



Schindler



Schindler Lifts Australia

Modern Slavery Statement

We Elevate

SCHINDLER AUSTRALIA
MODERN SLAVERY STATEMENT
FY2021

This publication is the Modern Slavery Statement (**'Statement'**) of Schindler Lifts Australia Pty. Ltd. (ABN 19 005 838 773) (**'Schindler Australia'**) for the financial year ended 31 December 2021. This Statement is made pursuant to the Australian Modern Slavery Act 2018 (Cth) (**'Act'**) and has been approved by the Schindler Australia Board of Directors (its Principal Governing body).

REPORTING ENTITY, STRUCTURE, OPERATIONS AND SUPPLY CHAINS



REPORTING ENTITY AND STRUCTURE

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

Schindler Australia is part of the global Schindler Group founded in 1874 and is under the ultimate ownership of Schindler Holdings Ltd., a publicly traded company based in Switzerland.

Schindler Australia has the following current general business structure:

- The Schindler Australia Board consisting of:
 - President – Asia Pacific
 - Managing Director
 - Chief Financial Officer

- Schindler Australia Executive Team consisting of:
 - Managing Director
 - Chief Financial Officer
 - Human Resources Director
 - New Installation Director
 - Existing Installation Director
 - Technical & Field Support Director
 - New Installation & Modernisation Business Director
 - General Counsel, Compliance Officer & Company Secretary



OPERATIONS

Schindler Australia has direct business operations only in Australia, with approximately 1200 employees across multiple sites in Australia. We provide a diverse range of elevators, escalators, moving walks and transit management products (**'Mobility Solutions'**) for buildings used in all commercial, industrial and residential sectors of Australia. Our Mobility Solutions services include manufacturing, engineering and design, modernization and service and repair.



SUPPLY CHAIN

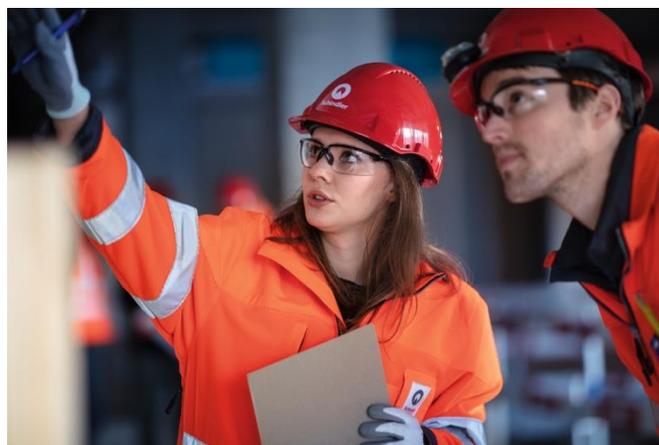
Our supply chain includes providers of finished products for re-sale, together with providers of component parts, raw, semi-finished and finished materials and consumables for the Mobility Solutions products we manufacture and sell. We source directly from our Australian suppliers, and we receive international supply primarily through our overseas affiliates, whose suppliers are our indirect suppliers, but also directly from some foreign 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 of 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

Schindler Australia management believe that modern slavery risk within our first-tier suppliers is relatively low, based partly on the fact that most of our first tier suppliers are either (a) Australian based and therefore subject to the Act (albeit indirectly in many cases), or (b) foreign based affiliated sister companies within our global corporate group, who are required to comply with the global Schindler group's corporate policies and procedures. 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. Also, due in part to being subject to the Act, Schindler Australia may be more advanced than some of our foreign affiliate suppliers in taking actions such as those described in this Statement to obtain greater transparency and visibility into our supply chain and to help identify and assess potential modern slavery risks deeper in the supply chain. Thus, in both of the cases noted in (a) and (b) above, 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 solutions.**

Finally, in due diligence surveys conducted as part of our Modern Slavery Risk Mitigation Program (defined in the next section) 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 are unsure of the extent of the use of low-skilled (including foreign migrant) workers in their operations or supply chains and/or whether or to what extent high risk factors relating to the use of such workers exist.
- 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 Schindler Australia 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 and embedded 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”).

The Modern Slavery Risk Mitigation Program is intended to be continuously reviewed and improved as time goes on and currently includes –

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 Schindler Australia 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.
3. We have triggered a substantial improvement in supplier management by moving our manual supplier assessment and management process to an online activity (“Supplier Management Tool” or “SMT”). Based on responses / non-responses to a due diligence survey from individual suppliers within the SMT, Schindler Australia assigns responsibility for reviewing flagged supplier responses to a specific team member, generates action plans and communicates actions assigned to Suppliers within the SMT. By way of example, Schindler Australia might initiate an action within the SMT for a supplier to sign a Code of Conduct- Vendor policy or request that they address a specific gap in the survey data which yields a High risk rating. We expect the use of the SMT to drive improvement in action management going forward. The SMT due diligence surveys are designed to help validate and further assess, among other things, the potential modern slavery risk of each supplier, 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, including questions concerning legislation awareness, business operations risk, supply chain risk, training, and reporting.

ADDRESSING RISKS

Some specific key actions taken in connection with the Modern Slavery Risk Mitigation Program in the reporting period include -

- Continued and further entrenched implementation of the Modern Slavery Risk Mitigation Program.
- Moved our due diligence survey system to within the SMT, enabling an upgraded and more streamlined survey and more robust assignment, follow-up and tracking of risk mitigation actions. For example, a specific question was added for Australian suppliers to report if they source materials, components, or services from regions with a higher modern slavery risk.
- Used the new SMT to conduct due diligence surveys of targeted suppliers to assess for potential risk indicators of modern slavery and other supply chain risks (and a second round after the end of the reporting year has already been initiated).
- Suppliers who have responded to a due diligence survey within the SMT have received the Code of Conduct – Vendor Policy requesting their commitment to review, acknowledge and formally agree to abide by its principles by returning a duly executed version.
- Those suppliers who did not respond to our due diligence inquiries will continue to be actively pursued until they complete a survey.
- We have noted a significant increase in the past 2 years in customer requests for us to provide them data regarding modern slavery risk in our operations and supply chain. In response, we have created a modern slavery response bundle to help us respond to our own customer requests in a more methodical, robust, and streamlined fashion.

It is understood that we are still in the early stages of 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 OR TO BE TAKEN IS ASSESSED

Schindler Australia takes qualitative evidence derived from the actions described above and reviews it to determine if the supply chain response seems to be having the intended effect and moving in the right direction. Even though our Modern Slavery Risk Mitigation Program is still quite new, we can already see evidence that the actions we have taken in implementing and executing our Modern Slavery Risk Mitigation Program are having the intended effect of better aligning ourselves and our supply chain with the purpose and intent of the Act in at least the following ways:

- Increasing the level of awareness, understanding and appreciation at all relevant levels within Schindler Australia of the need to be aware of and alert to the potential for incidences of modern slavery within our supply chain.
- Increasing our visibility into our supply chain and the labour practices of our first tier suppliers by, among other things, increased supply chain mapping, initial risk assessment, additional follow-up due diligence where warranted and a process to obtain robust, binding warranties from suppliers about modern slavery incidents and risks in their respective operations and supply chains, along with contract obligations to take affirmative steps to mitigate modern slavery risk in their respective supply chains.
- In particular, our updated due diligence survey has helped us start to get a better understanding of where “derivative” modern slavery risk might or might not reside in our supply chain. As examples, Australian suppliers who confirm that they source key products from higher risk jurisdictions may have their risk assessment level increased, while Australian suppliers who confirm that they do not source key products from higher risk jurisdictions may have their risk assessment level decreased.
- We have seen evidence that our suppliers are also taking positive actions in this area. As one example, one smaller Australian supplier who doesn’t appear to be required to publish a modern slavery Annual Statement has created one anyway to share with its customers. The document was attached to their response to our due diligence survey. Another supplier referenced their supplier code of conduct (containing modern slavery risk mitigation language) in their standard purchase order.
- Establishment of a specific line of accountability within Schindler Australia for ownership and execution of the Modern Slavery Risk Mitigation Program.

GROUP CONSULTATION PROCESS

During financial year ended 31 December 2021 Schindler Australia did not own or control any other entities and therefore this criterion is not applicable.

OTHER RELEVANT INFORMATION

Schindler Australia strongly supports fundamental human rights and the prevention of modern slavery and human trafficking. However, one of the key learnings from our assessment 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 Schindler Australia has unanimously approved this Statement and authorised Paolo Beltrame, Managing Director, as the responsible executive of Schindler Australia to sign this Statement in accordance with the Act. Schindler Australia is committed to the spirit and intent of the Modern Slavery Act.



Paolo Beltrame
Managing Director