



This Modern Slavery Statement is made by APS Industrial Pty Ltd ("**APS Industrial**") pursuant to the Australian Modern Slavery Act 2018 (the "**Act**") for the financial year ended 30 June 2024.

Our Business

APS Industrial is a proprietary limited company with 188 employees working in and from our offices across Australia.

APS Industrial is a locally owned and managed company formed by experienced leaders in the industrial electrical and automation industry.

Our values are:

MOMENTUM

Motivated by growth & excellence, we are always moving forward.

BALANCE

Customer focus, business sustainability & fun, in equal parts, are the three pillars of our success.

PASSION

We are inspired by & passionate about the technological advancement of industry.

INTEGRITY

We are honest, trustworthy & reliable in everything that we do.

UNITY

At APS we work as one team, valuing diversity, respecting all cultures, and prioritising the safety and well-being of every individual.

We are a local, value-add distributor of the world's leading industrial electrical and automation products. Working closely with our global manufacturing partners, we serve our customers with solutions that provide a competitive advantage and contribute to a high-performing Australian industry. We are proud of the role we play in the future of Australian industry; a vision of Australia as a global leader that realises its full potential through digitalisation and Industry 4.0.

Partnering with the world's leading technology companies, APS Industrial offers Australian customers the broadest portfolio of industrial low voltage electrical and automation products within the region. Central to this is our exclusive master distribution agreement with Siemens, and our key distributor partnerships with Weidmüller, Rittal, Belden, and KATKO.

APS Industrial's subsidiary business, Cuthbert Stewart Limited (Cuthbert Stewart), operates in New Zealand.

APS Industrial is a wholly owned subsidiary of Australasian Power Solutions Pty Ltd.

APS Industrial is committed to doing its part in combating modern slavery and human trafficking. We understand that modern slavery can occur in many forms, such as forced labour, child labour, domestic servitude, sex trafficking, human trafficking and debt bondage, and that modern slavery occurs worldwide.

Our Structure, Operations and Supply Chain

APS Industrial's operations include sourcing products from our supplier-partners for on-sale to our customers. In addition to our core range of brands, APS Industrial also connect the local industrial and commercial electrical market with supporting brands and ranges to serve their needs. Our national distribution centre in Melbourne is supported by local stockholdings in the major capital cities across Australia: Sydney, Adelaide, Brisbane, Perth and Hobart.

Our operations also include our Manufacturing Centre located in Adelaide, from which we custom design and build control panels, distribution boards and other products to suit a diverse range of applications.

Our operations include:

- Offices in Melbourne, Adelaide, Sydney, Brisbane, Perth and Hobart from which the company provides sales and customer service support, specialist technical expertise, supply chain management, and multi-channel marketing.
- Our Distribution Centre located in Melbourne, which the company operates as a hub for our stocking and warehousing.
- State warehouses for local stocking (and sales and customer support) located in Sydney, Perth, Adelaide, Brisbane and Hobart.
- Our Manufacturing Centre in Adelaide for manufacturing, late-cycle assembly and value add.
- Estimating and drafting, which are performed through a third party business by an offshore team located in Sri Lanka.
- Our subsidiary, Cuthbert Stewart (NZ), operates from offices and warehouses in Auckland and Christchurch, New Zealand.

APS Industrial's supply chains and business ecosystem includes:

- suppliers of the products for which we are an Australian distributor, and which we offer for sale to our customers, and their supply chains;
- services that are customary in managing a branch-network, such as the cleaning, landscaping, plumbing and electrical services that service APS Industrial's offices, warehouses and its manufacturing centre. These service providers are all located in Australia;
- professional services including warehouse consultancy services, web designers, e-commerce consultants, legal advisors and accountants;
- IT support services;
- services that form part of our value-proposition to customers, including drafting and estimating;
- suppliers of goods that are not for resale to our clients, such as suppliers of office equipment, packaging materials and office stationery; and

- freight forwarders and transportation companies engaged in connection with international freight and the distribution of products within Australia.

Risks of Modern Slavery in our Operations

Our direct operations are located in Australia, and the Global Slavery Index has identified Australia as having the lowest vulnerability to modern slavery in Asia and the Pacific, and the second lowest prevalence of modern slavery in the region.

However, we do acknowledge that Australia is not free of modern slavery, with the 2023 Global Slavery Index estimating that on any given day in 2021, there were 41,000 individuals living in modern slavery in Australia. The Global Slavery Index also outlines that:

- (a) agriculture, construction, domestic work, meat processing, cleaning, hospitality, and food services are the industries in which forced labour predominantly occurs in Australia;
- (b) a key structural risk factor in Australia is in relation to migrant workers, as reliance on employers who sponsor migrants' temporary visas can expose them to greater risks of modern slavery and exploitation; and
- (c) "rogue" labour hire companies can be involved in exploiting vulnerable workers.

Our subsidiary business, Cuthbert Stewart, is located and operates in New Zealand. New Zealand is also among the countries with the lowest prevalence of people living in modern slavery in the region and globally.

Our operations are not in an industry identified by the Global Slavery Index as being an industry with a risk of modern slavery in Australia or New Zealand, however we may nevertheless have risk exposure in relation to vulnerable workers, immigrants and/or workers in low-skill positions or in casualised or insecure forms of work, particularly when using labour hire agencies.

Labour Risks

APS Industrial engages workers directly as employees to perform the following work in Australia:

- Sales and Customer Service
- Product Management
- Supply Chain and Warehousing
- Marketing and Communications
- Finance & Administration
- Information Technology
- Manufacturing
- Corporate / Head Office

The majority of our employees are permanent employees, with only a small number of casual employees.

Whilst we do acknowledge that modern slavery can occur in Australia, a high proportion of our employees are skilled professionals, which reduces the risks of modern slavery in our operations.



The employees who may not be considered as “professionals” are engaged in office work, manufacturing work or warehouse work (many of whom are skilled and hold certifications).

Labour Hire

A core part of our business is the warehousing and distribution of products for sale to our customers. Whilst we directly hire most of the team members who work in our distribution centre and warehouses, we have supplemented our directly employed workforce with workers engaged through labour hire providers, as is common in the distribution sector.

Such work is not unskilled (with many workers holding certifications), however as noted above, we appreciate that labour hire companies can be a modern slavery risk for companies in Australia. We mitigate against this risk by concentrating our engagements to two large and reputable labour hire providers, who are registered with the Victorian Labour Hire Authority. Labour hire workers also work alongside our direct employees at our premises, and under the supervision of managers engaged by APS Industrial.

In future reporting periods, we intend to implement a checklist for all offices with respect to the engagement of other labour hire suppliers (which may occur on a few occasions) as an additional safeguard to ensure that we are engaging reputable companies. We also understand that workers engaged in our warehouse and distribution centres are covered by a Modern Award. In subsequent reporting periods, we will seek from our labour-hire providers further confirmations and undertakings that their employees are receiving *at minimum* their entitlements under the relevant award(s).

Recruitment

Generally, APS Industrial conducts its own recruitment processes. We occasionally engage a recruitment service provider if we find it to be necessary to fill a senior role, or if we wish to broaden our search to find an appropriate candidate. As we do not regularly engage recruiters, we do not have a formal policy in place. Moving forward, however, we will implement processes and procedures to make sure that:

- (a) any recruitment agencies we engage are members of the Recruitment, Consulting & Staffing Association (RCSA), or have similar commitments regarding modern slavery risks and compliance with Australian workplace laws; and
- (b) recruitment agencies do not charge fees to candidates in relation to the recruitment process.

Sponsored Visas

As identified above, employees working on sponsored-visas face higher risks of exploitation in Australia. We do have employees on visas sponsored by APS Industrial, and confirm we do not require those employees to reimburse APS Industrial in relation to any fees associated with their visa, nor do we discriminate between employees who are on visas, and those who are not. We obtain professional advice regarding the sponsoring of employees on visas.

Offshore Contractors

APS Industrial has a longstanding contracting arrangement with an Australian company who engages workers in Sri Lanka to perform professional services (estimating and drafting) for APS Industrial, which assists our business in supplying services to our clients.

These workers in Sri Lanka work from home, and we have regular contact with them via video calls and conferences. Nevertheless, we are seeking to increase our visibility over the working arrangements of these workers, and this has been an area for attention in the current reporting period.

We have assessed that the risk that APS Industrial's operations could cause, contribute or be directly linked to modern slavery is relatively low. However, as noted above, further steps will be undertaken in subsequent reporting periods to mitigate against the identified risks.

Risks of Modern Slavery in our Supply Chains

Product Partners and Suppliers

Our portfolio of high quality technology products stems from our distribution agreements with leading global manufacturers. Central to this is our exclusive master distribution agreement with Siemens. To complete our range of core brands we have key distribution agreements with other large brands, including Weidmüller, Rittal, Belden and KATKO.

APS Industrial acknowledges that we have limited visibility or control over our largest supply chains, and we are taking steps, including through working with our Tier One suppliers, to achieve increased supply chain visibility and understanding from our suppliers and partners regarding the risks of modern slavery in their supply chains, and what is being done to address those risks.

Products that we distribute to consumers, or which form part of any other products we sell to our customers, include:

- Automation and Process Products
- Power Distribution Products
- Motor Control Products and Variable Speed Drives
- Building Technology Products
- Wiring and Control Products
- Enclosures
- Cables and Connectivity Products
- Software Tools

We have assessed that there are risks of modern slavery in our supply chains. This is because we are in the business of selling electrical products, and this sector's supply chains have modern slavery risks. In addition to product risks, our supply chains also have geographic risks of modern slavery, in that some products are manufactured (or their components are manufactured) in China and India. These countries have the largest estimated numbers of persons in modern slavery according to the Global Slavery Index 2023, and as such in future reporting periods we will make further enquiries with our supplier partners in relation to their sourcing and manufacturing practices in these regions.

In parallel with the growing emphasis on mitigating and addressing modern slavery risks, for some time the industry has also been required to address conflict minerals, and the need to identify where certain minerals (Tungsten, Tin, Tantalum and Gold) are sourced from. All our key partners have conflict minerals statements or certifications.

As mentioned, APS Industrial works closely as a distribution-partner of global leading businesses. These businesses have codes of conduct, which include modern slavery commitments.

However, some of our suppliers do not have specific codes of conduct or policies applicable to modern slavery, and we will work with these suppliers in future reporting periods to better understand the risks of modern slavery in these specific supply chains, address those risks with our supplier partners, and encourage supplier-partners to adopt codes of conduct or policies applicable to modern slavery.

Supply Partners

Our largest partner is Siemens AG and its wholly owned Australian subsidiary (“Siemens Australia”), with whom we have a master distribution agreement. Siemens Australia is a reporting entity under the Act, and Siemens AG has a robust Code of Conduct for Suppliers and Third-Party Intermediaries, a Responsible Minerals Sourcing Policy, and a Whistleblowing Policy. In relation to the products we source from Siemens AG and Siemens Australia, we understand they are manufactured in Germany, Switzerland, India and China.

Siemens Australia’s modern slavery statements and robust code of conduct framework give APS Industrial confidence that reports of occurrences of modern slavery are taken seriously, and actions are taken to address risks in the supply chain.

In relation to our other key partners, many have subsidiaries who are also reporting entities under the Act, or otherwise have modern slavery policies and procedures, including supplier codes of conduct. We will work with our key partners over subsequent reporting periods to try to obtain greater supply chain risk visibility, particularly in circumstances where the supplier does not have policies or procedures in place currently, or where we are informed that manufacturing occurs in countries with higher geographical modern slavery risks, such as India and China.

Contract Cleaning

Like many Australian businesses, APS Industrial utilises cleaning services for our Australian offices through contracting arrangements with companies who supply these services to our office locations. Whilst the persons who undertake the cleaning work are based in Australia, as identified above, this industry does carry risks of modern slavery and forced labour in Australia.

In the financial year ended 30 June 2024, we have continued to focus on examining our product supply chain risks, however we have identified contract cleaning as a risk area for investigation in future reporting periods.

Professional Services

APS Industrial engages a variety of professional service providers to provide services to the company. These service providers are located in Australia and New Zealand, and include web designers, lawyers, accountants and consultants. Noting the locations where the work is performed,

and the skilled nature of the work, we have assessed our modern slavery risk in relation to these supply chains as low.

Logistics and Transportation

APS Industrial engages freight forwarders based in Australia to manage aspects of the importation and supply of products for the company. Due to the lengthy and complex nature of international transportation supply chains, there is a risk that modern slavery occurs in such supply chains which may not be easily assessed or addressed by APS Industrial.

In relation to local transport, we work with a reputable freight solutions business and commonly use major industry companies, such as Toll and StarTrack.

APS Industrial has prioritised the risk review of its largest Tier 1 suppliers for this reporting period, though has committed itself to working with our Tier 1 suppliers to assess and address risks of modern slavery further down our supply chains. This process has been targeted initially at our product supply chains as we have identified that these supply chains carry the greatest risk of modern slavery and these are supply chains within which we may be able to exert leverage to effect change.

Actions Taken to Address Risks of Modern Slavery in the Reporting Period

Employee Satisfaction Survey

In the reporting period, APS Industrial conducted an employee survey which allowed employees to remain anonymous and provide feedback to the company. The pool of participants in the survey was widened in the reporting period, as compared to previous years, by including personnel working in the business via a labour hire arrangement.

Development of New Policies and Procedures

During the reporting period, APS Industrial reviewed and updated its employment policies and procedures. This documentation was finalised and implemented during the reporting period.

Counterfeit Parts Detection and Mitigation Policy

Since 2018, APS Industrial has had and enforced a Counterfeit Parts Detection and Mitigation Policy, and this continued in the reporting period. The policy is in place to address risks of fraudulent and/or counterfeit components filtering into the supply chain. Fraudulent or counterfeit components not only pose a significant performance, reliability and safety risk, but may also pose a modern slavery risk for our supply chains.

New Supplier Site Visits and Audits

Whilst 98% of APS Industrial's supply chains by spend are with our key partners, there are occasions where a need will be identified for new supplier engagements on an ongoing basis (as opposed to an ad hoc purchase).

In addition to the abovementioned actions, during the reporting period APS Industrial's Supply Chain Director carried out a site visit and inspection of a potential new supplier in China. As part of this inspection, modern slavery considerations were addressed by APS Industrial.

Modern Slavery Policy and Whistleblowing Policy

In the reporting period, we implemented our Modern Slavery Policy and Whistleblowing Policy for APS Industrial.

In the next reporting period, we will continue to conduct site visits of new potential suppliers, with additional modern slavery elements being explicitly considered in site visits.

Assessment & Effectiveness of our Actions

During the reporting period, we were able to assess the effectiveness of the actions taken using the following metrics:

- No concerns or reports of counterfeit parts were received.
- In relation to our supply chain, we were able to assess that the raising of questions regarding employee wellbeing, safety and modern slavery in the supplier assessment and site visit process was effective in ensuring that new prospective suppliers demonstrated to APS Industrial that they were aware of the issue of modern slavery, and were taking steps to address risks of modern slavery. The first step is raising awareness of the issue with suppliers so that further steps can be taken.
- In relation to risks in our operations, we were able to assess effectiveness of our efforts in our operations through our Staff Survey.

In subsequent reporting periods we aim to be able to:

- Continue to monitor team satisfaction and morale through the implementation of the standardised and measurable Employee Satisfaction Survey.
- Continue to monitor for reports made pursuant to our Modern Slavery Policy and Whistleblowing Policy, and assess whether these policies are effective in highlighting concerns and enabling APS Industrial and its partners to address those concerns.

Consultation

APS Industrial became the majority shareholder of Cuthbert Stewart (New Zealand) during the reporting period. We have consulted with Cuthbert Stewart in relation to the matters covered in this report, including by tabling a draft of this report to the Board of Cuthbert Stewart Limited.

This statement was approved by the Board of APS Industrial Pty Ltd on 13 December 2024.

Our plans for future action

APS Industrial is committed to implementing the following measures in future reporting periods:

- Continuing to engage with Tier 1 suppliers to facilitate greater transparency over supply chains;
- Undertaking further investigations into cleaning providers;
- Continuing the practice of conducting site visits of new supply chains, with specific modern slavery considerations;



- Identifying areas for future improvement to continue our efforts to continually improve our understanding of the risks of modern slavery in our operations and supply chains and how we can alleviate those risks; and
- Developing and implementing KPIs in relation to our efforts to assess and address modern slavery risks in our operations and supply chains, so as to be able to better assess the effectiveness of our actions.

We are committed to continuing to improve and build upon our efforts to combat modern slavery.

Peter Thomas
Commercial Director & General Counsel
APS Industrial Pty Ltd