within our supply chain. The Working Group consists of supply chain representatives from all reporting entities as well as representatives from the finance and legal department.

The Working Group implemented a risk-based framework to assess the risk of modern slavery in the Engenco Group's supply chain. The framework assesses suppliers against sector, product, geographical and specific entity risks. To better understand its supply chain risks, each entity within the Engenco Group assessed its top ten suppliers (by spend) against the framework.

Most suppliers were assessed to be at low risk of modern slavery due to being either local Australian-based companies or large international companies based in countries with a low prevalence of and high government response to modern slavery.¹ While the overall risk assessment of the Engenco Group's top suppliers was low, it was noted that some medium country-level risks may exist with a small number of suppliers whose products are ultimately manufactured in third-country locations with a medium prevalence of and vulnerability to modern slavery.²

¹ According to the Global Slavery Index 2018 published by the Walk Free Foundation (www.globalslaveryindex.org).

² Ibid.

To address and mitigate the risk of modern slavery in its supply chain, the Engenco Group took the following steps in FY21:

- A Modern Slavery Policy was implemented to provide the framework for how the Engenco Group will assess and address modern slavery in its operations and supply chains;
- A Supplier Code of Conduct was implemented to outline the Engenco Group's expectations for its suppliers in relation to combating modern slavery;
- A Group Procurement Policy was drafted to provide a framework for common procurement principals within the Group, including considerations under the Act.
- Our standard procurement contract terms and conditions were updated to include modern slavery clauses that require suppliers to assess and address modern slavery risks in their supply chains and allows the Engenco Group to audit suppliers and terminate agreements for non-compliance with modern slavery obligations.
- A supplier questionnaire was prepared to better understand our existing supplier's businesses and their risks of and responses to modern slavery within their own operations and supply chains.

Assessing effectiveness

The Engenco Group's actions to identify and address modern slavery in our operations and supply chains in FY21 have led to the following outcomes:

- Our procurement professionals have a greater understanding of the prevalence of modern slavery and the actions we can take to minimise the risk of it in our supply chain;
- Our suppliers are contractually obligated to assess, investigate and address their own modern slavery risks; and
- The Engenco Group has a deeper understanding of the key participants in its supply chain.

The Engenco Group is not aware of any instances of modern slavery in its operations or supply chain during FY21; nonetheless, it remains committed to the continued improvement of its systems, processes and actions to identify, assess and address modern slavery in its businesses.

Looking Ahead

Priorities for FY22

Our key priorities for the financial year ending 30 June 2022 (FY22) include:

- Engagement with our top suppliers (by spend) through our supplier questionnaire and any follow-up actions that arise therefrom;
- Implementation of our Group Procurement Policy; and
- Review of our due diligence approach for onboarding new suppliers.



Approval

The Board of Engenco Ltd has approved this statement on behalf of the Engenco Group on 16 December 2021.

Vince De Santis

Chairman