
Modern Slavery Statement

1 July 2022 to 30 June 2023

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 2022-23 financial year, we built on our foundational modern slavery framework and bolstered our approach to modern slavery in a number of ways. We have deepened our engagement with our suppliers through the introduction of self-assessment questionnaires, developed an internal process to address high-risk supply categories and implemented further controls in our procurement and onboarding process to screen for modern slavery risks.

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



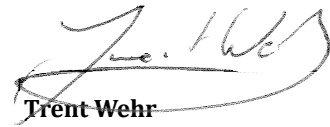
Andrew Schultz

Managing Director Finance and Administration



Andrew Esquilant

General Manager



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 2022 to 30 June 2023.

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 after this time 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, Caringbah 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. The company also operates a national distribution centre and a remanufacturing centre in Adelaide. Both are established to provide industry best practise standards of remanufactured components and parts for our customers 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.

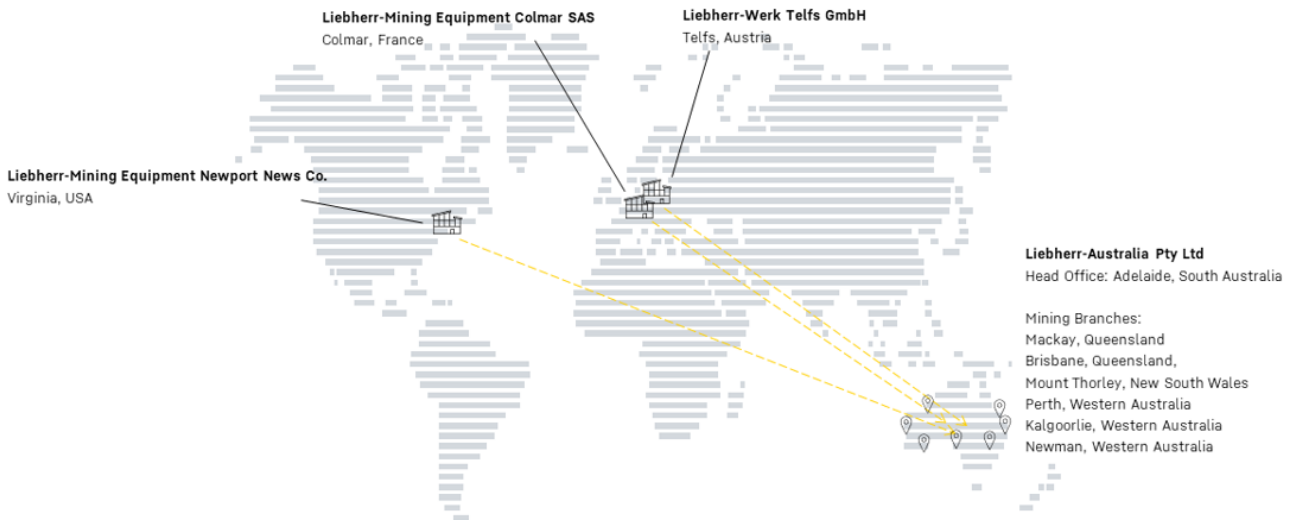
Our supply chain

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');
- Recreated our onboarding process to allow for a preliminary risk assessment of all new suppliers;
- Included modern slavery provisions within all our standard form contracts and included modern slavery obligations in new contracts with suppliers;
- Developed and issued online modern slavery training to key internal stakeholders;
- Developed our modern slavery Procurement procedure;
- Issued our Group Supplier Code of Conduct to current and all new suppliers; and
- Developed a Legal and Compliance department to work in-conjunction with the Procurement department on modern slavery.

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.

As part of our strategy to better understand a greater portion of our supply chain we mapped the tier 1 suppliers that made up the top 80% of our overall spend (outside of our own factories). We adopted a risk-based approach in consultation with the Government Reporting guide and desk-based research to determine the categories of expenditure which had the highest risk. The suppliers identified in these categories were prioritised for this reporting period to ensure they received the appropriate level of attention and review required. The remaining suppliers that fell outside this scope will be reviewed in the next reporting period.

In addition to the above, we elected to engage with key suppliers that fell into the following categories irrespective of our overall spend due to their higher modern slavery risk:

- Cleaning services; and
- Non-production consumables (textiles).

We acknowledge our focus is on tier 1 suppliers (those providing goods or services directly to us). Nevertheless, our strategy is that once these suppliers are reviewed we will be in a position to explore suppliers further up the chain.

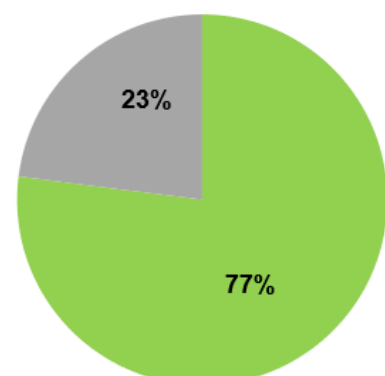
Assessment findings

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 require further development resulting in their overall rating. Irrespective of where they are domiciled, we acknowledge a 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 rating index.

Domiciled location breakdown

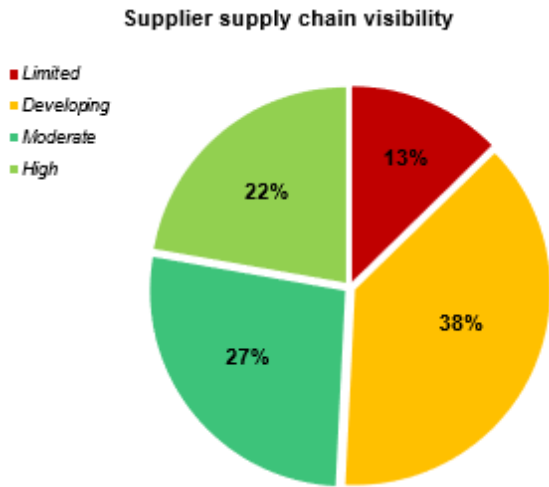
Spend by Country

- Suppliers domiciled in Australia only
- Suppliers domiciled in multiple countries



Assessment findings continued

As part of our SAQ, suppliers were asked to identify the level of supply chain visibility they possessed over their own supply chain. We can report that only 13% responded with limited visibility with the remainder developing or greater.



Furthermore, another risk identified was in the responsiveness to the SAQ, with 6 suppliers we approached providing either a partial response or elected not to respond at all.

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

We have begun the process of identifying and amending our standard form agreements and aim to have all our existing agreements include modern slavery clauses. In the meantime, we have engaged more deeply with our suppliers that we flagged as having a higher modern slavery risk and have leveraged contract renewals to discuss the inclusion of modern slavery clauses within supplier agreements. Moving forward we require suppliers to assess and address risks of modern slavery in their operations and supply chains. Suppliers are required to notify us if they become aware of actual or suspected modern slavery.

While we acknowledge that contractual commitments do not in themselves 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.



Modern Slavery Case Study

In 2022 our uniform supplier agreement was due to expire and a decision was made to renegotiate an extension as opposed to retendering. As part of the renegotiation, the existing agreement was reviewed and it was found that modern slavery had not been addressed historically. As a result, Procurement requested a copy of the supplier's modern slavery statement and completion of the SAQ and Liebherr Australia's Supplier Code of Conduct. Furthermore, it requested the inclusion of a modern slavery clause into the new supply agreement.

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. We will not knowingly work with those who use 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 this 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.

Operations and Governance

Board of Management

In the current reporting period, the Liebherr Australia Board of Management meeting agenda items were revised. The agenda now includes procurement, legal, compliance and risk items which allows for ongoing commitment to discussing modern slavery matters.

Our staff

As of October 2023 we employ 1239 direct employees, 1118 permanent, 15 part-time and 106 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

In this reporting period Liebherr Australia developed a modern slavery procedure that is available on our internal SharePoint page to all employees. Included are steps employees can take in instances or suspected instances of modern slavery.

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 introduced a new Modern Slavery Training online module as part of the suite of mandatory training that is designated for employees involved with our supply chain. 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 new Contracts and Compliance Manager will work 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 are focusing 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 training.

Engagement with suppliers

We have seen a mixed response from our suppliers when engaging on the issue of modern slavery. When it came to the SAQ we received a strong overall response however this did not occur without follow up and further clarification with our suppliers. Furthermore, review and execution of our Group Supplier Code of Conduct was high but some larger suppliers were not willing to complete this document. This was attributed to the fact that their internal policy prohibited such completion of third-party documents or due to minor variances to each party's document. In regard to supplier onboarding we are still in the early stage but are pleased to report that there has not been significant refusal to the request to complete the SAQ if deemed necessary by the Procurement department.

In addition, we found suppliers we hold existing agreements with did not resist the inclusion of a modern slavery clause.

We see the above steps progressing in the right direction and remain committed to ensuring that over the next reporting period even greater participation and SAQ completion occurs with our supplier engagements.

Training evaluation

We continue to ensure that all employees across Liebherr Australia understand modern slavery risks and have sufficient awareness to identify them in their day-to-day activities. Our online training program has been widely adopted with 88% of those stakeholders requested to take part having achieved successful completion to date.

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 2023.

This Statement has been approved by the Board of Management on the 5 October 2023.

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.