

MODERN SLAVERY

ST Engineering Urban
Solutions Ltd

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(ARBN 637 105 465)

FY2023-24



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ST Engineering

Modern Slavery Statement

ST Engineering Urban Solutions Ltd (ARBN 637 105 465) (**ST Engineering URS**) is part of ST Engineering Group: a global technology, defence, and engineering group known for excellence and innovative solutions. ST Engineering Group has a diverse portfolio of businesses in aerospace, smart cities, defence, and public security.

ST Engineering URS, a subsidiary of ST Engineering Ltd, is incorporated in Singapore and registered as a Foreign Company (Overseas) in Australia. ST Engineering URS' mission is to transform cities with rail and road transportation products and enhance digital connectivity with resilient and sustainable solutions for growing population centres.

ST Engineering URS is dedicated to delivering what their partners and customers require, making a positive impact on societies worldwide. Their global network of subsidiaries and regional branches spans Asia, the Middle East and the U.S.

ST Engineering URS prepares this statement as a reporting entity for the purposes of the *Modern Slavery Act 2018* (Cth).

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1. Introduction

This statement has been prepared in accordance with the reporting requirements of Australia's *Modern Slavery Act 2018* (Cth) and associated guidelines. This report details the steps taken by ST Engineering URS during the financial year ending 30 June 2024 to evaluate and address the risk of modern slavery occurring in its operations and supply chains.

ST Engineering URS is opposed to modern slavery in all forms; human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage, and the worst forms of child labour.

As a subsidiary company in ST Engineering Group, ST Engineering URS operates in accordance with ST Engineering Group's strategic and corporate policies. These inform ST Engineering URS' approach to evaluating and addressing modern slavery risks. More information on ST Engineering Group can be found in its Annual Report, which can be viewed here <https://www.stengg.com/en/investor-relations/>.

The core values shared by ST Engineering Group include:

- **integrity:** the foundation of ST Engineering Group's business success rests on unyielding honesty, trustworthiness and responsibility for its actions, striving to do the right thing and to fulfill Group subsidiaries' promises to one another, their customers, partners and stakeholders;
- **value creation:** determination to add value in all that ST Engineering Group does - in the best way possible and to the best of Group subsidiaries' ability. Group subsidiaries work together to grow their people, markets and businesses around the world, to consistently create solutions that win in the marketplace and meet, or even exceed, their customers' expectations;
- **courage:** empowering Group subsidiaries as organisations, as teams and as individuals through small and large acts of courage in their everyday work and at more challenging moments of uncertainty, without fear of failure or the desire to stick to the status quo. Courage enables Group subsidiaries to face the plain realities of their situation (favourable and unfavourable), to address concerns over change, to promote out-of-the-box thinking and to explore and commit to bold new possibilities for their business;
- **commitment:** determined and energised to achieve Group subsidiaries' shared vision, mission and strategic objectives. This dedication to a common purpose stands behind Group subsidiaries' commitment to customers, partners, other stakeholders and one another, driving Group subsidiaries to excellence in their results and in how they achieve them; and

- **compassion:** along with Group subsidiaries' passion to succeed and prosper as individuals, as teams and as a business, Group subsidiaries reach out to express their genuine care and responsibility for one another, their communities and the broader community. Group subsidiaries rally around those in difficulty to understand their troubles and actively help them with their time, energy and money.

2. Structure and Operations

Structure

ST Engineering URS is a wholly-owned subsidiary of ST Engineering Ltd, and part of ST Engineering Group. ST Engineering URS is incorporated in Singapore. In 2019 ST Engineering URS registered in Australia as a Foreign Company (Overseas) and nominated an Australian business address.

ST Engineering URS was originally incorporated as ST Engineering Electronics Ltd. On 30 March 2023, ST Engineering Electronics Ltd was renamed as ST Engineering URS.

Operations

ST Engineering URS is a global technology and engineering company focusing on smart city solutions. Its portfolio covers smart mobility (including rail and road transportation products and digital connectivity solutions such as mobility payments), smart utilities, and infrastructure solutions. ST Engineering URS transforms and future-proofs cities to make them more mobile, more secure and more liveable for communities.

ST Engineering URS services over 100 countries with approximately 1,750 employees. Asia remains a key market for ST Engineering URS: 98% of its employees are located in Asia and the Middle East, with 77% in Singapore alone. 70% of all ST Engineering URS staff are employed in engineering or technical roles.

A key component of ST Engineering URS' operations is research and development, with particular focuses on digital solutions and enhancing existing mobility products. Other core operations include manufacturing, systems integration, repairs, maintenance and overhaul, and specialised services in the transportation and smart city domains.

ST Engineering URS conducts its operations around the world through both subsidiaries and unincorporated regional branches. ST Engineering URS' subsidiaries are:

Subsidiary	Country of incorporation
Omnico Singapore Pte Ltd	Singapore
Orsus Xellent Technologies Inc	United States of America
SEEL Electronic & Engineering Sdn Bhd	Malaysia
SPTel Pte Ltd	Singapore
ST Engineering (Chongqing) Co Ltd	People's Republic of China
ST Engineering (Latin America) Ltda	Brazil
ST Engineering (Shanghai) Co Ltd	People's Republic of China
ST Engineering (Taiwan) Ltd	Republic of China
ST Engineering (Wuxi) Co Ltd	People's Republic of China
ST Engineering Autonomous Solutions Pte Ltd	Singapore
ST Engineering Infa Systems Ltd	Hong Kong
ST Engineering Innosparks Pte Ltd	Singapore
ST Engineering Mobility Services Pte Ltd	Singapore
ST Engineering Saudi Ltd	Saudi Arabia
ST Engineering Urban Solutions (Thailand) Ltd	Thailand
ST Engineering URS Partnership Co Pte Ltd	Singapore
STA Inspection Pte Ltd	Singapore
TransCore Asia Pte Ltd	Singapore

ST Engineering URS also conducts operations directly around the globe using regional offices registered in key markets. ST Engineering URS operates through these regional branches in locations including:

- Abu Dhabi;
- Dubai;
- Hong Kong;
- India;
- Taiwan;
- Australia; and
- Qatar.

Supply chains

ST Engineering URS has extensive and diverse supply chains of both goods and services. These supply chains support ST Engineering URS' manufacturing, systems integration, Maintenance Repair & Overhaul operations and services offerings in the transportation and smart city domains.

Asia is a key market for ST Engineering URS' supply chains as well as its operations. 80% of ST Engineering URS' capital expenditure occurs in Asia. A further 10% takes place in the US, and 8% in Europe.

ST Engineering URS' global supply chains were significantly disrupted for certain product categories (such as IT related equipment) during the Covid-19 pandemic.

3. Modern Slavery Risks in Operations and Supply Chains

As a subsidiary company, ST Engineering URS applies relevant policies and procedures of ST Engineering Group. These relevant policies and procedures are largely determined centrally by ST Engineering Group management, and guide operations of subsidiary companies throughout ST Engineering Group.

The ST Engineering Group is committed to protecting human rights and adhering to all labour laws and regulations where it operates. ST Engineering Group's subsidiaries provide safe and healthy work conditions and are committed to upholding the dignity of the individual. ST Engineering Group has zero tolerance for unethical labour practices such as child labour, forced labour, slavery and human trafficking in any of its operations. ST Engineering Group prohibits discrimination and harassment in its workplaces, supports the right to freedom of association, and encourages effective communication and consultation with its employees.

ST Engineering Group is aware of, and closely monitors, a range of industry-specific risks associated with modern slavery. Key risks include:

- **migrant labour forces:** ST Engineering URS' operations span markets with high proportions of migrant labour. Migrant workers, particularly those from developing countries, are more vulnerable to modern slavery practices. Risk factors underpinning this vulnerability include migrant workers' lack of knowledge about local workers' rights and resources, and social, cultural and linguistic isolation; and
- **product risk:** certain products and commodities key to ST Engineering URS' operations, particularly those consisting of raw materials, carry a higher risk of modern slavery practices. The complex and sometimes opaque supply chains involved in the extraction, production, and distribution of these raw materials can create vulnerabilities and enable exploitative practices to persist.

4. Risk Mitigation Actions

Supply chain and procurement policies are centrally managed at ST Engineering Group level. ST Engineering Group sources responsibly and invests in the people and the communities where its subsidiary members operate. ST Engineering Group established Enterprise Risk Management (ERM) and compliance policies and processes to support its Code of Business Conduct and Ethics and good corporate governance practices.

Enterprise Risk Management

ST Engineering Group's ERM policy guides the management and reporting of enterprise risks across ST Engineering Group. This policy is designed to provide a robust risk management process where enterprise risks are evaluated, monitored and managed in a holistic and integrated manner. ST Engineering Group's ERM policy is fundamentally preclusive. Risk identification is carried out continuously from the earliest stages of projects and procurement. Risk analyses include material internal and external evaluation to capture the widest possible range of factors.

Code of Business Conduct and Ethics

ST Engineering Group has zero tolerance for fraud and corrupt practices. ST Engineering Group's Code of Business Conduct and Ethics forms the backbone of its commitment to ethical business conduct and regulatory compliance. ST Engineering Group and its subsidiaries are committed to meeting all relevant regulatory and customers' contractual requirements, including those relating to cybersecurity, data governance and protection, and business continuity.

Beyond full compliance with legal and regulatory requirements, ST Engineering Group aligns its management systems with international and industry standards.

Minimum Sourcing Requirements

Sourcing is the process of identifying & assessing suitable suppliers to supply goods and/or services based on a defined set of requirements or scope of work. Sourcing is performed in accordance with ST Engineering Group's Minimum Sourcing Requirement (**MSR**).

MSRs can play a significant role in lessening the impacts of modern slavery, through increasing transparency, due diligence and supplier accountability. ST Engineering Group has incorporated these MSRs into its procurement processes, allowing it to evaluate tender bids against technical and commercial criteria before awarding purchase orders to the selected supplier. Key outcomes of MSRs include:

- **increased transparency:** MSRs promote greater transparency in supply chains. Companies are required to trace their supply chains back to the original source, identifying each step of production and the involved parties. This transparency enables better scrutiny and identification of potential risks and abuses, including modern slavery practices;
- **due diligence:** ST Engineering Group's MSRs include thorough due diligence on their suppliers. This involves assessing suppliers' practices to ensure they adhere to ethical standards. By implementing due diligence processes, ST Engineering Group can identify high-risk suppliers and take corrective actions to prevent or address any instances of modern slavery; and
- **supplier accountability:** MSRs impose accountability on suppliers. Suppliers must demonstrate that they treat their workers fairly, provide safe working conditions, and uphold basic human rights. This accountability reduces the likelihood of modern slavery occurring in the supply chain.

All suppliers, whether existing or new, are screened using 3rd party applications, and subjected to additional review if a positive match is observed for any of their defined ESG related elements. ST Engineering Group will review their business relationship and blacklist a supplier if it is on any sanction list or has a poor ESG record.

Suppliers of some categories of goods and services are also subjected to technical qualification. ST Engineering Group has internal procedures for the selection and qualification of vendors and suppliers, and maintains a qualified vendors list.

Vendor Code of Conduct

ST Engineering Group's Vendor Code of Conduct has zero tolerance for unethical labour practices, reflecting our expectation that all vendors provide a safe and healthy working environment, fair compensation packages, and people development programmes. Vendors are expected to deliver quality products and services, source responsibly and invest in communities where they operate.

ST Engineering Group's Vendor Code of Conduct includes policies in product quality and safety, diversity, non-discrimination and anti-harassment and ethical labour practices and freedom to associate. In order to comply with these regulations, vendors must:

- demonstrate a commitment to quality;
- apply appropriate product safety practices in compliance with applicable laws, regulations, industry standards and good manufacturing practices that seek to reduce risk of hazard to their employees and subcontractors, their employees, their customers, their end users, the public, properties and the environment;
- ensure their products and services meet or exceed ST Engineering Group's quality standards and contractual requirements;
- comply with ISO 9001 or an equivalent internationally recognised Quality Management System;
- respect and support the fundamental principles set out in the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the United Nations Global Compact;
- provide equal employment opportunity to their employees and applicants for employment without discrimination based upon race, faith, gender, sexual orientation, age, marital status, disability or political affiliations;
- ensure that their employees are afforded an employment environment free from any physical abuse, threats of physical violence, sexual or other forms of harassment including verbal or other forms of psychological abuse and intimidation;
- abstain from all unethical labour practices such as child labour, forced labour, slavery and human trafficking in any of their operations; and

- recognise and respect the rights of their employees to associate freely and to organise and bargain collectively in accordance with the local laws in which they are employed.

5. Assessing the Effectiveness of the Risk Mitigating Actions

Subsidiaries of ST Engineering Group undertake yearly e-declarations, internal and external audits by certified personnel as well as receiving a certification of respective standard by a recognised body to monitor and enforce compliance with the policies and procedures of ST Engineering Group.

Quality, operational and governance audits are managed centrally in the ST Engineering Group. Broadly, business services including human resources, finances, legal and procurement functions are performed by a dedicated business services entity within the Group called ST Engineering Management Services (STEMS). This organisation provides support and operational oversight to companies in the ST Engineering Group.

One of STEMS's core functions is managing procurement, onboarding and compliance for contractors and suppliers. This includes assessing suppliers' compliance with the ST Engineering Group's Supplier Code of Conduct, sustainability agenda, and other key principles and policies.

STEMS also conducts internal audits, and coordinates external audits by suitably qualified and resourced experts. A key aim of the auditing process is monitoring suppliers' compliance with the ST Engineering Group's policies and practices. The auditing process captures key categories of transactions, including:

- suppliers with the largest annual spend;
- suppliers with the greatest volume of transactions;
- transactions of unusual size;
- all transactions related to intermediaries; and
- transactions with exception approvals.

Key criteria in these audits include:

- financial and operational outcome performance;
- compliance with people development standards, including completion of mandatory probity courses (for example in relation to anti-bribery and corruption);
- technology and innovation performance;
- sustainability performance; and
- cybersecurity resilience.

6. Consultation Process

The policies and practices of ST Engineering Group, including internal compliance, consultation and reporting requirements, apply throughout all subsidiaries of ST Engineering Group. This includes both the subsidiaries and the unincorporated regional branches of ST Engineering URS. This statement has been produced in compliance with these internal consultation and reporting requirements.

Consultation processes as between the ST Engineering Group, ST Engineering URS and ST Engineering URS' subsidiaries are informed by the centralisation of probity and auditing functions in STEMS. Generally, consultation in relation to compliance and governance matters takes place as part of the reporting compliance processes and standards applied by STEMS throughout the ST Engineering Group.

7. Authorisation by principal governing body

This statement is approved and signed by the principal governing body of ST Engineering URS, being the board of directors of ST Engineering URS, on 6th November 2024.



Mr. Chew Men Leong

President, ST Engineering Urban Solutions Ltd.

6th November 2024