

REDARC



MODERN SLAVERY REPORT

2023/2024 FINANCIAL YEAR

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1. ENTITY OVERVIEW



REDARC Trust ('REDARC' or 'REDARC Electronics') is a privately owned Australian business specialising in the development, design and manufacture of voltage conversion products and supporting accessories including Battery Chargers, Brake Controllers, Inverters and Power Supplies.

Founded in 1979, REDARC has over 45 years of experience in the electronics industry. Today REDARC Electronics operates in a state-of-the-art advanced manufacturing facility, employing approximately 385 people in Australia. The head office and manufacturing facility are based in Lonsdale, South Australia with offices in Victoria and New South Wales. REDARC has further staff operating nationally across Australia and internationally across Europe, New Zealand and North America.

This statement covers REDARC Electronics Pty Ltd as trustee for REDARC Trust ABN 77 136 785 092, a discretionary trust trading as REDARC Electronics. REDARC Electronics does not control any other entities. The statement is made under the Australian Modern Slavery Act 2018 for Financial Year 2023-2024. This statement was approved by Anthony Kittel as the sole Director and Principal governing body of REDARC Electronics Pty Ltd and as trustee for REDARC Trust on the 17th of December 2024.

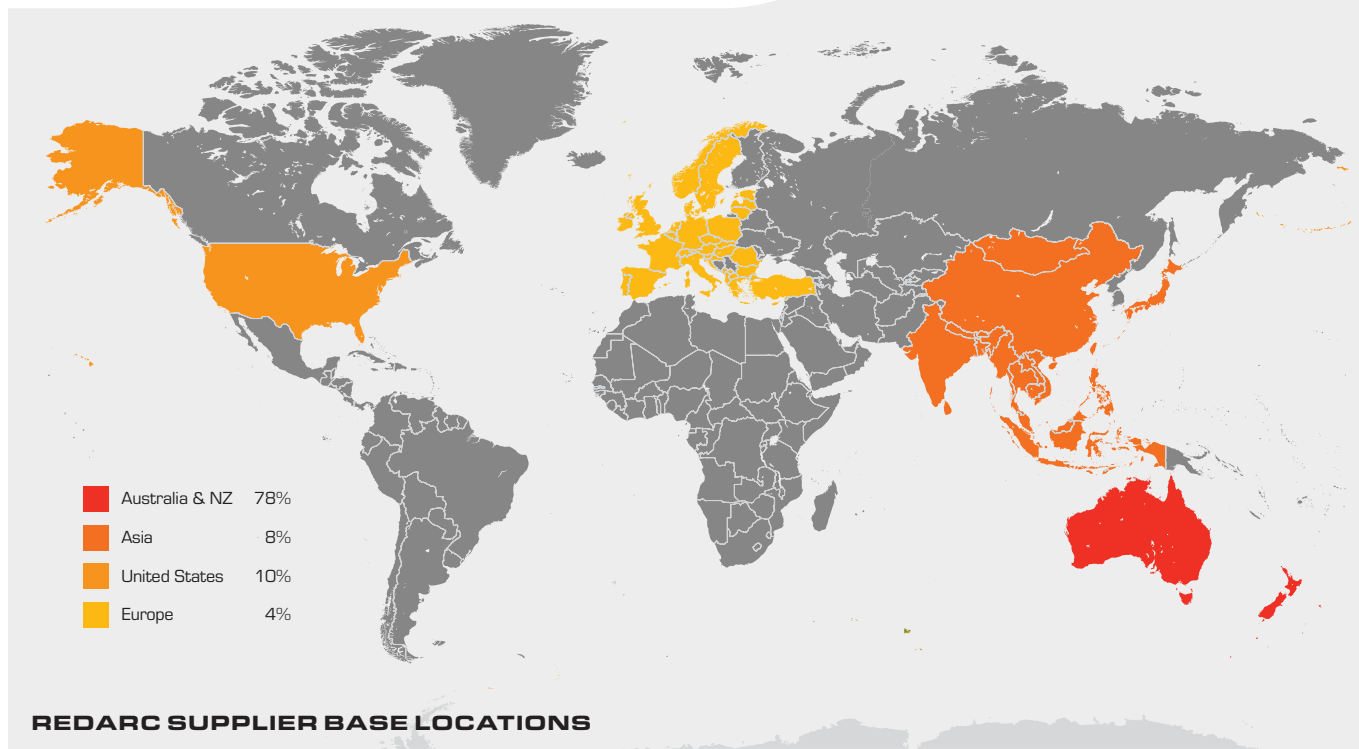
Anthony Kittel

Managing Director and
Chief Executive Officer

17th December 2024

- **ADVANCED ELECTRONICS MANUFACTURER**
- **STATE OF THE ART ENGINEERING TESTING FACILITIES**
- **138 ENGINEERS AND TECHNICIANS**
- **403 STAFF BASED NATIONALLY AND INTERNATIONALLY**
- **VAST RANGE OF AUSTRALIAN MADE PRODUCTS**
- **THREE NATIONAL LOCATIONS**
- **15% REVENUE INVESTED IN R&D**
- **EXPORTS GLOBALLY**

2. OPERATIONS & SUPPLY CHAIN



REDARC is a leader in the design, development and precision manufacturing of advanced electronic products for mobile power, safety and defence applications. The company's headquarters and state-of-the-art manufacturing facility is located in Lonsdale, South Australia, where REDARC has set an international benchmark for innovation in electronics manufacturing. Over the past 20 years, REDARC has made significant investments in cutting-edge machinery, production techniques, and talent to remain globally competitive in a rapidly evolving market. The Lonsdale facility enables REDARC to design, build, and test products close to its key markets and customers, ensuring high-quality outcomes.

REDARC's supply chain is global, with materials and services sourced from multiple regions to support the development of high-reliability products. The majority of REDARC's sourcing of specialised electronic components occurs through partnerships with multinational corporations (MNCs) who have strict social responsibility structures within their supply chains.

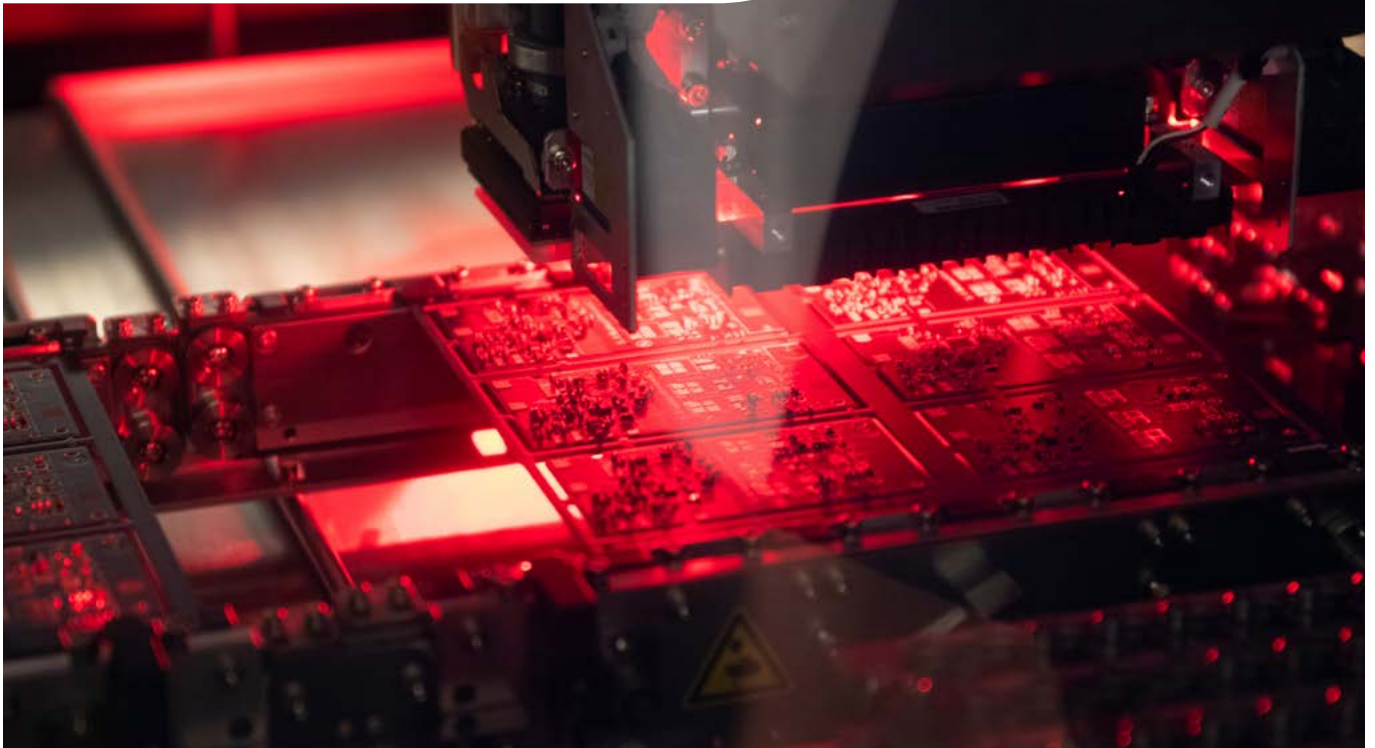
Global distribution partners are often engaged to streamline logistics and ensure timely delivery of parts. REDARC also emphasises working with local suppliers in Australia and New Zealand to procure goods such as metalwork, plastics, wiring and consumables to support advanced electronics manufacturing.

REDARC purchases a wide range of products that we use in the manufacture of our equipment or as buy in products that supplement the customer offering. In FY23-24, our suppliers were based in the following regions of the world:

- 78% in Australia and New Zealand
- 8% in Asia
- 10% in North America
- 4% in Europe

REDARC maintains stringent quality standards and seeks long-term strategic relationships with responsible and innovative suppliers who align with the company's core values. The supplier onboarding process includes comprehensive audits, especially for overseas partners, to ensure compliance with REDARC's standards, including modern slavery prevention measures. In FY23-24, REDARC completed 26 audits at supplier facilities, during which modern slavery questionnaires were conducted in person to further minimise risks within the supply chain.

3. RISKS: OPERATIONS & SUPPLY CHAIN



In FY23-24, REDARC conducted a thorough review of its internal operations and global supply chain to address potential risks related to modern slavery. This analysis focused on assessing risks across various levels of the business, ensuring transparency and ethical responsibility are in line with international and Australian regulations.

The following three key questions have been addressed:

IS THERE A RISK THAT REDARC MAY CAUSE MODERN SLAVERY?

REDARC undertakes its direct operations in Australia, New Zealand, North America, and Europe. All employees and contractors are protected by the governing laws of the country and REDARC's internal policies, procedures, and codes of conduct. Social responsibility is at the core of REDARC's operations to ensure there is no risk that the company can directly cause modern slavery.

IS THERE A RISK THAT REDARC MAY CONTRIBUTE TO MODERN SLAVERY?

REDARC's Procurement Team operate under a Procurement Policy that promotes ethical and sustainable global sourcing. REDARC has conducted extensive due diligence and work with our suppliers to ensure that the potential risk of contributing to modern slavery is minimised.

All REDARC Procurement Team members have undertaken modern slavery awareness training to ensure that modern slavery risks can be identified and mitigated. All key suppliers have been screened for modern slavery risk using questionnaires and follow up interviews if required. REDARC selects and works with suppliers who demonstrate our core values and operate in an ethical and socially responsible manner.

IS THERE RISK THAT REDARC MAY BE DIRECTLY LINKED TO MODERN SLAVERY?

REDARC operates a Global Supply Chain to support the manufacture of its high-quality electronic products. REDARC acknowledges that although all efforts are made to ensure that direct suppliers are not associated with modern slavery, there is a potential risk in supply tiers outside of REDARC's control. In many instances, REDARC sources via MNC's who impose strict standards in the Supply Chain to avoid modern slavery.

In FY23-24, REDARC has been able to visit suppliers in some high-risk geographic regions to screen for modern slavery risks and promote risk reduction. In addition, REDARC has conducted interviews with strategic suppliers to better understand their supply chains and operations to further minimise potential risk of modern slavery practices.

POTENTIAL RISKS:

SECTOR AND INDUSTRY RISKS

Electronics industry

REDARC operates in the electronics industry which has been identified as high risk.

REDARC acknowledges that there is risk in the raw materials mined and extracted for use in production of electronics components. REDARC mitigates this risk by sourcing electronic components via MNC's who have effective controls in place to ensure that the raw materials are not produced from areas of conflict or slavery risk.

PRODUCT AND SERVICES RISKS

Electronic components

REDARC purchases large quantities of electronic components which are proven to be high risk.

Staff uniforms

Although REDARC is not directly involved in the uniform manufacturing, the textile industry has been identified as high risk.

Solar products

Modern slavery risk has been reported in some regions of the world specific to these products.

GEOGRAPHIC RISKS

REDARC procures supplies from countries that have been deemed higher risk for modern slavery.

4. RISK MANAGEMENT



CUSTOMER FIRST

We forge relationships, listen to understand and ensure we exceed customer expectations.

We take pride in making our customers' experience effortless.

Our No Limits attitude makes us the benchmark by which our competition is measured.



RELENTLESS INNOVATION

Our competitive spirit drives us to embrace risk.

Our agility enables us to move fast and achieve big goals.

We relentlessly find better ways to outpace the competition.



WINNING TOGETHER

We prioritise safety and wellbeing, while supporting each other to have fun and celebrate wins as a team, believing no one succeeds alone.

We have the courage to challenge each other, take action and treat others with dignity and respect.

We promote open and transparent communication, building trusting and inclusive relationships.



COMMUNITY IMPACT & ENVIRONMENT

We remain humble, support others to grow and develop and foster integrity driven relationships with colleagues, customers, suppliers and the community.

We take care to have a positive impact on our planet for future generations.

Our lasting legacy will be the contribution we make to a thriving community around us.

REDARC promotes safe, fair and ethical behaviour within our Operations and Supply Chain. Employees are provided with REDARC's code of conduct upon employment which depicts the standards, values and principles expected from all team members. REDARC's high standards are extended to our contractors, service providers and suppliers within REDARC's Supply Chain through our Supplier Guidebook.

REDARC MODERN SLAVERY RISK-MANAGEMENT ACTION PLAN REVIEW

FY20-21

- ☒ Updated supplier questionnaire to address modern slavery risks in onboarding new suppliers.
- ☒ Trained staff and procurement teams on identifying, addressing and reporting modern slavery risks in the supply chain.
- ☒ Updated Purchase Order Terms, Master Supply Agreement and supplier guidebook to address modern slavery concerns.
- ☒ Attended modern slavery training conducted by external parties.
- ☒ Participated in online modern slavery webinars presented by Chartered Institute of Procurement and Supply to seek best practice.

FY21-22

- ☒ Publish our first publicly available modern slavery report.
- ☒ Map out Tier 1 and 2 suppliers to address modern slavery risks deeper in the supply chain.
- ☒ Set up procedures to allow people in REDARC's supply chains to safely report modern slavery risks.
- ☒ Improve supplier awareness of modern slavery through training and support.
- ☒ Enhance and update the Whistle Blower and reporting process for REDARC.

FY22-23

- ☒ Physically inspect and audit international high-risk suppliers for modern slavery risks.
- ☒ Build partnerships with NGOs, industry peers and relevant stakeholders to combat modern slavery.
- ☒ Develop modern slavery supplier engagement plan with strategic suppliers.
- ☒ Arrange for strategic in country audits for modern slavery risk by REDARC staff or our approved supply auditors.
- ☒ Create a modern slavery operations management team to annually assess the risk and actions for REDARC.

FY23-24

- ☒ Publish a disclosure on the CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT.
- ☒ Publish our modern slavery policy.
- ☒ Audit Pacific Region key suppliers.
- ☒ Conduct audits in new supply clusters in Asia.

FY24-25 AND BEYOND

- ☐ Conduct audits in new supply clusters in Europe and Asia.
- ☐ Implement modern slavery contingency plan.
- ☐ Implement modern slavery risk management KPIs.
- ☐ Implement a modern slavery risk matrix.
- ☐ Audit suppliers in USA.

PUBLISH A DISCLOSURE ON THE CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT

In FY23-24 REDARC published our California Transparency in Supply Chains Act disclosure. This disclosure reinforced REDARC's efforts to reduce modern slavery risk within our supply chain. The company conducted a review of our supply chain and operations to ensure we are complying with the acts five key areas of: verification, audits, certification, internal accountability and training.

PUBLISH MODERN SLAVERY POLICY

In FY23-23 REDARC published a modern slavery policy. The purpose of this policy is to promote awareness of what modern slavery is, detail REDARC's commitment to protecting human rights, ensure all stakeholders within REDARC's operations act in a socially responsible manner and to encourage the reporting of suspected cases or incidents.

The mandatory reading and implementation of this policy has been applied to all departments at REDARC who engage with external stakeholders and are in a position to identify and reduce potential risks. This policy is part of a training KPI to ensure REDARC's team are educated on Modern slavery risks.

AUDIT PACIFIC REGION KEY SUPPLIERS

REDARC are committed to continuously improving our due diligence and scoping for modern slavery risk beyond direct supply tiers. In FY23-24, REDARC team members were able to travel to meet third tier suppliers in the Pacific region including Fiji, Samoa and New Zealand.

Physical modern slavery audits were conducted at the supplier's premises to assess and identify the potential for modern slavery risks. Furthermore, REDARC were able to interview two randomly selected members of staff to support this.

Employee A - Mechanical Engineer

REDARC conducted an interview with a Mechanical Engineer who originates from India, however, has been working with the supplier in Fiji for 10 years. Employee A had been brought out to Fiji for their skill set on a 3-year work contract through a working visa. They are now a Fijian resident. Employee A lives in staff-provided accommodation with their family. They were able to confirm that:

- They are not required to pay security deposits.
- They are paid on a monthly basis with all entitlements.
- They have been provided a contract in a language they understand.
- They are free to resign at will.
- They still have their passport.

Employee B – HR Coordinator

A second interview was conducted with a HR Coordinator. Employee B is a Fijian resident who had been working at the supplier for a year. This employee lives in their own residence and obtained the role after applying for a vacancy advertised on the company website. Employee B confirmed:

- No security deposits are required to be paid.
- No passport or documents have been retained.
- They have standard a resignation period with no penalties for resignation.
- They do not incur wage deductions.

REDARC was able to sight employment contracts for these employees and observe working conditions to ensure they are satisfactory and there is no exploitation risk. Through these audits and engagements with tier 3 suppliers, REDARC was able to educate suppliers beyond direct reach on modern slavery risks how they can improve due diligence in their supply chain.

CONDUCT AUDITS IN NEW SUPPLY CLUSTERS IN ASIA

In FY23-24, REDARC conducted comprehensive on-site audits of current and prospective suppliers in Asia. These audits consisted of onsite inspections of the supplier's facilities, interviews with management and workers, and the review of employment contracts.

Findings indicated that all suppliers followed local government labour laws and policies. The working conditions observed were compliant with labour standards, with adequate safety measures in place. Although practices were compliant, there are improvements to be made in modern slavery awareness amongst workers. REDARC will continue to monitor these areas and provide ongoing training and education for modern slavery risk awareness.

5. ASSESSING EFFECTIVENESS



REDARC is committed to constantly improving our modern slavery risk management process and assessing our actions to ensure effectiveness. In FY23-24, REDARC completed the following actions.

ENGAGEMENT WITH EXTERNAL AUDITORS

REDARC has engaged renowned law firm Piper Alderman to independently review our report and provide feedback on both compliance and risk management.

From this review, REDARC was able to determine that our current report meets all mandatory criteria. Furthermore, it was also acknowledged that our modern slavery risk management actions have become more robust and sophisticated from previous years. REDARC will continue to build on our modern slavery risk management and engage external parties to review our processes.

TRAINING

REDARC has implemented mandatory reading of our modern slavery policy for all departments who interact with external stakeholders and are able to recognise and assist mitigating modern slavery risk. This includes People & Culture, Engineering, Quality and Finance Teams.

This policy details what modern slavery is and actions to take if a risk is identified. The policy has been added to our internal training matrix where there is an aim for 100% completion. This training allows various departments to review our processes and provide input for improvement to ensure effective risk mitigation.

REDARC is committed to continuing rolling out further training to both employees and stakeholders within our supply chain in FY24 and beyond.

MODERN SLAVERY RISK MANAGEMENT TEAM

REDARC has a dedicated modern slavery risk management team who meet monthly to assess our current and future modern slavery risk mitigation actions. The team has assessed our actions in FY23-24 to be effective in identifying and mitigating any potential risks. REDARC's modern slavery risk management team has plans to expand in the future to incorporate team members from broader departments.

INTERNAL AUDITS

REDARC conducts internal audits on our supplier base to ensure that all suppliers deemed to have higher risk have been screened for modern slavery risks. This screening is conducted on all new suppliers and has been retrospectively applied to existing suppliers.

6. CONSULTATION



REDARC Electronics Pty Ltd does not control any other entities. This criterion does not apply to REDARC Electronics Pty Ltd as described in Section 1 Entity Overview.

7. FURTHER INFORMATION



OVER THE COMING YEARS, REDARC WILL:

1. Expand internal training programs for new and existing staff, focusing on modern slavery risk identification and mitigation, with an emphasis on integrating these practices into everyday supplier interactions.
2. Enhance supplier training on modern slavery awareness, ensuring deeper understanding and implementation of ethical practices throughout our supply chain.
3. Develop a tiered risk analysis system, using advanced tools to categorise and monitor key-suppliers based on the level of risk, and expand our auditing capacity for high-risk regions.
4. Benchmark against industry leaders in modern slavery risk management, collaborating with companies to share best practices, and adopting the most effective and innovative approaches.
5. Develop a contingency plan to respond quickly in the event of a modern slavery breach, including clear escalation procedures, supplier engagement, corrective actions, and reporting mechanisms to mitigate any impacts.



THE POWER OF **REDARC**

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