
Modern Slavery Statement

1 July 2023 to 30 June 2024

LIEBHERR



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Message from the Board of Management

At Liebherr Australia, we believe that by actively working to identify, prevent and mitigate adverse human rights impacts in our business and through engagement with our suppliers, we can contribute to a better, more sustainable future.

We pride ourselves on collaborating with our workforce, suppliers and our customers to promote human rights and address risks of modern slavery.

During the 2023-24 financial year, we continued with our proactive approach to modern slavery risk identification and management. We deepened our engagement with our suppliers through self-assessment questionnaires, increased the modern slavery training requirement to additional roles and actively screened for any modern slavery risks as part of our supplier onboarding process.

The Board of Management is proud of what we have achieved during the last financial year, and we acknowledge that there is always more for us to do. We are committed to continuing to build on our work in the years ahead and striving to exemplify best practice approaches on modern slavery.

Liebherr Australia Board of Management



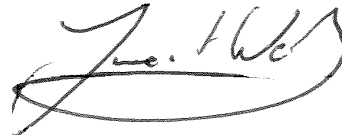
Andrew Schultz

Managing Director Finance and Administration



Andrew Esquilant

General Manager – Mobile Cranes



Trent Wehr

Managing Director – National Mining

Reporting entity

This modern slavery statement ("**Statement**") is made on behalf of Liebherr-Australia Pty Ltd (ACN 007 970 452) ("**Liebherr Australia**") in compliance with the *Modern Slavery Act 2018* (Cth) ("**Modern Slavery Act**"). Liebherr Australia do not own any other entities which operate in Australia but does operate in New Zealand under the same entity as a registered overseas ASIC company with NZBN: 9429038771866.

This is Liebherr Australia's fourth Statement, which has been prepared for the financial year of 1 July 2023 to 30 June 2024.

About us

The Liebherr Group is a family-run company with a highly diversified product range operating more than 140 companies worldwide. The company is one of the largest construction equipment manufacturers in the world. The parent company of the Liebherr Group is Liebherr-International AG with its registered office in Bulle, Switzerland. All its shareholders are members of the Liebherr family. Liebherr Australia is part of the Liebherr Group.

Liebherr Australia was first incorporated as a company in 1981 and shortly thereafter, the new head office complex in Adelaide was built. Since then, the company has expanded considerably with offices throughout the country. Today, Liebherr Australia sells and supports a range of Liebherr products in Australia and New Zealand including mobile and crawler cranes, offshore cranes, tower cranes, deep foundation machines, earthmoving and mining equipment.

In order to best support our customers, we have sites in Adelaide, Brisbane, Mackay, Melbourne, Sydney, Mount Thorley, Newman, Perth, Rockingham, Yatala, Unanderra, Pymont and Kalgoorlie. In addition to the sales and services offered at all Liebherr Australia sites, the Adelaide, Perth, Mackay and Mt Thorley sites are home to bucket manufacturing and bucket repair facilities. We also operate a national distribution centre and a remanufacturing centre in Adelaide. Both are established to provide industry best practice standards of remanufactured components and parts for our customer fleets.

Our core values

Liebherr Australia actively implements and promotes the core values of the Liebherr Group:

- Highest quality in everything we do;
- We are innovative;
- We are a trustworthy partner;
- We are independent;
- We accept responsibility; and
- Our employees are a key factor in our success.

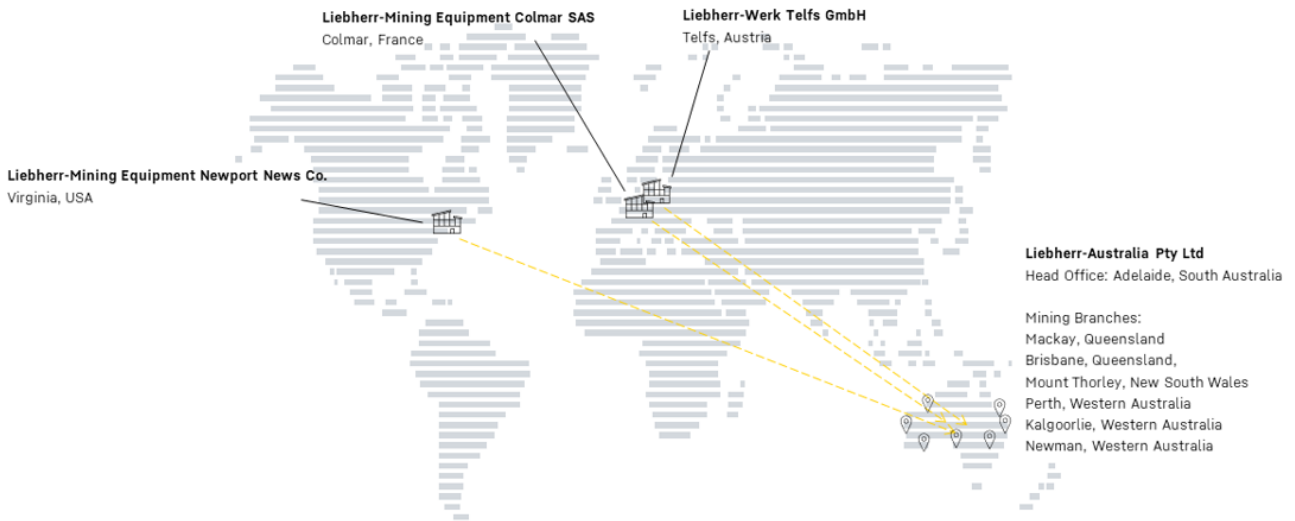
Our supply chain

The Liebherr Australia supply chain consists of goods and services that support our operations in Australia and New Zealand. Our greatest expenditure is in remuneration, and thereafter our supply chain is predominantly related to expenditure that provides the equipment, manufacturing services, facilities and other support required to enable delivery of our goods and services.

The Liebherr Australia supply chain has not changed substantially since the last financial year. Our first-tier suppliers remain predominantly based in western Europe and Australia where the risk of modern slavery is low according to the Global Slavery Index.¹

Our key supply chain categories

	Raw or Operating materials		Office expenses
	Non-production consumables		Catering
	Spare parts		Government departments and agencies
	Manufacturing/Services linked to a sale		Motor vehicle
	Cleaning		Transport
	Technology/Telecommunications		Property
	Plant/Equipment hire		Utilities
	HR services		Banking/Consulting
	Travel		Liebherr internal



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¹ Global Slavery Index 2023.

Snapshot from the last 12 months

- Engaged with our suppliers through the Self Assessment Questionnaire ('SAQ');
- Utilised our onboarding process to allow for a preliminary risk assessment of all new suppliers;
- Issued our Group Supplier Code of Conduct to all new suppliers;
- Included modern slavery obligations in new contracts with suppliers; and
- Continued to issue online modern slavery training to key internal stakeholders.

Assessing and addressing risks of modern slavery

Liebherr Australia is part of a global operation that works closely with our divisional holding companies. Due to the nature of our business and our approach to governance, we assess that there is a low risk of modern slavery where we have operational control.

We acknowledge that some of our suppliers providing goods and services are from categories that the *Modern Slavery Act 2018 - Guidance for Reporting Entities* ('Government Reporting guide') deems as higher risk – for example cleaning services and textiles.

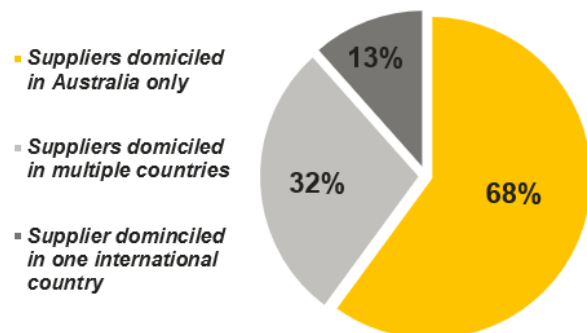
In order to better understand a greater portion of our supply chain in the previous reporting period we mapped our tier 1 suppliers that made up the top 80% of our overall spend (outside of our own factories). We took a risk-based approach in consultation with the Government Reporting guide and desk-based research to determine the categories of expenditure with the highest risk. With the suppliers of those categories reviewed in the previous reporting period it allowed us to focus on those in the remaining categories.

We acknowledge that our focus has still been on tier 1 suppliers (those providing goods or services directly to us). Our goal from our previous reporting period to eventually review suppliers further up the chain has been postponed. We have not made this decision lightly, however in the short-medium term we have acknowledged due to our forecast organisational growth, our focus needs to remain on tier 1 suppliers. Both new and existing suppliers that increase in activity as a result of our growth will require our attention.

Assessment findings

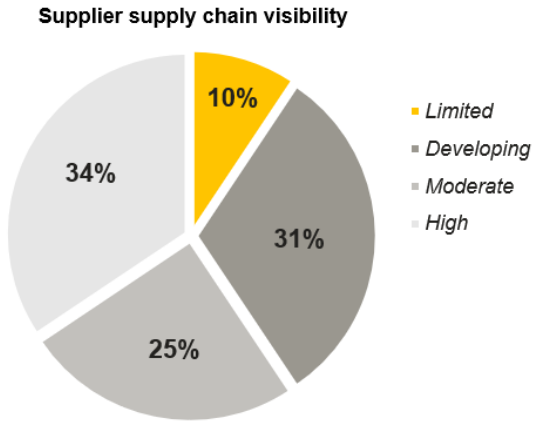
In the previous reporting period the Procurement department issued 71 SAQs and the average risk rating of suppliers was medium. We found that 77% of the suppliers were domiciled only in Australia (low on the Global Slavery Index), however their processes and procedures required further development resulting in their overall rating. In the current reporting period we issued 48 SAQs and the average risk rating of suppliers was also medium. We noted for these suppliers 68% were domiciled only in Australia. This brings the total number of suppliers we have sought to engage through our modern slavery program to 119. Irrespective of where they are domiciled, we acknowledge that risk remains as those suppliers domiciled in Australia may still be at risk for modern slavery practices or source goods or services from other countries that have a medium-high rating on the Global Slavery index.

Domiciled location breakdown



Assessment findings continued

As part of our SAQ, suppliers were asked to identify the level of supply chain visibility they possess over their own supply chain. We can report that only 10% responded with limited visibility with the remainder developing or greater.



Furthermore, another risk identified was in the responsiveness to the SAQ, with 18 suppliers we approached providing either a partial response or elected not to respond at all. We note the level of responsiveness from our suppliers has reduced and we see this as an on-going challenge.

We note that of the 90 suppliers that completed or partially completed the FY23 and FY24 questionnaire:

- 46% are required to report under the Modern Slavery Act or equivalent legislation in other jurisdictions;
- 47% indicated that their staff undertake modern slavery training; and
- 38% indicated that they consider modern slavery risks as part of their supplier onboarding process.

Addressing our modern slavery risks

Liebherr Australia manages the identified and potential risks in our supply chain and operations through processes and procedures.

Supply chain

Contracts

Where appropriate, for all new and existing suppliers we utilise our standard form agreements. Within those agreements we have included a modern slavery clause. As a result, suppliers are required to assess and address risks of modern slavery in their operations and supply chains. Further, suppliers are required to notify us if they become aware of actual or suspected modern slavery.

For suppliers that we transact with on their standard form agreements where possible we seek the inclusion of our modern slavery clause or similar if one does not already exist.

While we acknowledge that contractual commitments do not in isolation amount to due diligence or effectiveness, they do provide a contractual obligation on our suppliers to assist us when we wish to undertake our own investigations into the working conditions in our supply chain. We also ensure that we have contractual rights to information about our supplier’s supply chain that provide us with the capacity to undertake appropriate due diligence where we have concerns of elevated risks of modern slavery.

Supplier onboarding

The process for new supplier onboarding involves requesting the prospective supplier to advise where they are domiciled and the category of expenditure they will be supplying. Procurement applies this data to a risk matrix to determine if a SAQ is required at the onboarding stage or during the next supply mapping process. Furthermore, the supplier is expected to review and sign our Supplier Code of Conduct to ensure their values align with ours.

Liebherr Australia expects everyone participating in our supply chain to conduct their operations in an ethical manner and in compliance with their legal obligations. The supplier onboarding process aims to reduce the probability that we engage with a supplier that uses child labour, forced labour, discrimination or harassment or other kinds of prohibited behaviour under the Modern Slavery Act.

Self-assessment questionnaire

The SAQ commenced in the previous reporting period to allow us to gain an understanding of how our suppliers perceive their own supply chain and operations. It also provided us with the ability to identify those medium to high risk suppliers which require additional support and further monitoring.

Tendering

As part of our tender process we request respondents to provide a copy of their modern slavery statement. The evaluation team is then able to identify and note how that supplier is meeting modern slavery legislative obligations and managing any potential modern slavery and human rights risks that may exist in that supplier’s supply chain. Any risks are noted in the final assessment report.

Observation - Uniform category

In 2024, our uniform supplier agreement was tendered and as part of the request for tender we asked suppliers to demonstrate if they undertake audits of their third-party suppliers to ensure compliance with modern slavery legislative requirements. We are pleased to report the supplier we selected performs regular audits on its third-party suppliers. Furthermore, they have grievance mechanisms to allow for regular feedback on working conditions in all parts of their internal operations. In turn, this allows their employees to confidentially raise concerns, including human rights and modern slavery risks.

Operations and Governance

Board of Management

In the previous reporting period, the Liebherr Australia Board of Management meeting agenda items were revised. Since then the agenda has included procurement, legal, compliance and risk items which allows for ongoing commitment to discussing modern slavery matters.

Our staff

As of August 2024, we employ 1,571 direct employees constituting 1431 permanent full-time, 83 fixed term, 21 permanent part-time, and 36 casuals. In addition to our employees, we also have 46 contractors. We ensure that all employees, contractors and agency staff are able to demonstrate their eligibility to work in Australia prior to commencing work with Liebherr Australia.

We take a zero-tolerance approach to any instance of modern slavery by our employees, suppliers and contractors. Where we become aware of a potential incidence of modern slavery, we commit to working with the affected party or an appropriate authority to ensure the breach is addressed as soon as practicable.

Policy and procedure

Liebherr Australia has a modern slavery procedure that is available on its internal SharePoint page to all employees. Included are steps employees can take in instances or suspected instances of modern slavery. There was no amendment to the procedure from the previous reporting period.

Liebherr Australia employees are bound by the Liebherr Group's Code of Conduct. This requires employees to comply with applicable laws including those relating to modern slavery under the Modern Slavery Act. In addition, the same Code of Conduct specifically details the company's zero tolerance approach to any instance of forced and child labour, human rights and/or discrimination both within our organisation as well as organisations we interact with.

Education and training

Fundamental to the identification of modern slavery is a clear awareness and understanding of how modern slavery manifests in different situations. The eight types of modern slavery identified in the Modern Slavery Act require explanation and Liebherr Australia recognises that the key to a successful risk mitigation program is the education and training of our staff.

We have continued with our Modern Slavery Training online module as part of the suite of mandatory training to targeted employees and expanded it to a wider employee group that may come into contact with modern slavery. If a designated staff member does not complete the Modern Slavery Training within a designated period of time, an email reminder is automatically generated.

Resource support

To further strengthen Liebherr Australia's ability to address modern slavery matters the Contracts and Compliance Manager works closely with the Procurement department and Board of Management to further improve processes wherever possible.

Are we making a difference?

Liebherr Australia is committed to a program of continuous improvement to ensure that our efforts to identify, assess and address modern slavery risks are effective. We encourage stakeholders to provide feedback and the existing processes and procedures are regularly reviewed to incorporate changes and improvements as they are identified.

Over this and the coming reporting periods, we continue to focus on two key measures to identify how the modern slavery risk processes are being adopted across Liebherr Australia:

- the level of engagement and responses we are achieving with our suppliers; and
- continued and ongoing employee training.

Engagement with suppliers

In this reporting period, we have observed a decline in the completion rate of SAQs by our suppliers, marking a concerning shift from the previous period. Despite our efforts to regularly follow up and offer assistance, resistance has increased (examples include supplier's vocalising a willingness to complete it but then failing to do so or agreeing to a meeting to discuss it further but then not attending). We suspect there could be a number of underlying factors (e.g. resourcing) driving the resistance.

Additionally, the quality of the information provided has been below our expectations in some responses, we perceive there has been minimal effort and time invested by certain suppliers. We recognise through heightened engagement and support the responses may be more comprehensive and meaningful in the future. Albeit, we acknowledge in the future our approach with some suppliers may need to be different altogether in order to get the right level of involvement from them.

Notwithstanding the above comments, we recognise and appreciate the meaningful information a number of suppliers have provided.

Training evaluation

In the previous reporting period 88% of the employees required to complete the training did so successfully. In this period we issued the training to an additional 181 employees, 60 of these employees completed the training. Therefore, over the FY23 and FY24 reporting periods of the 209 eligible employees 42% have completed it. We are pleased that we have doubled the number of employees that have completed it since the last reporting period however are not satisfied with the overall completion percentage. We will take active measures to ensure greater completion in the next reporting period.

Consultation

This Statement has been drafted in consultation with the Contracts and Compliance Manager, Procurement department and in conjunction with the Board of Management. As Liebherr Australia do not own or control any other entities, the requirements under section 16(1)(f) of the Modern Slavery Act do not apply.

Approval

Liebherr Australia makes this Statement in accordance with section 14 of the Modern Slavery Act and constitutes Liebherr Australia's Statement for the Australian financial year ended 30 June 2024.

This Statement has been approved by the Board of Management on the 29 August 2024.

Contact us

If you require any further information about Liebherr Australia's commitment to our modern slavery obligations, please contact:

- National Procurement Manager
+61 (8) 8344 0237; or
- Contracts and Compliance Manager
+61 477 522 762.