

# voestalpine Railway Systems Australia Pty Ltd

## Modern Slavery Statement for the April 2020-March 2021 Financial Year

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# 1. ABOUT THIS STATEMENT

voestalpine Railway Systems Australia Pty Ltd has developed this Modern Slavery Statement (Statement) for the purposes of reporting under the *Modern Slavery Act 2018* (Cth) (Modern Slavery Act).

For reporting purposes under the Modern Slavery Act, this Statement applies to our financial year beginning on 1<sup>st</sup> April 2020 and ending 31<sup>st</sup> March 2021.

This is the first period in which we met the consolidated revenue threshold for reporting under the Modern Slavery Act, and this Statement is our inaugural Statement.

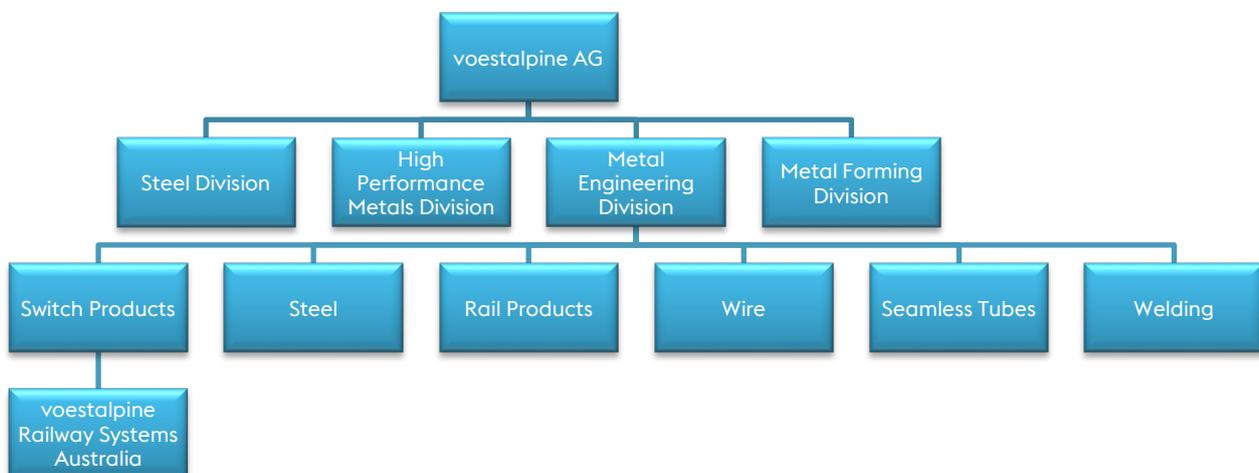
This Statement covers the seven mandatory criteria for reporting under the Modern Slavery Act. The table below indicates where within this Statement each criterion is addressed.

Mandatory criteria for modern slavery statements	Section
Identify the reporting entity	2
Describe the reporting entity's structure, operations and supply chains	3
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	4
Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	5
Describe how the reporting entity assesses the effectiveness of these actions	6
Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	N/A
Any other relevant information.	5

# 2. ABOUT US

voestalpine Railway Systems Australia Pty Ltd provides railway infrastructure system solutions, products, logistics and services for rails, turnout, signalling and monitoring applications.

We are part of the voestalpine AG network (voestalpine Group). voestalpine Group is the global leader for railway infrastructure system solutions. voestalpine Group is based in Linz, Austria, and listed on the Vienna Stock Exchange. Our position within the voestalpine Group is as follows:



In the 2020/2021 financial year, we crossed the A\$100 million revenue threshold, triggering an obligation to report under the Modern Slavery Act.

### 3. STRUCTURE, OPERATIONS AND SUPPLY CHAINS

We have factories in Mackay and Bathurst, and an office in Sydney. Our factories manufacture turnouts, crossings, and switches for railways, metros and tramways (including light rails).

In the reporting period, 83% of our goods and services were procured locally in Australia. The remaining 17% of our goods and services were procured from Europe and the USA – all of which were from companies within the voestalpine Group.

Key products and services that we procure include steel, concrete, transport, facilities management, and contracted labour in Australia. Overseas procurement includes rail switch machinery and parts (Germany), deep head harden rails and switch rails (Austria), rail switch locks and operating rods (Germany), grooved rails (Germany) and grooved rail switches and turnouts (Germany).

We have a total of 121 employees and 15 contractors employed in Australia.

### 4. MODERN SLAVERY RISKS

Given that we are at the beginning of our modern slavery response, no risk identification process was conducted during the reporting period. However, in August 2021, we engaged human rights experts to identify potential modern slavery risks in our operations and supply chains. As there had been no material changes in our operations and supply chains between the reporting period and the finalisation of this risk identification process, the results are relevant to this Statement and are included here.

The risk identification process considered key risk factors that indicate that modern slavery is more likely to occur or already be occurring. The key risk factors are vulnerable populations; business models structured around high-risk work practices; high-risk product and service sectors; and engagement in high-risk geographies.

Where these risk factors intersect, there is an enhanced possibility that actual harm to people is being experienced.

We have identified the following salient areas of modern slavery risk in our operations and supply chains:

- **Workforce:** our workforce comprises various categories of employees, contractors and suppliers including labour hire companies (e.g. to support manufacturing) and service providers (e.g. catering, cleaning and maintenance services). We understand that the use of contracted and sub-contracted labour and services in Australia often overlaps with vulnerable populations, including migrant workers, who represent a significant modern slavery risk category.
- **Property and facilities:** we operate factories in Bathurst and Mackay and lease a corporate office in Sydney. We prefer to support smaller companies, as this aligns with our intention to support the local community. Property and facilities management is known for its exposure to multiple modern slavery risk factors in Australia.
- **Transport:** Air, sea and road freight services represent a significant spend category. We understand that these sectors are particularly susceptible to modern slavery risk.
- **Steel, foundry and concrete production:** We procure a large amount of steel and concrete. We understand that construction materials such as these can be at risk of being processed or manufactured in high-risk geographies by base-skill workers - an intersection of risk factors that represents significant modern slavery risk.
- **Uniforms and PPE:** The production of uniforms and PPE can often involve base-skill labour in high-risk geographies; these products are a known area of modern slavery risk.

We are committed to addressing the above identified modern slavery risk areas and further risks in our operations and supply chains.

## 5. APPROACH TO ADDRESS MODERN SLAVERY RISKS

In the reporting period, we had not yet implemented systems and controls to specifically understand, identify and manage modern slavery risk. However, we are committed to enhancing our response to modern slavery over the course of our 2021-22 financial year and have engaged external human rights expertise to assist with this response.

Existing general policies and controls that will assist us in this response include the following:

### 1.1 HUMAN RIGHTS STATEMENT AND APPROACH

At Group level, voestalpine Group includes human rights and modern slavery commitments in its annual Corporate Responsibility Report – which also serves to fulfil the UN Global Compact reporting requirements – in addition to its Code of Conduct and Code of Conduct for Business Partners.

Our Board is responsible for our ongoing response to the Modern Slavery Act, with operational responsibilities resting with the Financial Control and Procurement functions.

### 1.2 TRAINING

All white-collar workers who works for us receives mandatory online training on the Group Code of Conduct. New employees joining the Procurement team also undertake induction training that is tailored to the responsibilities of that team. However, our training does not yet include modern slavery.

### 1.3 SUPPLIER ENGAGEMENT AND MANAGEMENT

All our suppliers receive, and are expected to comply with, the Group's Code of Conduct for Business Partners, which includes human rights and modern slavery commitments.

We conduct due diligence to assess suppliers' compliance with some of the expectations laid out in the Code and from this decide whether the supplier needs to go through enhanced due diligence. Supplier contracts include requirements for compliance with the Code as well as provision to audit and demand corrective action measures where non-compliance is found.

We currently distribute a Group-level Supplier Questionnaire Form to all suppliers that covers organisational structure and financial details. We have drafted a Corporate Social Responsibility Questionnaire that, when operationalised, will ask suppliers questions relating to modern slavery and human rights.

At Group level, voestalpine Group has established a Sustainable Supply Chain Management Project (SSCM) to screen raw material supply chains from the bottom up. This includes factors such as child labour and forced labour. The Steel Division of voestalpine Group has already completed the SSCM supply chain project based on analysis of source countries, suppliers and mining conditions related to the raw materials in question.

## 1.4 WHISTLE-BLOWING PROCEDURE

voestalpine's Group-level whistle-blowing procedure encourages all employees and third parties to report incidents and concerns relating to antitrust law, corruption, fraud, and conflicts of interest. We have a Complaint Handling Procedure that outlines the steps that must be taken to issue a formal complaint.

## 6. ASSESSING EFFECTIVENESS

We have not yet assessed the effectiveness of measures to assess and address modern slavery risks.

## 7. FUTURE STEPS

We acknowledge that assessing and addressing modern slavery risks is an ongoing process. We are at the beginning of our journey in formalising and operationalising a comprehensive modern slavery risk management framework – and are committed to enhancing our modern slavery response.

To lay the foundations for our modern slavery response, we are planning to take the following immediate steps:

1. Engage external human rights experts to conduct a human rights and modern slavery risk identification of our operations and supply chain and recommend initial steps to address those risks;
2. Make an explicit policy commitment to addressing modern slavery;
3. Take measures to enhance our visibility of modern slavery risk in our own supply chains; and
4. Develop a screening process that assesses supplier modern slavery risk based on the intersection of modern slavery risk factors.

We will then work towards:

- Formalising our commitment to comply with all international human rights principles and standards;
- Clearly establishing accountabilities for modern slavery due diligence and communicating those internally and externally;
- Developing an approach to managing modern slavery risk across the supplier lifecycle including assessment, monitoring and engagement; and
- Embedding modern slavery training into our induction program and other targeted training.

We will schedule periodic internal meetings to assess the effectiveness of the modern slavery risk assessment framework and seek to establish a Modern Slavery Working Group to monitor the effectiveness of the program of work.

We are looking forward to outlining the steps taken to enhance our modern slavery response in our next modern slavery statement.

## 8. BOARD APPROVAL

This statement was submitted, and approved by the board of voestalpine Railway Systems Australia Pty Ltd 2<sup>nd</sup> December 2021.

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Franz Sodja, CEO