



# Modern Slavery Statement

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## MODERN SLAVERY STATEMENT – CREGA COMMENTS

The events of the last months and years, such as the COVID pandemic, Russia's attack on Ukraine, but also the discussion of equal rights and equality for all individuals in everyday life and at work as well as the abuse of people at home or at work have moved us, the China Railway Engineering Equipment (Australia) Pty Ltd team (CREGA), to do things to change, to avoid or to support.

All of these topics can or have an impact on modern slavery, which was the trigger for us, the CREGA team, to develop our first Modern Slavery Statement (MSLS) early this year 2022 and translate what we would like to change or do into reality.

Our actions and our commitment should be a tangible sign of our intention to counteract modern slavery as far as possible and to influence others positively. We will continue to devote time and focus to making a positive impact on this important agenda.

In accordance with the Australian Modern Slavery Act 2018, this statement outlines the steps that CREGA has taken, and is continuing to take, to assess and reduce risks of modern slavery within our business and our supply chain, and our plans for review and improvement based on the criterions outlined in the Act.

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

CREGA recognises that it has a responsibility under the Modern Slavery Act to take a strong approach to reject any forms of modern slavery and human trafficking. We are committed to promoting ethical business practices and policies that protect workers from being abused and exploited, both in our own business and our supply chain.

CREGA is committed to limiting the risk of modern slavery occurring in our business, ensuring there is transparency in our business and in our approach to tackling modern slavery throughout our supply chain.

We expect our local team (employees) and our suppliers to share our commitment to help ensure modern slavery does not exist in our business and our supply chain.

Our Team is respecting all people, human rights and equality as part of our actions we are, for example, a proud sponsor and supporter of the ATS Diversity in Tunnelling Chapter.

The ATS Diversity in Tunnelling Chapter is a National Chapter of the ATS formed of representatives from the Various ATS chapters interested in promoting and supporting diversity in tunnelling.

The ATS *Diversity in Tunnelling Chapter* mission is to:

To promote, inspire and cultivate Equality and Inclusion in all sectors of the Tunnelling industry through leadership, mentoring and engagement with the aim of attracting and retaining talented individuals.

## **1 WHO WE ARE – CRITERION 1**

China Railway Engineering Equipment (Australia) Pty Ltd ABN 88 607 759 820 is a standalone company and representative of the large China Railway Engineering Equipment Group Co., Ltd. (CREG) based in China.

## **2 STRUCTURE OPERATION & SUPPLY CHAIN – CRITERION 2**

### **2.1 Structure and Operation**

CREG is currently the fastest growing and largest tunnelling and mining solutions provider worldwide with a full range of mechanized tunnelling and mining equipment, technology and services. Our scope of works covers all types of TBMs, which include for example Hard Rock Machines Tunnel Boring Machines (TBM), Earth Pressure Balance (EPB) TBMs, Slurry TBMs, Multi-Mode TBMs, Rectangular TBMs, U shape TBMs, Shaft Boring Machines (SBM), Roadheaders, Drill Jumbos and other rolling stock. In addition to that we are offering design services for example for special steel structures which are required for underground constructions and we are supporting our clients from tender stage all the way to the completion of the tunnels they are building or the mines that they are developing.

Our ultimate goal is to value our customers to the maximum.

CREG's International Tunnelling and Mining team alone consists currently of over 4,000 people which are working in all parts of the world hand in hand, which includes a number of now more than 500 designers to design and manufacture our Tunnelling and Mining equipment. CREG has grown up from a well-known tunnelling contractor and acquired Germanies oldest Tunnel Boring Machine manufacturer Wirth in 2013 to extend their portfolio and add new ideas and patents to our business to become a world leader in this market.

CREG's success is based on the experience and expertise of their professional international engineering team and dedicated workers. We stick to the basic principle that our design and manufacture of any equipment be made to work in extreme conditions encountered underground. To become more competitive and expand internationally we are working with and have established a long-term strategic partnership with major well-known component suppliers.

In order to lead the cutting-edge technology in the TBM industry and provide the best user experience, CREG makes relentless efforts to maintain and constantly improve technical customer service worldwide. Therefore, CREG has strategic subsidiaries around the world such as CREG Australia (CREGA).

As CREGA established 20<sup>th</sup> August 2015, we are representing and selling CREG equipment and are driving projects further such as the West Gate Tunnel in Melbourne with the first rectangular box jacking TBM being used in Australia or the Snowy Hydro 2.0 project in the Snowy Mountain which is using one of our state-of-the-art megaborers. While supporting these and other projects CREGA is developing new ideas in this market that can and will be applied to other projects in Australia and worldwide to support our industry to advance further (see example links to projects below).

As we drive the developments of increasingly modern and intelligent systems, we focus on developments with state-of-the-art intelligent solutions that will be and are sustainable for our environment. Our success is based on our great team of people which we do value and support.

## **2.2 supply chain**

CREGA procures equipment, consumables and services needed for our business's day-to-day operations from many contracted and preferred suppliers operating in Australia and outside of Australia.

Our long-term strategic relationships with key suppliers, provides a stability in our supply chain and procurement processes.

## **3 IDENTIFYING RISKS OF MODERN SLAVERY – CRITERION 3**

CREGA conducts a high-level assessment of our key equipment and service suppliers. Our review of suppliers focused on how they work and where their products originate from.

We therefore conduct talks with the management of our suppliers before we engage them in our business or before they are joining our 'Australian Alliance Partnership', but also visit their workshops and offices to get an idea of the quality of the work done, the work environment for all people employed and whether the treatment of the staff complies with all rules and laws.

### **3.1 CREGA operations**

We believe there is no risk of modern slavery in our directly employed workforce, as our team is small and the labour market in Australia is highly regulated, strict regulations apply in our industry which we have to and are following.

Our Whistleblower Policy and Procedures is an active communication between the entire team, which also includes team building events where we openly discuss issues of all kinds to grow closer together and uncover misconduct in our business and supply chain without reproach. Every employee also has the opportunity to lodge a complaint anonymously to speak up about unjustified actions against themselves or others, regardless of whether this concerns internal or external persons.

### **3.2 CREGA supply chain in and Outside of Australia**

A number of our supplier's operations are based in Australia. We believe these suppliers However, our sourcing activities involve the purchase of goods and services from suppliers outside Australia who supply potentially high-risk products or are located in high-risk countries.

In order to gain an initial basic understanding, we have and will therefore list our most important suppliers and service providers. This will enable us in 2022 to undertake a risk assessment of all of these suppliers with risks of modern slavery or potential risks in our suppliers' operations and supply chains.

If our assessment selects suppliers who we believe may pose a risk, we will prompt and ask those suppliers to complete a Modern Slavery Supplier Questionnaire. We evaluate the answers we receive from our identified high-risk suppliers and, based on these evaluations, decide whether a supplier of a specific product or service meets our expectations or whether we will no longer consider this supplier. From the answers we hope to learn whether the supplier's supply chains follow an ethical procurement policy. We will collect the results of the Modern Slavery Supplier Questionnaire and store them on our cloud server so that everyone in our company has access to these results. Internally, we will discuss information about the individual suppliers or service providers with our team and instruct them accordingly which suppliers may be on our red list and not to contact them again until we receive positive feedback from those affected and, after re-evaluation, put them back on our set blue list.

## **4 OUR ACTIONS – CRITERION 4**

CREGA has a strong corporate governance framework and as part of our commitment to informing our employees and suppliers in modern slavery risks, we will undertake reviews of our standard procurement agreements and procurement processes to ensure that we have sound governance processes in place to meet our modern slavery compliance.

In summary, our review is and will include the following activities:

- Posting our Modern Slavery Policy on our website
- Updating our tender documents and Australian Alliance Agreement to make our customers & suppliers aware of our position in regards to Modern Slavery, to ensure we identify and make aware of the risks of modern slavery in new suppliers early on in the sourcing process;
- Reviewing our procurement policies and procedures to ensure that modern slavery clauses are included; and
- Requesting statements and our suppliers and clients position in regards to modern slavery.

### **4.1 Future Developments**

In our upcoming financial years, we plan to develop and evolve our approach to modern slavery compliance to monitor and respond to the risks of modern slavery.

### **4.2 Awareness Raising Program**

CREGA aims to raise awareness and strengthen our understanding of the risk of modern slavery across our business and supply chain by.

### **4.3 Employees**

CREGA will annually digitally send the new updated MSLS statements and results to our entire CREGA team and encourage each and every team member to read this statement but also encourage to ask questions if things are unclear or need more explanation.

Once the subject is understood, these statements should be signed, dated and returned to management.

CREGA is organising biannual workshops to educate all our staff about modern slavery and the impact it is having on people and our industry, and encourage our employees to contribute ideas or thoughts to improve things that prevent or address modern slavery is.

Developing an annual online education tool to provide employees with information about MSLM and their role in eradicating modern slavery in our workplace and supply chain.

#### 4.4 Suppliers

Questionnaire for suppliers is reviewed every quarter as a living document and, if necessary, expanded and revised based on the experiences we make with this new tool.

The structure of the document should be implemented as follows in two based on the supplier future engagement:

1. Pre-qualification:

- Request our suppliers position on Modern Slavery.
- CREGA market research about the supplier and gather information from our other partner companies in regards to their experience with the supplier in questions.

2. Qualification long term engagement or upon Australian Alliance Agreement signing:

- Supplier to provide further information on work environment and work conditions,
- Supplier to provide their own MSLS if possible and implemented,
- Supplier facilities will be visited and evaluated by CREGA.

#### 5 CREGA GOVERNANCE – CRITERION 5

CREGA will continue to review our policies and procedures to ensure we have sound governance processes in place to meet our modern slavery compliance requirements.

CREGA will develop and review on a regular basis our policies such as a code of conduct and will review our whistleblower police to ensure modern slavery clauses are included to raise employee awareness of the risks of modern slavery in our business and supply chain.

#### 6 CREGA & CREG, INCLUDING OTHER CREG SUBSIDIARIES - CRITERION 6

We have consulted with our CREG team in the preparation of this Modern Slavery Statement – information about CREG China see chapter 2. Due to our small company size here in Australia our modern slavery working group includes all members of our team but we also share our ideas, experience and information with the CREG China team and other subsidiaries worldwide.

As CREGA Group Pty Ltd is the sole reporting entity in the CREGA Group, consultation with other entities giving the modern slavery statement is not applicable.

#### 7 OTHER RELEVANT INFORMATION - CRITERION 7

##### 7.1 The Impacts of Covid-19

In order to keep our people safe and continue our operations through the COVID19 pandemic, CREGA ensured there were sufficient consumables available for employees including face masks, hand sanitiser, toilet paper and gloves. We recognise that personal protection equipment (PPE) can pose higher modern slavery risks due to the regions in which they are manufactured. In an aim to minimise modern slavery risks, these PPE consumables were sourced utilising existing suppliers and local suppliers. The nature of CREGA's work activities were not significantly impacted other than strict quarantine requirements for our people travelling to other countries or across borders and in some regions restrictions on the number of employees accessing project work sites.