

Modern Slavery Statement

Financial Year ending 30 June 2020

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 2020 (**FY20**). 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 600 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)

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ENGENCO LIMITED

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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.








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.

The Engenco Group has also implemented a Whistleblower Policy, which supports staff and suppliers to report any actual or suspected illegal or unethical conduct within the Engenco Group and provides a mechanism to ensure that such matters are dealt with appropriately while offering protection to the individuals who report the actual or suspected misconduct.

Copies of these and other policies can be found on our website at www.engenco.com.au.

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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 55 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 220 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 (eg. 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 26 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

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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) (**DTPP**). DTPP 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 70 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 54 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 240 people across Australia.

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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's compliance focus for FY20 was on:

- (1) developing and broadening our understanding of the Act and the factors within our businesses that may cause or contribute to modern slavery; and
- (2) implementing our Whistleblower Policy and establishing the reporting mechanisms thereunder.

With the above focus areas in mind, the Engenco Group considers the risks of modern slavery in its operations and supply chain to be low for the following reasons:

- All direct employees of the Engenco Group, including Momentum labour hire staff, are engaged under written contracts of employment on terms and conditions that are in accordance with all Australian legislation and any applicable modern awards or enterprise agreements;
- Most of the Engenco Group entities procure goods and services through long-term, stable supply agreements with key reputable suppliers;
- Most of the Engenco Group's tier-one suppliers are either local Australian-based companies or large international companies based in countries with a low prevalence of and high government response to Modern Slavery (Canada, United States of America, Germany, Sweden)¹.

Nonetheless, Engenco recognises that risks of modern slavery may exist in other areas of its supply chain, including sub-suppliers, as we are aware that some products supplied by our tier-one suppliers are manufactured in third-country locations. Our key priorities for the next reporting period (outlined below) will be on addressing and mitigating these risks.

Assessing effectiveness

The Engenco Group is not aware of any instances of modern slavery in its operations or supply chain during FY20. Further, the Engenco Group has not identified any areas in its operations or supply chains that are at a high-risk for modern slavery practices occurring during FY20; however, we acknowledge that modern slavery is an ongoing and changeable risk and we are committed to the continuous improvement of our overall governance and procurement processes to assess, detect, address and remedy the risks of modern slavery.

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

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Looking Ahead

Priorities for FY21

Our key priorities for the financial year ending 30 June 2021 (FY21) include:

- Creation of a modern slavery working group, consisting of supply chain representatives from all reporting entities as well as finance and legal, to continue to understand and drive the implementation and continuous improvement of our processes;
- Implementation of additional policy frameworks, including a modern slavery policy and a robust procurement policy applicable to the entire Engenco Group;
- Release and implementation of a Supplier Code of Conduct;
- Updates to standard contractual terms to include clauses relating to modern slavery and requiring adherence to the Supplier Code of Conduct; and
- Gaining a better understanding of the risk of modern slavery within our supply chains via engagement with our tier-one suppliers through discussions and a supplier questionnaire.

Approval

The Board of Engenco Ltd has approved this statement on behalf of the Engenco Group on 18 February 2021.



Vince De Santis

Chairman

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