



Liftronic Pty Limited

Modern Slavery Statement

Australia's largest independent lift company

Established 1985



Liftronic Pty Limited

MODERN SLAVERY STATEMENT

FY2022

This publication is the Modern Slavery Statement (**'Statement'**) of Liftronic Pty Limited (ABN 99 002 886 213) (**'Liftronic'**) for the financial year ended 31 December 2022. This Statement is made pursuant to the Australian Modern Slavery Act 2018 (Cth) (**'Act'**) and has been approved by the Liftronic Board of Directors (its Principal Governing body).

Liftronic is not required under the Act to file this Statement for the Reporting Period but has voluntarily elected to make and file this Statement as a means of demonstrating to its customers and other business partners and stakeholders its commitment to the principles of the Act.

REPORTING ENTITY, STRUCTURE, OPERATIONS AND SUPPLY CHAINS



REPORTING ENTITY AND STRUCTURE

In accordance with the Act, Liftronic is the 'reporting entity' (as defined in the Act) covered by this Statement and the terms **'we'**, **'us'** and **'our'** refer to Liftronic.

Reporting to the Liftronic Board, the Liftronic Executive Management Team consists of:

- Managing Director
- National Sales Manager
- National Construction Manager
- National Operations Manager
- Company Secretary



OPERATIONS

Liftronic has direct business operations only in Australia, with approximately 130 employees across multiple sites in Australia. Liftronic has the flexibility to be able to design, supply, install and maintain almost any type of lift for residential, commercial, industrial or health care applications. We also have a large range of standard design lifts to suit many applications.



SUPPLY CHAIN

Our supply chain includes providers of finished products for re-sale, together with providers of component parts, raw, semi-finished and finished materials, and consumables for the products we manufacture and sell. We source directly from our Australian suppliers, and we receive international supply through our overseas affiliates and their suppliers.

Our supply chain also includes the suppliers of products and services that would typically be required by general office, warehouse, workshop, and manufacturing operations.

IDENTIFICATION OF RISKS OF MODERN SLAVERY PRACTICES IN OUR OPERATIONS AND SUPPLY CHAINS

RISKS IN OUR OPERATIONS

All our employees and operations are located in the Commonwealth of Australia, and we comply with all Australian labour laws and other applicable employment related legislation. **Our internal process has found no evidence of any modern slavery practices or incidents in our operations**, and we do not believe there is material modern slavery risk in this area.



RISKS IN OUR SUPPLY CHAIN

Liftronic management believe that modern slavery risk within our first-tier suppliers is relatively low, based on the fact that most of our first tier suppliers are Australian based and therefore subject to the Act (albeit indirectly in many cases). Further, our domestic suppliers of services tend to be smaller companies using primarily higher skilled employees protected by enterprise bargaining agreements in addition to Australian labour laws. However, we do note that the same modern slavery risks inherent in any supply chain in tiers beyond the direct supplier (with heightened risk where the longer supply chain extends into higher risk countries) will also exist in our supply chain and we have not yet determined how to best address these risks, but we are working on.

Finally, in due diligence surveys recently conducted **none of our suppliers have indicated they were aware of any instances of modern slavery in their operations or supply chains**. However, several of our suppliers made survey responses that we believe indicate that additional follow-up actions to further assess and/or mitigate possible modern slavery risk may be beneficial, especially with respect to our second tier suppliers in higher risk countries, and despite the relatively low risk level originally assessed and generally confirmed by supplier due diligence responses in Australia.

As noted above, our supplier due diligence to date has identified some common themes showing room to improve their practices in this area, such as:

- Some have indicated they have little or no visibility into the labour practices in their supply chains and no substantive assessment, verification or mitigation of modern slavery risk has been made in their operations or supply chain and no procedures are in place to facilitate such an assessment, verification, or any mitigation.
- Many do not have contract warranties and covenants in place that specifically and robustly address modern slavery issues in their procurement agreements.
- Many do not have formal company policies in place re: modern slavery avoidance or Whistleblower encouragement and protection.
- Many of our direct suppliers are not systematically imposing modern slavery risk mitigation obligations on their direct suppliers (e.g., obligations to implement robust contract warranties and covenants relating to modern slavery issues on their suppliers' respective suppliers).

- Some suppliers have not yet responded to our due diligence inquiries.

It must be emphasised that the Act is still very much at the forefront of modern slavery legislation globally and our foreign suppliers and smaller domestic suppliers are typically not directly subject to any modern slavery legislation comparable to the Act; so it cannot be expected that they would have modern slavery risk programs in place when many Australian companies that are subject to the Act are still in the process of designing, implementing and refining such programs. Currently and in the foreseeable near and medium term, the main impetus to most foreign and small domestic suppliers to improve their practices in this area will likely come from the encouragement and insistence of their Australian customers such as Liftronic and other customers that may be subject to the Act and/or to foreign legislation similar to the Act. We are on an identification and risk mitigation journey with our suppliers and expect to see our visibility into modern slavery risk in the supply chain improve and corresponding mitigation actions completed as we move continue that journey.



ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS

ASSESSMENT OF RISKS

With the assistance of Compliance Pronto, an external consulting services provider, we have implemented an ongoing program to try and continuously improve our visibility into the labour practices in our supply chain and our ability to identify risks of modern slavery practices in our operations and supply chain (the “Modern Slavery Risk Mitigation Program”).

1. We mapped first-tier suppliers in Liftronic’s supply chain and created a target list for assessment based on (i) spend level and (ii) perceived highest rated risk, indicating country, city/region and product or service provided. If a Liftronic supplier was already being assessed by our parent company, Schindler Lifts Australia, then relevant information was shared instead of re-assessing.
2. We sent an initial customised “due diligence” survey to 21 suppliers in our supply chain identified as being at the highest risk for potential modern slavery incidents pursuant to Action 1 above. The due diligence survey was designed to help us validate and further assess the potential modern slavery risk of each of those suppliers, by rating their modern slavery risk profile as high, medium, or low based on their responses to a series of questions relating to (i) their own operations and (ii) their supply chain.
3. We evaluated each of the responses received pursuant to Action 2 above and assessed whether and to what extent any additional follow up is required, sensible and feasible in the circumstances.

The risks in our supply chain shared in the previous section were either confirmed or adjusted based on the responses from our suppliers.



ADDRESSING RISKS

In response to the risks identified in our supplier due diligence process, we are taking the following actions:

- Requesting each supplier who was rated as having a medium level of modern slavery risk after completion of the initial due diligence survey to accept our Code of Conduct – Vendor Policy (no high level risk was identified in this round).
- Assigning specific responsibility to employees to work with the suppliers with medium level risk on reducing their risk level.
- Inviting those suppliers who did not respond to our due diligence inquiries to respond in the next reporting period.

In addition to the direct response to the due diligence process, we will add the following to our Modern Slavery Risk Mitigation Program in the next reporting period –

1. A Human Rights Policy, Whistleblower Policy, and Code of Conduct – Vendor Policy. The Human Rights Policy and Code of Conduct – Vendor Policy each specifically address the need to be vigilant on modern slavery issues, while the Whistleblower Policy strongly encourages employees to report all violations of Liftronic policies and ensures there will be no negative repercussions for doing so. Our Human Rights Policy, Code of Conduct – Vendor Policy and Whistleblower Policy are accessible to our employees and suppliers online.
2. Our Code of Conduct – Vendor Policy contains robust modern slavery contract warranties and covenants from suppliers and is meant to be signed by them as a binding contract. These include strong recommendations that our suppliers “push” these same warranties and covenants up their own supply chains by including them in their procurement contracts with their respective suppliers. Acceptance of the Code of Conduct – Vendor Policy is now part of the onboarding process for all new suppliers and existing contract renewals.

It is understood that we are on a modern slavery risk identification and mitigation journey with our suppliers and expect to see our visibility into modern slavery risk in the supply chain improve and corresponding mitigation actions completed as we continue that journey. Our Modern Slavery Risk Mitigation Program has been designed – and will continue to be refined – with that in mind and with a view to “bring along” our entire supply chain with us on that journey to the greatest extent feasible.

HOW THE EFFECTIVENESS OF ACTIONS TAKEN ARE ASSESSED

Liftronic will use key performance indicators (KPIs) to measure how effective our actions to assess and address modern slavery practices in any part of our operations and supply chain have been. KPIs focus on:

- Operations notifications- reported issues in business operations
- Supplier engagement- percentage of suppliers responding to assessment requests
- Supplier acceptance- percentage of suppliers accepting Code of Conduct – Vendor Policy
- Level of high risk in supply chain- percentage of high risk suppliers in assessment responses



Over subsequent reporting periods, we will continue to review and enhance these KPIs and develop further metrics to assess the effectiveness of our actions.

GROUP CONSULTATION PROCESS

We do not own or control any other entities, and therefore this criterion is not applicable.

OTHER RELEVANT INFORMATION

Liftronic strongly supports fundamental human rights and the prevention of modern slavery and human trafficking. However, one of the key learnings from our initial surveys was the relatively low level of actual transparency that we had into the labour practices of our supply chain, when this process began.

The actions noted above in this Statement have already started to increase our visibility into this important aspect of our supply chain and enhanced our desire to continue this journey and the worthy goal to do our part to try to ensure there is no modern slavery in our supply chain and to help eradicate modern slavery from the world.

Having said that, the reality is that ensuring that slavery and human trafficking is not taking place anywhere in our supply chain, and especially at tiers beyond our direct suppliers, will likely remain a significant ongoing activity for the foreseeable future. We believe this was clearly contemplated by the Act, and its ongoing annual reporting requirement. We have implemented a risk-based approach and are committed to achieving continuous improvement through our Modern Slavery Risk Mitigation Program and the actions described in this Statement.

APPROVAL OF STATEMENT

The Board of Directors of Liftronic has unanimously approved this Statement and authorised Murray Ryman, Managing Director, as the responsible executive of Liftronic to sign this Statement in accordance with the Act. Liftronic is committed to the spirit and intent of the Modern Slavery Act.

A handwritten signature in blue ink, appearing to read "Murray Ryman", with a horizontal line extending to the right.

Murray Ryman

Managing Director