

# Modern Slavery Statement

Modern Slavery Statement in compliance with the Modern Slavery Act 2018

Emerson Process Management Australia Pty Ltd ABN 99 004 590 005

Emerson Automation Solutions Final Control Australia Pty Ltd ABN 83 000 922 690



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## **Structure, Operations and Supply Chains of Emerson Australia**

Emerson Process Management Australia Pty Ltd ABN 99 004 590 005 (**EPM Australia**) and its subsidiary, Emerson Automation Solutions Final Control Australia Pty Ltd ABN 83 000 922 690 (Final Control Australia, together with EPM Australia hereinafter referred to collectively as “Emerson Australia”), are Australian based subsidiaries of Emerson Electric Co. (Emerson), headquartered in St Louis, USA. Within Australia and New Zealand, Emerson Australia, including the subsidiaries, has more than 450 permanent full time and part time employees. In addition to Final Control Australia, EPM Australia currently also has another subsidiary, Emerson Process Management New Zealand Limited.

EPM Australia and Final Control Australia are automation technologies manufacturing companies providing products, systems and after-sales expertise to our clients in the process and discrete manufacturing industries. Additional information about their products and services can be found via this link: <https://www.emerson.com>.

As a broadly diversified business group, Emerson Australia purchases a wide variety of raw materials and component parts through our supply chain around the world. We are committed to working with suppliers to actively manage and demonstrate compliance with laws and regulations.

## **Risks of Modern Slavery Practices in the operations and supply chains of Emerson Australia**

Most of Emerson Australia’s suppliers are other Emerson Electric Co. subsidiaries based outside of Australia. While those Emerson Electric Co. subsidiaries are subject to the same requirements as Emerson Australia, our products and/or components (valves, castings and mechanical components) are sourced from our factories in China, India and Eastern Europe which may be considered to be higher-risk regions with regard to potential breaches of our Supplier Code of Conduct and ethical sourcing policies. Potential issues include exploitation of migrant workers, ethnic or religious minorities and people who have disabilities or who are illiterate and requiring workers to work excessive overtime.

Due to the global nature of our business transactions and supplier base, we are aware of the risks of modern slavery associated when products pass through a long supply chain, with a significant portion of our suppliers located in jurisdictions where labour standards and their enforcement may differ from those in Australia. Responsibly managing a global supply chain entails a range of complex issues involving monitoring suppliers across diverse geographies, cultures and business practices, understanding laws and practices of the suppliers’ jurisdictions, and the ability to recognize and address potential deviations.

## **Actions taken by Emerson Australia to assess and address these risks, including due diligence and remediation processes**

Emerson Australia’s annual ethics training helps managers and other employees engage effectively with stakeholders to communicate Emerson Australia’s priorities and expectations in relation to modern slavery. This training also helps improve our ability to recognise, report and

support remediation of any non-compliance with our expectations.

Our Supplier Code of Conduct has been developed and updated for compliance with important regulations in jurisdictions in which Emerson companies operate, such as the *Modern Slavery Act 2018* (Cth), the UK Modern Slavery Act 2015, and the California Transparency in Supply Chains Act.

Emerson Australia fully supports efforts to eradicate human trafficking and other forms of modern slavery across the globe. Accordingly, we expect each supplier to adhere to our Supplier Code of Conduct, which sets out Emerson Australia's expectations in relation to conditions of employment, prohibitions of child and forced labour, humane treatment, discrimination, freedom to associate, and working and living conditions.

Emerson Australia is working to ensure that its contracts include an acknowledgement of the Supplier Code of Conduct and the expectation that it is complied with. Currently, about one third of the direct spend of the Emerson Electric Co.'s supply chain is under contracts requiring acknowledgment of this Supplier Code of Conduct, and we plan to build this percentage over time. Emerson Australia has updated its purchase contracts and purchase order terms and conditions requiring all our suppliers (as well as their contractors and suppliers) to comply with Modern Slavery laws. Our Supplier Code of Conduct sets the expectation that our business partners maintain a management system that demonstrates adoption of the principles embodied in our Supplier Code of Conduct and that tracks and documents compliance with all applicable laws, government policies and regulations.

We hold our suppliers to high standards and expect them to align with our stances on environmental, social and governance (**ESG**) issues, to act with integrity and to treat people and the environment with respect. Emerson is committed to helping our suppliers meet these standards by investing in our information technology systems and capabilities to better track compliance and drive continuous improvement. By regularly evaluating and updating these standards, we continue to build a supplier network that is true to Emerson's core values.

To enhance our knowledge of suppliers and limit the risk of inadvertently supporting wrongful practices including modern slavery, we use internal, industry and public sources to alert us to improper supply chain behavior. We expect supply chain managers in our businesses to make reasonable assessments of questionable activity and to ensure that all practices conform to Emerson Australia's expectations. We conduct periodic reviews with suppliers, which include discussions of social issues such as safety, labour practices and environmental compliance. We continuously engage with our supply chain stakeholders to determine the most effective means of confirming compliance with Emerson's expectations.

We have also implemented an online contract management platform and evaluated a supplier qualification module. These provide a mechanism for collecting environmental, social and governance information from our suppliers and support compliance with our Supplier Code of Conduct.

We have rolled out an updated supplier survey which reiterates our expectation that all those who represent Emerson, including our suppliers, share in our values as we remain committed to promoting a culture of integrity and minimizing our environmental footprint. The survey evaluates suppliers' awareness of and compliance with our Supplier Code of Conduct, which is built on a foundation of ethics, human rights and labour standards, and respect for the environment, as well

as their own ESG policies. We now also have a process in place to follow up with suppliers when their responses to our questions on forced/child labour or inhumane treatment of employees raise a red flag.

In addition to the above measures, Emerson Electric Co. has established an Ethics Hotline which enables anyone to report any concerns relating to business conduct. All reports are handled by an independent company (called The Network) which provides the report to Emerson's corporate headquarters in St. Louis, Missouri (USA) for investigation and response. The Network does not track visitors to this website and visitors can choose to provide their name or remain anonymous unless prohibited by country regulations.

### **How Emerson Australia assesses the effectiveness of these actions**

Our procurement processes and supplier/contractor management are carried out by Emerson Electric Co. on behalf of its subsidiary entities. The effectiveness of Emerson Electric Co.'s processes and policies are regularly reviewed through:

1. the conduct of annual awareness training for all staff, conducted face to face and online;
2. annual survey of suppliers and internal review/assessments of supplier performance; and
3. review of suppliers for compliance with Emerson Electric Co.'s business ethics and Supplier Code of Conduct principles.

### **Process of consultation with any entities Emerson Australia owns or controls**

Emerson Australia operates and is managed as an integrated group with overarching policies, systems and processes that are applied consistently across the Emerson group. This Statement has been prepared in consultation with each of the reporting entities covered by this Statement, and with our key teams that collaborate to deliver our human rights (including modern slavery) risk identification, assessment and management processes for our own operations and supply chain.

### **Approval by principal governing body**

This statement was approved by the Board of Directors of Emerson Process Management Australia Pty Ltd on 8 December 2022 and is signed by the Directors of each of the subsidiaries.



**Boris Gabin**  
Director  
Emerson Process Management Australia Pty Ltd  
Emerson Automation Solutions Final Control Australia Pty Ltd



**Rachel Wu**  
Director  
Emerson Process Management Australia Pty Ltd  
Emerson Automation Solutions Final Control Australia Pty Ltd