



**Schindler**



# Schindler Lifts Australia

## Modern Slavery Statement

**We Elevate**



## SCHINDLER AUSTRALIA

### MODERN SLAVERY STATEMENT

#### FY2024

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 2024 (**‘Reporting Period’**). 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 under the Act).

### **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 acquired Liftronic Pty Limited (ABN 99 002 886 213) in March 2022. Schindler Australia operates Liftronic as its own brand, and Liftronic is reported separately.

Schindler Australia has the following current general business structure:

- The Schindler Australia Board consisting of:
  - President – Asia Pacific
  - Managing Director
  - Chief Financial Officer
  - General Counsel, Compliance Officer & Company Secretary
- 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 Sales
  - Regional General Managers
  - 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

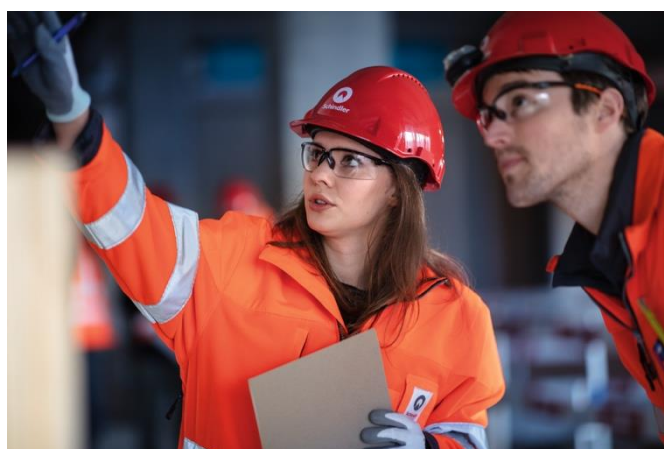
Our supply chain includes providers of finished products for re-sale, together with providers of component parts, raw, semi-finished and finished materials and consumables for the Mobility Solutions products we manufacture and sell. We source directly from our Australian suppliers and we procure internationally sourced products primarily through our overseas affiliates, whose suppliers are our indirect suppliers. We also procure a limited amount of goods 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

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 processes have found no evidence of any modern slavery practices or incidents in our operations.** We are aware of general industry risks, such as unlicensed trades, and no incidents have been reported through our active whistleblower hotline.



### 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 high-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.

We are aware of the increased risk of using subcontractors within our industry. However, we have assessed the risks and have concluded that based on the nature of the suppliers and subcontractors, and the highly regulated industries in which they operate in Australia, that the inherent risks are effectively mitigated. We also 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 **continue to monitor risks to determine whether and how to mitigate them.**

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' survey responses indicate that additional follow-up actions may be beneficial to further assess and/or mitigate possible modern slavery risk, especially with respect to our second-tier suppliers in higher risk countries such as China. This is despite the relatively low risk level originally assessed and generally confirmed by supplier due diligence responses in Australia.

Our supplier due diligence to date continues to identify some common themes, such as:

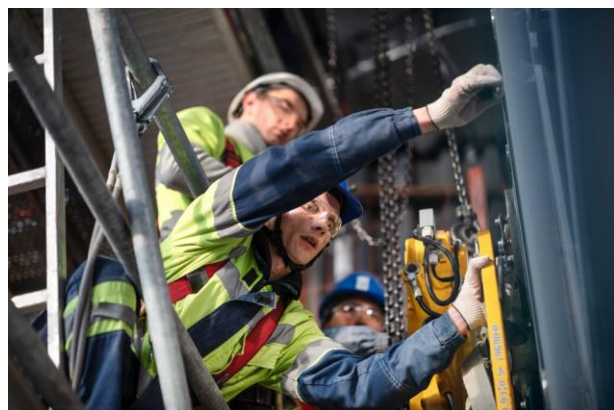
- Suppliers obligated to comply with the Act are committed to taking action and have demonstrated tangible improvement.
- For those suppliers not obligated to comply with the Act:
  - Some have indicated they have little or no visibility into the labour practices in their supply chains. In some cases, the suppliers have not performed substantive assessments or verification of risks. As a result, they are unable to confirm that they have mitigation measures or procedures for modern slavery risk in their operations or supply chain.
  - 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 concerning modern slavery avoidance or whistleblower encouragement and protection.
  - Many of our direct suppliers do not systematically impose 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. Even among those countries that do have legislation similar to the Act, there is little consistency in their requirements or application. Consequently, many companies do not have modern slavery risk programs in place. Many Australian companies that are subject to the Act are still in the process of designing, implementing and refining their own 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 continue that journey.



## **ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS**

### **ASSESSMENT OF RISKS**

With the assistance of Compliance Pronto, an external compliance consulting services provider, we have implemented and embedded an ongoing program to 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 ("**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 Responsible Sourcing Policy. The Human Rights Policy and Responsible Sourcing Policy specifically address the need to be vigilant on modern slavery issues, while the Whistleblower Policy (and Speak Up Line) strongly encourages employees to report all violations of Schindler Australia policies and ensures there will be no retaliation for doing so. Our Human Rights Policy, Responsible Sourcing Policy and Whistleblower Policy are accessible to our employees and suppliers online.
2. Our Responsible Sourcing Policy requires our suppliers to adhere to applicable legal requirements and to our policies on human rights (including but not limited to child labour and forced labour), whichever is the higher standard. Under our policy, each Supplier acknowledges receipt of the policy and confirms in writing that it agrees to comply with the policy's terms. The policy also requires that suppliers ensure compliance from their agents, contractors, vendors, suppliers, and business partners using a so-called flow down process. Acceptance of the Responsible Sourcing Policy is now a mandatory part of the onboarding process for all new suppliers and existing contract renewals.
3. We continue to use an online process for supplier assessment and management ("**Supplier Management Tool**" or '**SMT**'). Our modern slavery topic is one of six topics included in the 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 Responsible Sourcing Policy or request that the supplier 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:
  - (a) their own operations; and



- (b) their supply chain, including questions concerning legislation awareness, business operations risk, supply chain risk, training, and reporting.
4. Our updated Vendor Management Process in the reporting period describes the responsibilities, authorities and relevant actions related to the purchasing function as to satisfy the requirements of ISO9001/14001, 45001 for vendor and subcontractor management including vendor performance and risk mitigation. In addition, Schindler Group has been using the EcoVadis platform since 2018 to evaluate key suppliers (including those who support Schindler Australia) on criteria such as environmental practices, labour and human rights, ethics, and sustainable procurement.
5. Our training includes both the Human Rights Policy and the Responsible Sourcing Policy. Our training prioritises seven issues:
  - (a) occupational health and safety;
  - (b) product safety issues;
  - (c) child labour;
  - (d) forced labour;
  - (e) employment practices including fair remuneration;
  - (f) freedom of association and collective bargaining; and
  - (g) corruption issues. We deploy the Human Rights Policy training across the Schindler Group global network to employees to provide them with a fundamental understanding of the policy, the governance framework and its importance to the company. We deploy the Responsible Sourcing Policy to our Procurement community.
6. To mitigate internal risks, Schindler Australia undertakes a number of steps including:
  - (a) ensuring all employees receive employment contracts or offer letters detailing wages and work hours and provided with payslips;
  - (b) monitoring of changes in employment legislation related to compensation and working hours;
  - (c) maintenance of commercial agreements with contingent workforce providers, ensuring they uphold suitable policies, including a Human Rights Policy; and (d) distribution of an employment engagement survey. The Schindler Employee Engagement Survey is the communication channel through which Schindler gets systemic feedback from its employees on how they experience Schindler as an employee.

## **ADDRESSING RISKS**

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

- Continue to further embed and implement the Modern Slavery Risk Mitigation Program.
- Deployed the SMT to conduct due diligence surveys of targeted suppliers to assess for potential risk indicators of modern slavery and other supply chain risks.



- Suppliers who have responded to a due diligence survey within the SMT have received the Responsible Sourcing 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.
- At the end of 2024, suppliers representing 85% of Schindler Group's production materials factory spend and 60% of Schindler Group's nonproduction materials and services were assessed using the EcoVadis platform.
- We continue to provide training on Human Rights, with 55% of employees completing the training in the Reporting Period.
- We continue to receive customer requests including in their requests for proposal (RFP) for us to provide data regarding modern slavery risk in our operations and supply chain. In response, we answer their questionnaire and/or provide a modern slavery response bundle including an explanation of our Modern Slavery Risk Mitigation Program.

It is understood that we remain 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 with 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**

Schindler Australia will use objectively measurable 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 the Responsible Sourcing Policy;
- Level of high risk in supply chain- percentage of high-risk suppliers in assessment responses; and
- Certification scores and recognition for Human Rights and Responsible Sourcing (e.g. EcoVadis).

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

In addition to the KPIs, Schindler Australia takes qualitative evidence derived from the actions described above and reviews it to determine if the operations and supply chain response is having the intended effect and moving in the right direction. For example, we have seen 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 other contract obligations to take affirmative steps to mitigate modern slavery risk in their respective supply chains.
- Improving our ability to assess risk deeper in the supply chain through our updated due diligence survey, which has helped us get a better understanding of where “derivative” modern slavery risk might 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.
- Raising awareness through our due diligence survey resulted in an increase in positive responses to the Act by suppliers directly obligated to comply with the Act, while suppliers not directly affected by the Act are raising their awareness and taking action because they understand that they will be assessed as suppliers in part based on their commitments to improve.

### **GROUP CONSULTATION PROCESS**

To better align with and reinforce the dual branding and market niches of Schindler Australia and Liftronic and their respective product offerings, the decision remains to have Liftronic file its own annual statement under the Act separately from Schindler Australia, and therefore this criterion also remains not applicable.

### **OTHER RELEVANT INFORMATION**

Schindler Australia strongly supports fundamental human rights and the prevention of modern slavery and human trafficking. 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 and this has been an impetus for us to take action and dedicate resources to continuously improving our ability to support human rights.

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.

Based on our initiatives taken so far, we have concluded that the objective of 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 require significant attention 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.

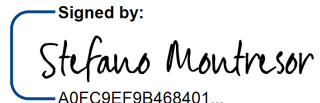




### **APPROVAL OF STATEMENT**

The Board of Directors of Schindler Australia has approved this Statement and authorised Stefano Montresor, 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.

Signed by:

A blue ink handwritten signature of Stefano Montresor, enclosed within a blue rounded rectangular box.

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Stefano Montresor  
Managing Director