

AWN HOLDINGS LIMITED

Modern Slavery Statement

Financial Year 2019/20

Introduction

Modern slavery is a heinous crime and a morally reprehensible act that deprives a person's liberty and dignity for another person's gain. It is a real problem for millions of people around the world, including many in developed countries, who are being kept and exploited in various forms of slavery. Every company is at risk of being involved in this crime through its own operations and its supply chain.

At AWN Holdings Limited (AWN), we are fully committed to preventing slavery and human trafficking in our operations and supply chain. We have taken steps to tackle modern slavery, as outlined in this statement. This statement sets out the actions that we have taken to understand all potential modern slavery risks related to our business, and to implement steps to prevent slavery and human trafficking during the financial year ended 30 June 2020.

Our business and supply chains

AWN is a B Corp certified group which invests in and operates wholly and partly-owned subsidiaries. Our key operating entities, operations and associated supply chains are as follows:

1. VivoPower International PLC (VivoPower) is a global B Corp Certified company and a sustainable energy solutions provider encompassing battery technology, electric vehicles, solar and critical power services. VivoPower is headquartered in London, United Kingdom and also operates in Australia, Canada, the Netherlands and the United States. VivoPower's supply chain includes:
 - Travel services;
 - Energy and utilities;
 - Electrical equipment, materials and tools (solar panels, inverters, cabling, materials, generators, fixtures and fittings, etc.);
 - Electronic equipment (computers, mobile devices, etc.);
 - Personal protective equipment and clothing;
 - Professional services;
 - Financial services; and
 - Office and stationary supplies.
2. EdventureCo Pty Ltd (EdventureCo) is a leading vocational and professional education and training (VPET) group with established and reputable college brands in VPET fields such as:
 - DDLS - information & communication technology (ICT);
 - Everthought Education - building and construction; and
 - ENS International - negotiation skills training.

EdventureCo's operations are located in Australia and the Philippines. EdventureCo's supply chain includes:

- Travel services;
- Energy and utilities;
- Electronic equipment (computers, mobile devices, etc.);
- Cleaners;
- Caterers;
- Training course vendors;
- Professional services;
- Financial services; and
- Office and stationary supplies.

3. Arowana Funds Management (AFM) is a wholly-owned investment manager of AWN. The fund vehicles managed by AFM include the Contrarian Value Fund, Arowana Australasian Special Situations Fund and the Arowana Special Income Opportunities Fund. AFM's supply chain includes:

- Professional services;
- Financial services;
- Electronic equipment (computers, mobile devices, etc.);
- Cleaners; and
- Office and stationary supplies.

We establish a relationship of trust and integrity with all our suppliers, which is built upon mutually beneficial factors. Our supplier selection and on-boarding procedure includes due diligence of the supplier's reputation, respect for the law, compliance with health, safety and environmental standards, and references. As at the date of this statement, AWN is in the process of standardising the implementation and execution of this procedure across each of its operating businesses.

We haven't been made aware of any allegations of human trafficking/slavery activities against any of our suppliers, but if we were, then we would act immediately against the supplier and report it to the authorities.

Risk assessment

We conducted a risk assessment of our supply chain based on the Walk Free Foundation Global Slavery Index 2018 (www.globalsslaveryindex.org) by taking into account:

- The risk profile of individual countries;
- The business services rendered by the suppliers; and
- The presence of vulnerable demographic groups.

The risk across the group was assessed as low given the geography, industry and sectors that we worked in and from which we sourced our supplies during the period. We discuss the areas where it was perceived there could be higher risk below.

Cleaning Services

Cleaning services can be perceived as high risk due to multiple layers of subcontracting and limited visibility (workforce sometimes only designated for night shifts away from public visibility). This industry employs low skilled, low paid labour with manual work, high prevalence of short term, seasonal and migrant workers. As a result, there is a high possibility that some contractors or suppliers may not identify modern slavery practices.

Electronics - laptops, computers and mobile phones

The entire electronics industry is recognised globally from different research sources as a high-risk industry. There have been reports raising concerns of exploitation of students, child workers and foreign workers in the industry. There is a risk that electronic equipment we purchase may come from areas where workers were subjected to modern slavery.

Garments

Garments, including personal protective equipment, are often produced in countries with higher risks of modern slavery where government oversight and regulations are less stringent than those in Australia. These supply chains are extremely complex and visibility of the supply chain beyond our immediate suppliers is difficult. There is a high risk that the garments we purchase are manufactured from raw materials such as cotton which may come from areas where workers are subjected to modern slavery.

While we typically procure the products used on our projects from Australian wholesalers, some of these products are manufactured overseas. No specific assurances were requested from our suppliers during the period with regards to modern slavery legislative compliance requirements, however we are currently in the process of updating purchasing and subcontracting templates to address this going forward.

Philippine-based service providers

Philippines was noted in the Global Slavery Index 2018 as one of the top 10 countries with the largest estimated absolute number of people in modern slavery. AWN utilises overseas service providers that are located in the Philippines. Prior to engaging with these service providers, the group performed appropriate levels of due diligence. Employees engaged by the service providers are done so at the direction of AWN and remuneration is benchmarked regularly to ensure it is set at appropriate levels. Employees have a direct line of reporting to functional managers in AWN and there are regular communications with both the employees and the service providers.

Policies

AWN Holdings Limited operates the following policies for identifying and preventing slavery and human trafficking in our operations:

- **Whistleblower Policy** - we encourage all employees, customers and suppliers to report any suspicion of slavery or human trafficking without fear of retaliation.

- **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** - our Supplier Code of Conduct requires suppliers to operate in compliance with recognised local, national and international laws, regulations, standards and appropriate codes of practice and to provide their workers with dignity, respect and safe working conditions, to act fairly and ethically, and be environmentally responsible wherever and whenever they supply products or perform services for us.

Supplier due diligence

AWN conducts due diligence on our suppliers during on-boarding and on existing suppliers at regular intervals. This includes, where relevant:

- Assessing risks in the provision of particular services;
- Auditing the suppliers, and their health and safety standards, labour relations and employee contracts;
- Requiring improvements to substandard employment practices; and
- Sanctioning suppliers that fail to improve their performance in line with our requirements

In utilising subcontractors to perform parts of our project scope we may not always have full visibility of our subcontractors' supply chains. However, our revised [Supplier Survey](#) will give us the ability to undertake audits for modern slavery compliance.

This will include the requirement for all suppliers to attest that:

- They don't use any form of forced, compulsory or slave labour;
- Their employees work voluntarily and are entitled to leave work;
- They provide each employee with an employment contract that contains a reasonable notice period for terminating their employment;
- They don't require employees to post a deposit/bond and don't withhold their salaries for any reason; and
- They don't require employees to surrender their passports or work permits as a condition of employment.

Awareness & Training

To assist with the identification and mitigation of risk going forward, modern slavery awareness training has been undertaken within AWN Holdings Limited to all employees which covers:

- Various forms of modern slavery in which people can be held and exploited;
- The size of the problem and the risk to our organisation;

- How employees can identify the signs of slavery and human trafficking, including unrealistically low prices;
- How employees should respond if they suspect slavery or human trafficking;
- How suppliers can escalate potential slavery or human trafficking issues to the relevant people within their own organisation; and
- What terms and guidance should be provided to suppliers in relation to slavery policies and controls.

Approval

This statement has been approved by the board of AWN on 7 July 2021.

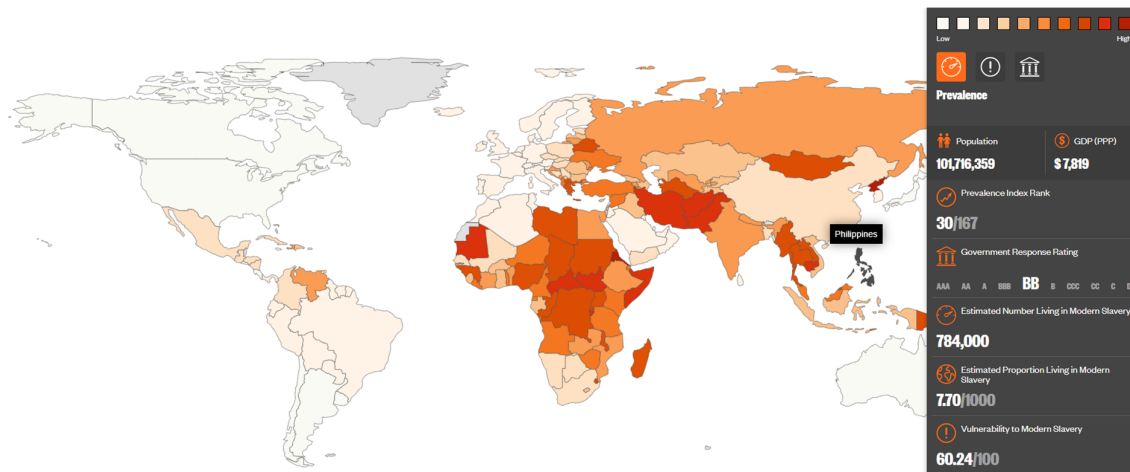


Cameron Fellows
Company Secretary

Appendix A – Global Slavery Index (www.globalslaveryindex.org.)

TABLE 3
Top five products at risk of modern slavery (according to US\$ value) imported by G20 countries⁹³

G20 country	Import product at risk of modern slavery	Source countries	Import value (In thousands of US\$)
Argentina	Laptops, computers and mobile phones	China	446,275
		Malaysia	20,925
	Apparel and clothing accessories	Brazil	3,315
		China	157,343
		India	21,809
		Malaysia	4,397
		Thailand	5,470
	Vietnam	22,792	
	Timber	Brazil	34,219
	Peru	110	
Fish	Indonesia	74	
	Japan	4	
	Korea, Republic of (South Korea)	6	
	Thailand	20,225	
Carpets	India	2,253	
	Pakistan	17	
Australia	Laptops, computers and mobile phones	China	6,671,902
		Malaysia	351,283
	Apparel and clothing accessories	Argentina	177
		Brazil	2,462
		China	4,091,699
		India	167,223
		Malaysia	17,180
		Thailand	74,705
	Vietnam	166,564	
	Fish	China	47,346
		Ghana	3
		Indonesia	49,675
		Japan	5,629
Russia		277	
Korea, Republic of (South Korea)		1,809	
Taiwan	40,250		
Thailand	223,118		
Rice	India	40,625	
Cocoa	Côte d'Ivoire	18,146	
	Ghana	4,412	



Source: Walk Free Foundation Global Slavery Index 2018 Report