

Modern Slavery Statement

Reporting Period: 2020-2021 Australian Financial Year

Amendment History

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This statement was approved by the board of Volgren Australia Pty Ltd on 21 June 2021.



Thiago Deiro
CEO
21 June 2021

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1. Introduction

This statement (**Statement**) has been prepared in accordance with the requirements under the *Modern Slavery Act 2018 (Cth) (Act)*.

The Act defines modern slavery as including eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour. The worst forms of child labour mean situations where children are subjected to slavery or similar practices or engaged in hazardous work.

Modern slavery in Australian businesses can transpire in various forms, it is important to identify and take necessary action to address risks in our supply chains where regulation may be weak. Volgren Australia recognises that to tackle modern slavery successfully requires a commitment to continuous improvement and depends on strong and open collaboration with our people, supply chains and key stakeholders to ensure that risks are mitigated.

This Statement sets out how Volgren Australia is monitoring and addressing the risks of Modern slavery in our business. Volgren Australia is committed to delivering value to our customers while maintaining the highest standards of ethical conduct. We are committed to operating a strict zero tolerance towards modern slavery in all forms and have an expectation that our supply partners comply with the principles outlined within this statement.

2. Criteria 1: Our business

Volgren Australia Pty. Limited ACN 006 772 774 (trading as Volgren Australia) is one of Australia's leading bus body manufacturers. Volgren Australia exists to manufacture bus bodies – route buses, articulated buses, double deck buses, school and charter buses and mining buses – and have been in operation for over 40 years.

Volgren Australia exists to provide bus partnerships of unmatched mutual value through trust, innovation and support. Our greatest asset is our people. Based on respect and transparent communication, we build and maintain relationships that value diversity, inclusion and the contribution of all. We value constructing respectful and professional relationships based on ethics and integrity, rejecting any type of harassment, discrimination, favouritism or illegal practice.

Volgren Australia's workforce of 279 is based across three assembly facilities – Western Australia, Queensland and Victoria – and our after-sales facility in New South Wales. Volgren Australia's operations include the assembly and transportation of school and charter buses in Malaysia, and the subsequent importation of buses or parts into Australia and the delivery of the buses to our customers.

We sell our buses nationally and internationally – you will find Volgren Australia buses getting passengers where they need to be in Australasia, throughout the Asia-Pacific region and the Middle East.

In addition to manufacturing road-ready buses, Volgren Australia also export bus body kits to overseas partners for assembly in local markets. We have exported more than 1,500 kits to assemblers in Asia, Europe and South America for supply to their local or neighbouring markets.

3. Criteria 2: Our structure, operations and supply chains

Marcopolo Australia Holdings Pty Ltd owns 100% shareholding of Pologren Australia Holdings Pty Ltd which holds 100% Shareholding in Volgren Australia Pty. Limited. The Executive Team and Company Board for Volgren Australia manage and governs Volgren Australia and its subsidiaries, which includes Brisbane Bus Build Pty Ltd. The operations of these entities is set out below.

Entity	Operations	Supply Chain
Volgren Australia Pty. Limited	<ul style="list-style-type: none"> • Direct employment of workers • Manufacturing, marketing and sales of bus bodies products • Ongoing servicing and maintenance of vehicles • Provision and delivery of products or services 	<ul style="list-style-type: none"> • Products that we purchase and then use in the manufacture of bus bodies that are sold to our customers (such as components, engines and chassis which may be sourced from overseas locations such as the People’s Republic of China) • Raw material suppliers used by our suppliers (such as aluminium used to make components) • Utilities and professional service consultants who provide a service directly to Volgren Australia
Pologren Australia Holdings Pty Ltd	<ul style="list-style-type: none"> • Investment Company that does not have active operations 	<ul style="list-style-type: none"> • Utilities and professional service consultants who provide a service directly to Pologren Australia Holdings
Marcopolo Australia Holdings Pty Ltd	<ul style="list-style-type: none"> • Holding Company that does not have active operations 	<ul style="list-style-type: none"> • Utilities and professional service consultants who provide a service directly to Marcopolo Australia Holdings
Brisbane Bus Build Pty Ltd	<ul style="list-style-type: none"> • Direct employment of workers • Manufacturing, marketing and sales of bus bodies products • Provision and delivery of products or services 	<ul style="list-style-type: none"> • Products that we purchase and then use in the manufacture of bus bodies that are sold to our customers (such as components, engines and chassis which may be sourced from overseas locations such as the People’s Republic of China) • Raw material suppliers used by our suppliers (such as aluminium used to make components) • Utilities and professional service consultants who provide a service directly to Brisbane Bus Build

Volgren Australia has approximately 800 suppliers. The majority of these suppliers are locally based in Australia and are in a low risk category for modern slavery. On the international front, our suppliers fall within the mid to low category for modern slavery where most of these suppliers are based in the Asia region.

4. Criteria 3: Potential risks in our operations and supply chains

Volgren Australia has a zero-tolerance approach to any form of modern slavery within its supply chain and we are committed to respecting human rights across our business operations and expect our partners and everyone in our supply chain to have the same commitment. In 2021, Volgren Australia undertook a review into the potential risks of modern slavery across its operations and supply chain by considering:

- the risk profile of individual countries based on the Global Slavery Index;
- the business services rendered by the suppliers;
- the presence of vulnerable demographic groups; and
- the policies and practices to identify, assess and mitigate modern slavery risk in our own operations.

During this process, we have identified that Volgren Australia's direct operations are at a no/low risk of directly contributing to modern slavery. The review however identified that as many of its components are sourced through overseas manufacturers, there is a moderate risk of indirect contribution to modern slavery through the actions of our suppliers. For example, cotton production and textile manufacturing used to create bus seats we install in our bus bodies are considered risk industries for modern slavery. As set out below, we take actions to address these risks.

Volgren Australia does not currently operate or have any top spend suppliers in the countries with the highest prevalence of modern slavery based on the Global Slavery Index. However, we recognise there is a possibility that sub-suppliers could be connected to these countries and that the risk of modern slavery is not limited to these countries and still exists in other highly developed and higher income countries.

5. Criteria 4: Actions we have taken to address risks

We acknowledge that managing the risk of modern slavery is an ongoing process and there is always more to be done to strengthen our systems, processes and controls in modern slavery risk identification and management in our operations and supply chain. Next year and ahead we are focussed on reviewing and improving our policies, procurement templates, employee training compliance, expanding our supply chain risk assessment and increasing supplier awareness of modern slavery.

Volgren Australia operates the following policies for identifying and preventing modern slavery in our operations:

- Modern Slavery Policy – our policy has been developed to address the risks of modern slavery within our operations and supply chain. We require that all local and international suppliers, sub-contractors, manufacturers and agents, or other business partners conform to and operate in accordance with the following minimum standards:
 - The supplier must guarantee the business has no forced or compulsory labour, or engage in such practices, in any form whatsoever.
 - The supplier does not employ, or make use of, children under the age of 14 for production, manufacturing or assembly tasks.
 - The supplier respects the freedom of workers to join trade unions or civil society bodies and allows them to be represented by the organisations of their choice with no consequences on this choice.
 - The supplier is to make certain worker are paid sufficiently in line with appropriate awards applicable to the country, and/or so that they can meet their basic needs.

- The supplier must ensure appropriate working conditions, with regards to the length of working time, are in place for their staff.
- The supplier demonstrates equal opportunities in employment and pay by ensuring that no discrimination occurs on the grounds of race, colour, gender, political affiliation or religious belief.
- Whistleblowing Policy – we encourage all employees, customers, and suppliers to report any suspicion of slavery or human trafficking without fear of retaliation. We provide a confidential helpline to protect the identity of whistle-blowers.
- Code of Conduct – our code encourages employees to do the right thing by clearly stating the actions and behaviour expected of them when representing the business. We strive to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing our supply chain.
- Supplier Code of Conduct – we are developing a Code and updating supplier contracts to make explicit reference to slavery and human trafficking.

Suppliers are required to provide relevant evidence and documentation to confirm compliance if requested. Where a potential risk has been identified, and when practicable, Volgren Australia performs an audit of a supplier's premises and reviews conditions in line with our standards. If a physical visit to a supplier's premise is unachievable, we may enlist a third party to provide an independent audit of the supplier's premises and conditions.

If a supplier is not conforming with our Modern Slavery Policy, we seek to support the supplier to implement improvement plans and aid the supplier to achieve compliance.

If any supplier, manufacturer or agent is not able to or willing to maintain the standards set out in this policy, and/or refuses to provide evidence, Volgren Australia will move to review the supplier's contract and terminate the agreement with the supplier.

Volgren Australia undertook a risk assessment of its supply chain in 2021. Part of the assessment was in the form of a questionnaire to all Australian suppliers with more than a \$150,000 annual spend and all overseas suppliers, taking into account:

- The countries involved in the supply chain
- The business services rendered by the suppliers
- The presence of vulnerable demographic groups
- The policies and practices of suppliers to identify, assess and mitigate modern slavery risk in their own operations

By 2022, Volgren Australia will roll out modern slavery awareness training to help raise awareness and educate employees on how to identify and report modern slavery in and around the workplace.

6. Criteria 5: How we assess the effectiveness of our actions

Volgren Australia are in the process of defining a set of key performance indicators and controls to combat modern slavery in our organisation and supply chain. These include:

- How many employees have completed mandatory training?
- How many suppliers have filled out our ethics questionnaire?
- How many suppliers have rolled out an awareness and training program that is equivalent to ours?
- How many reports have been made by our employees that indicate their awareness of and sensitivity to ethical issues?
- What are the findings of our cross-functional team, which reviews how we are addressing modern slavery?

Volgren Australia undertakes regular reviews on our supply chains and operations to monitor the effectiveness of our Modern Slavery Policy. Having undertaken our first review in 2021, we will be using these benchmarks in future reviews to monitor progress in addressing the risks of modern slavery.

We acknowledge that visibility of modern slavery practices in our full downstream supply chain is limited to what is visual and, in our control, however with further understanding and assessments we will continue reduce potential risks of these practices.

7. Criteria 6: Our consultation process with entities we own or control

This report was prepared in consultation with our subsidiary, Brisbane Bus Build Pty Ltd, as well as Pologren Australia Holdings Pty Ltd and Marcopolo Australia Holdings Pty Ltd, who are related bodies corporate. Due to the overlapping nature of the supply chain for these businesses, and the identification that there is a no/low risk of modern slavery in the direct operations of Pologren Australia Holdings Pty Ltd and Marcopolo Australia Holdings Pty Ltd, our entities worked together to prepare this statement and Volgren Australia undertakes reviews of the supply chain on behalf of Brisbane Bus Build Pty Ltd.

8. Criteria 7: Other Relevant Information

This section has been deliberately left blank.