

Vossloh Australia Group's Modern Slavery Statement 2022

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Introduction

This statement is the third Modern Slavery Statement for Vossloh Australia Group.

Following on from the work completed last year, our statement sets out Vossloh Australia Group's steps to identify and mitigate Modern Slavery in the Group's operations and supply chain, in accordance with the criteria in the Australian Modern Slavery Act 2018.

For the purposes of this Modern Slavery Statement, Vossloh Australia Pty Ltd and its three (3) subsidiaries detailed below are the reporting entities and are referred to as the "Vossloh Australia Group" and "the Group". These businesses are part of Vossloh Group, a global rail infrastructure business headquartered in Germany. This joint statement has been made in collaboration with the entities within Vossloh Australia Group.

Modern Slavery Overview

Modern Slavery describes the crimes of human trafficking, slavery, and slavery-like practices such as servitude, forced labour, forced or servile marriage, the sale and exploitation of children, and debt bondage.

Vossloh Australia Group is wholly against the exploitation of people and is passionate about reducing the risk of Modern Slavery within its supply chain and operations.

As part of a global enterprise with a 140-year history, the Group has a social responsibility toward its customers, employees, partners, investors and the public.

Vossloh Group requires that Vossloh Australia Group and its employees adhere to the laws as applicable, respect basic ethical values and act in an exemplary fashion at all times. This requirement is set out in writing in the Vossloh Code of Conduct which all employees are expected to follow.

There have been no known Modern Slavery violations across the Group in the reporting period.

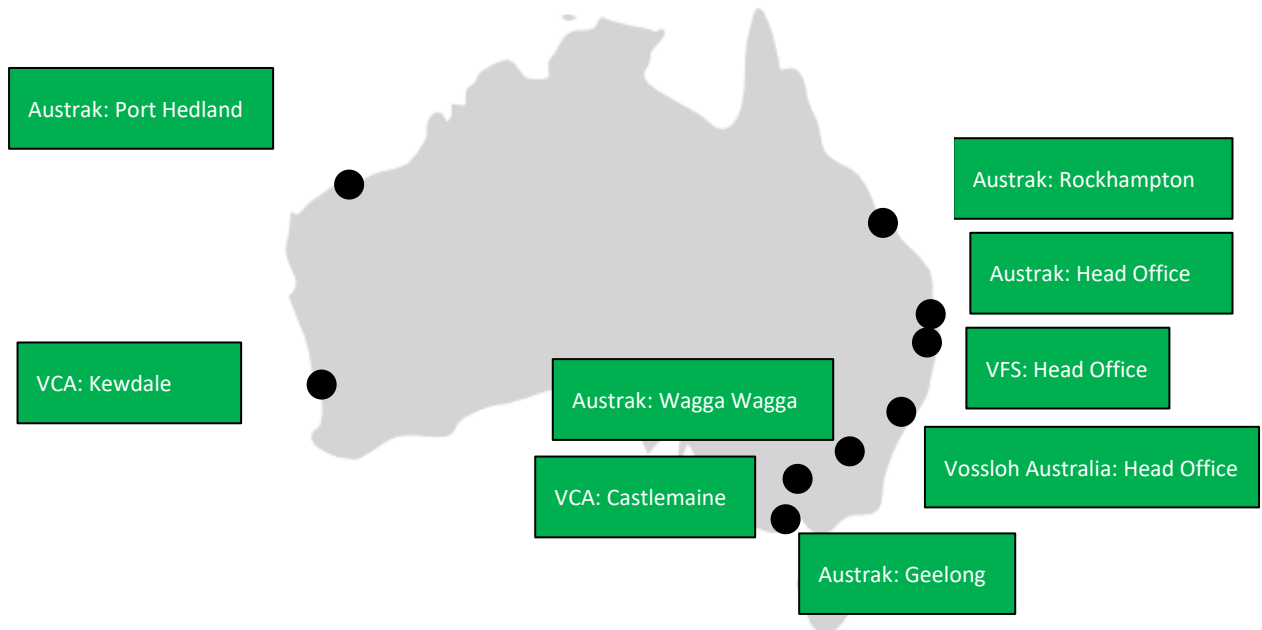
Criteria One: Reporting Entities, Structure and Locations

Reporting Entities and Structure

Vossloh Australia Pty. Ltd.'s corporate structure, known collectively as Vossloh Australia Group:

Company	Head Office	Products & Services
Vossloh Australia Pty. Ltd. ABN: 52 100 797 699	Sydney, NSW	Holding Company
Austrak Pty. Ltd. ABN: 72 008 925 031	Brisbane, QLD	Concrete railway sleepers, associated components and concrete building products
Vossloh Cogifer Australia Pty. Ltd. (VCA) ABN: 98 118 751 929	Castlemaine, VIC	Turnouts, switches and crossings, points operating systems, special trackwork components and their ancillary equipment.
Vossloh Fastening Systems Australia Pty. Ltd. (VFS) ABN: 29 003 835 229	Brisbane, QLD	Rail fastening solutions

Locations



Criteria Two: Operations and Supply Chain

Operations

Vossloh Australia Group operates in Western Australia, Victoria, Queensland and New South Wales. The Group considers there is a low risk of Modern Slavery practices in the company's operations in Australia, but monitors this risk regularly.

Vossloh Australia Group uses robust processes around recruitment and selection and pre-employment screening to ensure that workers have the appropriate qualifications and right to work in Australia. Written employment contracts contain terms and conditions so that employees understand their employment rights and obligations. Remuneration frameworks and procedures ensure that Vossloh Australia Group has oversight to make sure employees are paid an appropriate wage or salary in compliance with legislation.

Based on the risk audit, there are no high-risk activities to be addressed at this time.

Supply Chain

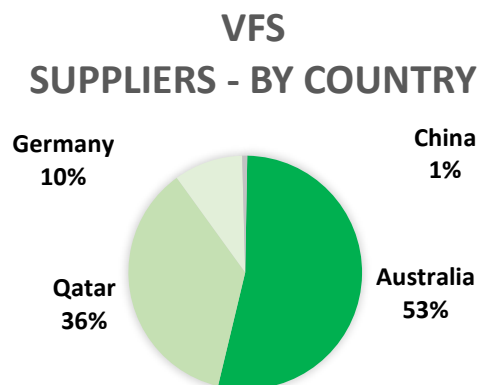
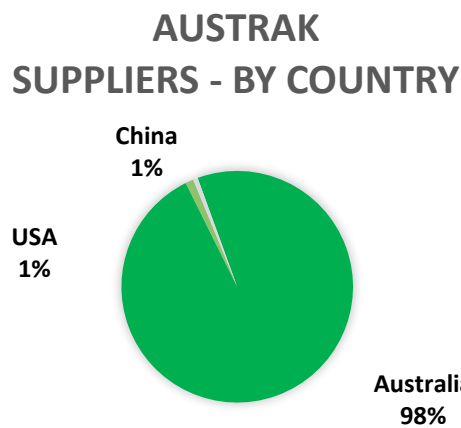
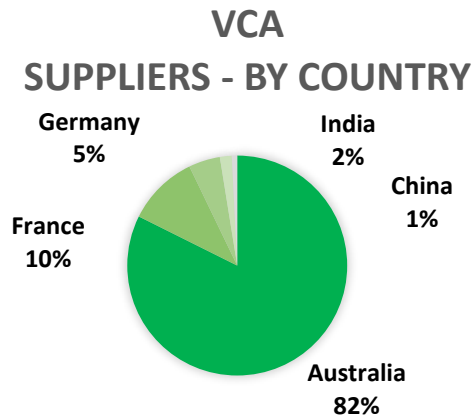
Vossloh Australia Group's supply chain consists mainly of services, transport, storage and raw materials. Vossloh Australia Group is committed to sourcing its supplies from the Australian market where possible and currently the overwhelming majority of our suppliers are Australian.

If an Australian supplier is not readily available, overseas suppliers may be utilised. At present, Vossloh Australia Group businesses are utilising overseas suppliers as per the graphs below:

Suppliers by Country (Percentage of Sales)

The overwhelming majority of suppliers for Vossloh Australia Group are from Australia, followed by France and Germany.

There are a small number of suppliers from countries such as Qatar and China which are flagged as countries with a higher risk of Modern Slavery practices.



Products by Country

Country	Product
Australia	Office supplies, catering supplies, transport, occupational health support, cleaning, rail cast & rail fastening components
Austria	Rail
China	Reinforced sleeper wire, rail fastening components, turnout components
Qatar	Precast elements
France	Turnouts and turnout components
Germany	Rail fastening components
India	Turnouts and turnout components
Malaysia	Turnouts and turnout components
Poland	Rail
Thailand	Mould manufacturing
USA	Rail fastening components and explosives

Criteria Three and Four: Risks and Actions taken to Assess and Address these Risks

Supply Chain

The highest identified risk for Vossloh Australia is within the supply chain, particularly in a scenario where suppliers are utilised from countries with high risk of Modern Slavery practices.

When selecting new suppliers, the Group subsidiaries adopt a standardised process to gather relevant information. All suppliers must be reviewed before they can be engaged. The process has been designed to mitigate compliance risks such as Modern Slavery and corruption.

Vossloh Australia Group's suppliers are expected to manage and monitor their own operations and supply chains to ensure that any Modern Slavery practices are identified, and risks are managed as far as possible. Suppliers must correct any identified process deficiencies within a reasonable timeframe. The Group also requires suppliers to notify the company if they become aware of any Modern Slavery practice in their network.

Vossloh Australia Group reviews its suppliers on a periodic basis and updates relevant processes in the event that the risks have changed. Vossloh Australia Group will continue to review and update these procedures with respect to modern slavery.

One of the key activities in the reporting period was to finalise a code of conduct specifically for suppliers. This has been written in conjunction with supporting guidelines to support Modern Slavery education for suppliers.

2022 Supplier Audit

The first widescale audit of suppliers was undertaken in 2022 based on guidance from Border Force. It focused on the largest suppliers used in the last 2 years and those based overseas. The audit received a response rate of 76% from Australian suppliers and 67% of overseas suppliers. It was found that some of the responses indicated a lack of understanding about Modern Slavery.

Five suppliers' responses were flagged as containing responses which should be explored further. Since the audit was completed, Vossloh Australia Group reached out to these suppliers for clarifications, and the more detailed information provided by 4 of the suppliers was satisfactory. A trading block was placed on the remaining company (a historical overseas supplier), until such time as it provides evidence of satisfactory practices.

Vossloh Australia Group will conduct a data cleanse of supplier information and will communicate with suppliers about the importance of the Modern Slavery legislation, the obligations on the Group and on them as suppliers. The Group is committed to highlighting the importance of engaging with Modern Slavery information requests in future and therefore intends to connect with suppliers who did not respond.

Workforce Training

Vossloh Australia Group's workforce training is aligned to the Vossloh *Code of Conduct*, which outlines how employees should conduct themselves at work. The training includes obligations under health, safety, wellbeing and environment, discrimination and bullying, accessibility, diversity and inclusion, human rights, anti-bribery and anti-corruption, and privacy. Employees are reminded of their *Code of Conduct* obligations during toolbox talks and via emails sent out periodically.

Temporary Workforce Engagement

If there is a requirement for temporary workers, this is undertaken through pre-qualified labour hire providers. All workers are subject to competency and qualification checks prior to commencing work on site.

Whistleblowing & Raising Grievances

The Vossloh Australia Group's Whistleblower Policy supports a process which provides confidentiality for anyone who wishes to raise concerns in good faith regarding any perceived wrongdoing, impropriety, serious unethical behaviour, legal or regulatory non-compliance or questionable accounting or audit matter and receive protection from any reprisal or detrimental action resulting from such disclosure.

Following the review of the Policy in 2021, the Policy was reimplemented across the Group in 2022. This occurred via different methods for example emails, toolbox talks and info sessions.

Whilst there have been no Modern Slavery acts in the reporting period, any reports would be fully investigated. Employees are also able to raise grievances under a number of different instruments across the Group, including grievance standards and procedures, enterprise agreements and awards.

Policy Framework

The Group policy framework consists of:

- *Code of Conduct* for Employees – a global code that all employees must adhere to;
- *Harmonious Workplace* policies – designed to ensure that all employees are treated with dignity and respect;
- *Supply Chain* Policies – requires all suppliers to comply with all current legislation and guidelines in respect of Anti Bribery, Corruption and Modern Slavery;

- *Vossloh Group Global Responsible Sourcing Guideline* –which aims to embed the protection of the environment and natural resources, human rights, labour standards, as well as being a law-abiding participant in the global market; and
- *Whistleblower Policies* – to encourage employees and stakeholders to report any perceived wrongdoing, impropriety, serious unethical behaviour, legal or regulatory non-compliance or questionable accounting or audit matter.

Criteria Five: Effectiveness of Actions

Vossloh Australia Group considers that our understanding of Modern Slavery risks throughout our Operations and Supply Chain have developed since the introduction of the *Modern Slavery Act 2018 (cth)*. Our framework around the Modern Slavery statements have been an opportunity to review the measures that we have put in place and although no high-risk Modern Slavery risks have been identified as through our grievance mechanisms or audits, we believe that continued education for our employees and suppliers will be key to improving the effectiveness of these measures.

Criteria Six: Consultation

This joint statement has been made in consultation and collaboration with the entities within Vossloh Australia Group.

Criteria Seven: Any other relevant information

Plans for 2023

We will focus on ensuring that our supplier data is accurate, auditing our suppliers, and implementing the supplier code of conduct. This will be imbedded into the Group-wide roll out of a Responsible Sourcing Management System based on a Corporate Responsible Sourcing Guideline (Policy), adopted by the Vossloh AG Executive Board in December 2022.

We will continue to communicate with suppliers to highlight the importance of understanding Modern Slavery risks within our business networks. We will continue to assess our Company practices against the requirements of the *Modern Slavery Act 2018 (Cth)*.

This statement was approved by the Board of Vossloh Australia Pty Ltd on May 11, 2023, and is signed by both Board members.



Dr. Thomas Werbeck
Board member
Vossloh Australia Pty Ltd



David Reilly
Board member
Vossloh Australia Pty Ltd