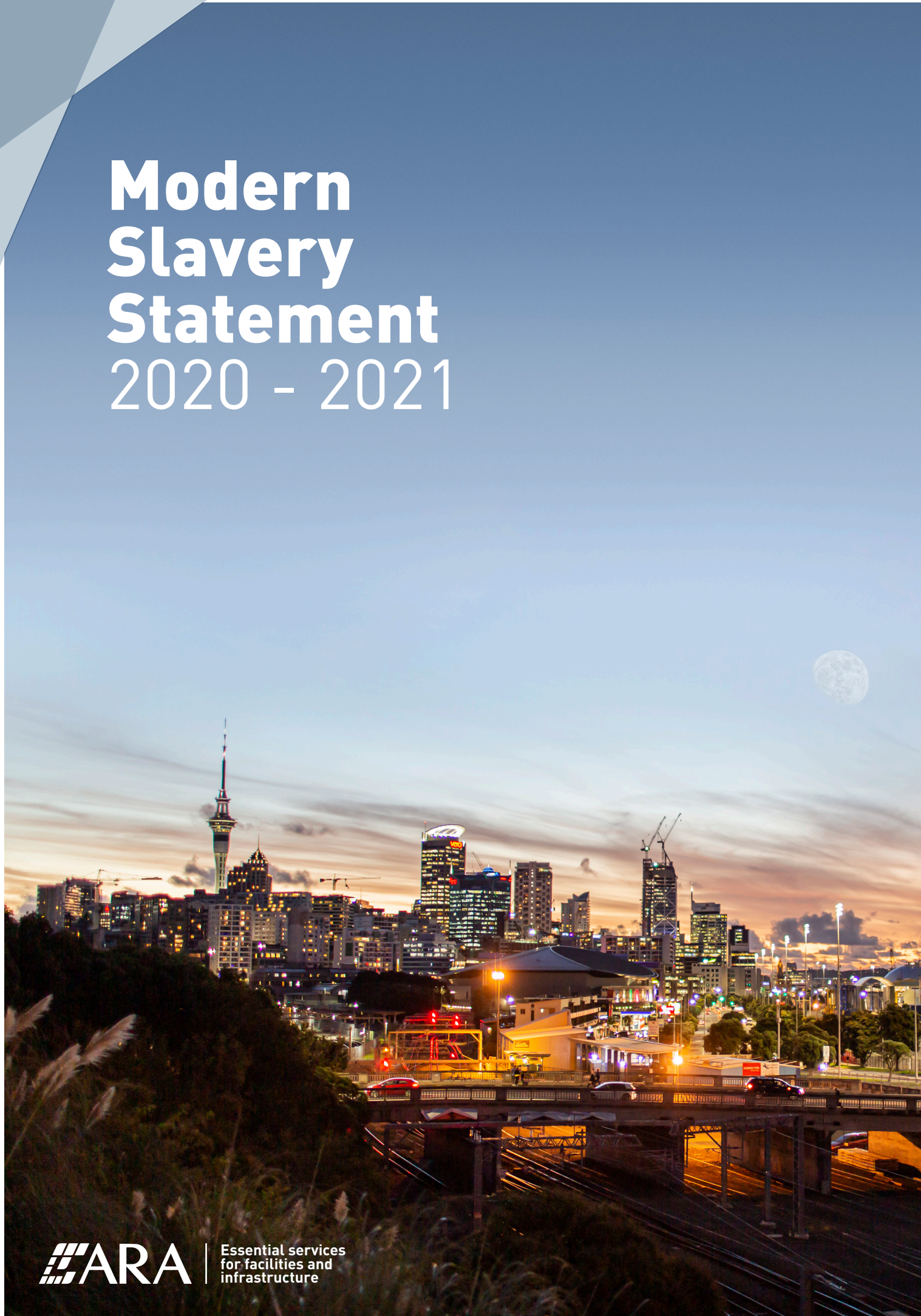


Modern Slavery Statement 2020 - 2021



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Introduction

ARA Group Limited ABN 47 074 886 561 and our subsidiaries (hereinafter collectively referred to as “ARA”) are committed to conducting business responsibly and in a manner which ensures that our business respects and upholds human rights.

ARA acknowledges that risks of modern slavery may exist in our supply chains, and this Modern Slavery Statement sets out those steps we are taking to identify, mitigate and otherwise manage those risks. Within our operations, ARA believes through past assessment, training, and ongoing review the risks of modern slavery are extremely modest.

We are committed to maintaining and continuously improving our systems and processes to remain effective in reducing the risks of human rights violations in our businesses supply chains.

This Modern Slavery Statement covers the financial year of 1 July 2020 through to 30 June 2021.



ARA Group An Overview



Across ARA, we provide reliable and responsible solutions and support services within the building and infrastructure industry, operating through six operating divisions.



ARA's operating model is a confederation of smaller business units acting autonomously supported by the assistance and oversight provided by their membership of the ARA Group of companies.

ARA has a diverse portfolio of business offerings balanced between the provision of services and project work. In the 2020-2021 financial year, ARA's total revenue of \$576,290,514 comprised of:

- 60% in service work;
- 18% in general construction;
- 3% in infrastructure construction; and
- 19% generated from the manufacture of products.

We help our customers through the provision of an array of services and products which keep their facilities and critical infrastructure compliant, operational, and safe.

Our largest customers are government organisations, financial institutions, and facility managers together with building contractors and large commercial and industrial businesses.

Our ability to perform and deliver is underpinned by a conglomerate of strong, reputable businesses. The Australian-based wholly owned subsidiaries of ARA Group Limited (and our 49% owned affiliate, ARA Indigenous Services Pty Limited) comprising part of this conglomerate, and which are subject to this statement, are:

- Allen & Newton Pty Ltd
- Allen & Newton Queensland Pty Ltd
- ARA Building Services Pty Limited
- ARA Building Services (Qld) Pty Ltd
- ARA Building Services (NSW) Pty Ltd
- ARA Corporate Services Pty Limited
- ARA Electrical Engineering Services Pty Limited
- ARA Electrical High Voltage Services Pty Limited
- ARA Electrical Major Projects Division Pty Ltd
- ARA Fire Protection Services Pty Limited
- ARA Indigenous Services Pty Limited (affiliate member of ARA Group)
- ARA Manufacture Pty Ltd
- ARA Mechanical Services Pty Limited
- ARA Property Services Pty Ltd the trustee for the CMC Unit Trust
- ARA Security Services Pty Limited
- Asset Fire Security & Mechanical Services Pty Limited
- Australasian Vaulting Industries Pty Ltd
- CMC Cleaning Services Pty Ltd
- CMC ECRM Pty Ltd
- CMC Maintenance Pty Ltd
- CMC Property Services (Aust) Pty Ltd
- CMC Rapid Response Pty Ltd
- Complex Solutions (Aust) Pty Ltd
- Crimewatch Video Pty Ltd
- Construction Electrical Services Pty Ltd
- Dynamic Facilities Maintenance Group Pty Limited
- Environmental Automation Pty Limited
- Excell Control Pty Limited
- HUD Electronic Security Pty Ltd
- HUD Security Pty Limited
- Hunter Power Pty Limited
- ID Supplies Pty Limited
- International Security Control Solutions Pty Limited
- JBM Power Pty Ltd
- Leda Export Pty Ltd
- Leda Group (Australia) Pty Ltd
- Leda International Pty Ltd
- Leda Security Exports Pty Ltd
- Leda Security Products Pty Ltd
- Leda Trading Pty Limited
- Monarch Group Pty Limited
- National Construction Solutions Pty Limited
- Parking Guidance Australia Pty Limited
- Sherry Service & Maintenance Pty Ltd
- Servcore Pty Limited
- TALV Pty Limited
- Thermoscan Inspections Services Pty Limited
- Transelect Pty Limited
- Web ID Pty Limited
- Wiltrading Stace Pty Limited

Employees By Location



We employ a skilled workforce of over 2,500 across Australia, New Zealand, and China.

Most of our workforce consists of full-time employees with a percentage of sub-contracted workers usually engaged to carry out project-specific tasks such as short-term contract support or to fulfill contracts in regional and remote areas.

We work closely with our local partners and endeavour to use local suppliers where practicable.

Policies Human Rights & Governance Arrangements

ARA's Board of Directors and Executive Team are dedicated to achieving the highest standards of corporate governance in respect of conducting business ethically, with regard for the current needs of the greater community, and in a manner which minimises the risks of modern slavery and human rights abuses. We expect our employees, suppliers, and business partners to adopt the same or similarly high standards of ethical behaviour.



Our Board of Directors and Executive Team have joint oversight of our approach to human rights and managing modern slavery risks which fall into our broader Corporate Social Responsibility and Sustainability agenda. The following policies are maintained across ARA in the interests of achieving ARA's ethical and corporate social goals.

Code of Conduct

ARA's Code of Conduct sets out our expectations of anyone who works with or for us, regardless of tenure, position, or the type of engagement. Our Code of Conduct sets out a number of principles in place for all our businesses in respect of a range of critical issues ranging from compliance with the law, to acting professionally, to monitoring conflicts of interest.

Anti-Slavery and Human Trafficking Policy

Consistent with ARA's business goals, our Anti-Slavery and Human Trafficking Policy mandates that all persons involved in or associated with ARA are to act ethically, with integrity, and that all ARA business dealings are transparent. This policy further elaborates on some of the measures ARA takes and expects its personnel to take in the interests of mitigating the risks of modern slavery and human rights abuses.

Corporate Social Responsibility Policy

ARA's Corporate Social Responsibility Policy operates alongside our Anti-Slavery and Human Trafficking Policy by setting out the principles which ARA endeavours to adhere to in conducting its business. These principles are aimed at (amongst other things) supporting and respecting the protection of human rights, avoiding complicity in human rights abuses, and mitigating risks of exploitative and unethical practices.

Whistleblower Policy

In the interests of ensuring all ARA personnel can freely raise concerns, the ARA Whistleblower Policy was enacted to introduce procedures to allow for concerns about ARA to be raised by personnel without fear of repercussion. Our Whistleblower Policy encourages personnel to be vigilant and come forth with any questions, concerns, or complaints about any aspect of ARA and its businesses.

Collectively, these policies, as reviewed from time to time, form the basis for ARA's corporate governance on responsible trading and supply, and support our commitment to human rights.

ARA's Suppliers

Throughout our relationships with our suppliers, we raise awareness of our expectations regarding the minimisation and management of the risks of modern slavery and human rights abuses within our supply chains.

Suppliers are engaged where their goals and practices align with ARA's own (in respect of ethics and corporate social responsibility) and our suppliers are regularly reviewed throughout their contractual relationships against such risks. Our tier one suppliers are based mainly in the following countries: Australia, New Zealand, Canada, China, Germany, Switzerland, Taiwan, the United Kingdom, and the United States of America.

A critical component of the process of supplier selection includes having due diligence carried out during the supplier evaluation stage against (amongst other things) non-financial risks, including the length of working hours, actual and potential issues pertaining to harassment and unlawful discrimination, whistleblowing and policies concerning whistleblowing, and the risks of human rights abuses such as slavery, human trafficking, and child labour.



Risk Assessment & Management

Our approach to identifying and assessing human rights risks is embedded within our approach to risk management. Responsibility for the management of our most significant non-financial risks rests with our Executive Team. ARA's Executive Team is comprised by the Executive Chairman / Group Managing Director, Chief Financial Officer, together with the Managing Directors of each our six divisions.

ARA's operational framework and non-financial risk registers are reviewed regularly by our Executive Team to monitor the status and progression of risk mitigation plans.

The Executive Team monitors the key risks identified by our risk assessment processes and thereafter reports its findings to our Board of Directors. The Executive Team is also responsible for reviewing in detail the effectiveness of our system of internal control policies and procedures for the identification, assessment, and reporting of risks such as the risks of human rights abuses and modern slavery.



The Board of Directors has overall and ultimate responsibility for determining the nature and extent of the risk it is willing to take and ensuring that risks are otherwise managed effectively.

Risk is a regular agenda item at Board of Directors meetings and the Board of Directors consider and review risk as part of its annual strategy review processes. This provides the Board of Directors with an appreciation of the key risks within our businesses and oversight of how they are being managed, and in turn, enables our Board of Directors to make decisions aimed at improving our risk management processes and procedures where necessary.

Our Board of Directors regularly review the principal risks we face, including those that would threaten our business model, future performance, solvency, and liquidity. Such risks are assessed based on the likelihood of occurrence, the potential impact on ARA and the timeline over which they might occur.

While risks of modern slavery and human rights abuses have been identified through our operational framework as potential risks, they are assessed to be significant or principal risks for ARA and are risks which ARA takes all reasonable steps towards minimising or avoiding altogether where possible.

Notwithstanding the above, to date we have assessed that our modern slavery risks are low. Two specific areas of our business fall into our identified areas of risk – our suppliers and our tier one suppliers' employees. We continue to review and monitor our status of this risk and take all necessary steps towards managing such risk as is reasonably necessary.

During the 2020 – 2021 financial year, practical solutions for monitoring and risk assessment management of ARA's supply chain were investigated, including use of the Informed 365 platform (created in collaboration with the Property Council of Australia). This platform is intended to allow for the efficient management and understanding of a business' supply chain in accordance with the Modern Slavery Act 2018 including suppliers' actions for addressing human rights and modern slavery risks in their supply chains. Due to the diversification of the supply chains across the broader business, however, it was noted that one management/monitoring solution may not be sufficient for every division.

For the 2021-2022 year, in consultation with the Divisional Managing Directors and broader Executive team, we aim to implement specific solutions tailored for the divisions including where appropriate the utilisation of the Informed 365 platform.

Training & Effectiveness

Our Code of Conduct and suite of policies clearly set out ARA's expectations on the ethical conduct expected while operating our businesses. Our Code of Conduct is mandated for all employees and directors of ARA, our subsidiaries, and controlled joint ventures, wherever they are based.

ARA offers training and support to personnel to help them understand the importance of acting ethically and with integrity and in a manner which aims to abide by and protect human rights. All ARA employees are required to complete training annually as to modern slavery and human rights risks in our operations and supply chains.

All ARA personnel exercising procurement function undergo training to develop and maintain the core competencies required for their role, with specific reference to financial and non-financial risk, including modern slavery and human rights risks.

We work with other companies in the facilities and infrastructure sector to share and improve current ethical business conduct and best practice. In the 2021-2022 financial year ARA has resolved to become a member of the Property Council of Australia to enhance our industry knowledge and to partner with the Property Council of Australia in its industry commitment to minimising the incidence of modern slavery and other human rights abuses in our supply chains by way of co-operation, compliance systems and training.

Consultations with Controlled Entities

During the 2020 – 2021 financial year, all entities in which ARA holds a controlling interest in, and those entities which are subject to this Modern Slavery Statement, were met with by ARA Group Limited or subject to extensive discussions with ARA Group Limited to raise awareness of ARA’s corporate governance framework and its ethical and social goals.

In these consultations, efforts were made to ensure that all such controlled entities were taking reasonable steps to mitigate the risks of modern slavery and human rights abuses both in their own operations and supply chains, and policy documentation was disseminated to ensure such controlled entities were fully aware of our expectations, and the support available to them from ARA Group Limited.

In respect of ARA Indigenous Services Pty Limited in which ARA Group Limited owns 49%, similar strategies were adopted to nonetheless ensure that our expectations regarding ethical conduct and preservation of human rights were known.

ARA will continue to ensure consultations (both formal and informal) occur throughout 2021 – 2022 financial year, allowing information to be appropriately communicated to controlled entities.



Due Diligence Our People

Due to the nature of the industries, we work in and the customers we support, all potential employees and contingent workers are required to go through a pre-employment vetting process.

Subject to local laws in each jurisdiction, individuals are verified for identity, employment and academic history, nationality, right to work status, and criminal record checks.

If we work with third party recruitment service providers, they are appointed and managed via our supplier management processes.

Our people process, coupled with our various policies, ensure that where required by law or contract, each employee receives a contract or recruitment agreement outlining matters which may include remuneration, job role, rest and holiday periods, training and development, and notice periods.

Our compliance is subject to periodic review and steps are regularly taken to ensure our entire Australian workforce is paid in accordance with our employment laws.



Our Procurement Practices & Supply

We work with between 3,000 and 5,000 directly contracted suppliers and partners globally at any time.

ARA recognises the important role sub-contractors play in supporting responsible business operations. Our relationships with suppliers are often long-term due to the length of our contracts and project lifecycles and so we aim to work with suppliers who embrace standards of ethical behaviour consistent with our own. During the 2020 – 2021 financial year, ARA spent over \$110 million with directly contracted suppliers.

We procure a wide range of services and products from our supplier base. Products are either integrated into the products and solutions we sell to ARA's customers (direct purchases) or are used to support the efficient running of our own internal operations (indirect purchases).

Direct purchases vary in complexity from raw materials, such as steel for making doors, bollards and gates, electrical cables, aluminium for doors, gates, and commercial bicycle racks, to complex electronic security systems. Other direct purchases include software platform support, maintenance services, and IT solutions, including those for cyber protection.

Indirect purchases include travel providers, manufacturing consumables, temporary sub-contract labour and construction materials.

Our policies, including our Corporate Social Responsibility Policy, set out the requirements for supplier engagement, including the management of supplier-related risks and ways of working. Compliance with this policy is monitored via our operational risk framework, and supplier-related risk is managed in the same way as other business risks.

We require our suppliers to comply with all legislation in the jurisdiction in which they operate and encourage them to meet the same or similarly high standards equivalent to our own on ethical conduct, labour welfare, health and safety, environment, civil liberties, and human rights.

Our standard conditions of purchase include clauses setting out our expectations. Supplier compliance with our standard conditions of purchase is reviewed and considered during the supplier due diligence, selection, and approval process and during ongoing supplier management and quality assurance.

Additionally, ARA takes all reasonable steps to ensure that in all contractual dealings for the provision of goods and/or services in which it engages others, or where it is engaged, that reasonable provision is made in respect of social responsibility obligations, and compliance with the Modern Slavery Act 2018 (Cth) generally.

Due Diligence

The Supplier Selection Process

Our commitment over time is for ARA to comprehensively outline the products and services we need and to short list potentially suitable suppliers prior to approving and selecting suppliers. At present, ARA's supplier selection processes are in their preliminary stage and we intend to gradually evolve these processes until they are streamlined and entirely efficient in meeting our business needs.

During this supplier evaluation stage, to the best extent possible, due diligence is carried out on suppliers against the following non-financial risks:

- **Responsible Trading Principles** – business ethics, anti-corruption and anti-bribery, governance and legislation;
- **Human Rights** – working hours, harassment and unlawful discrimination, whistleblowing line, slavery, human trafficking, and child labour;
- **Health and Safety** – workplace and product safety;
- **Environment** – impact of operations and products;
- **Management Systems** – environmental management systems certified to ISO 14001; and
- **Responsible sourcing.**

From this analysis, the risks are assessed, and suppliers are then ordinarily categorised as 'low', 'medium' or 'high' risk and appropriate mitigation actions introduced. Suitable suppliers are then approved on our quality assurance and finance systems or otherwise deemed unsuitable.

In some cases, we will approve suppliers subject to a corrective action plan. Each corrective action plan needed will be specific to the supplier and project to which it is supplying. An example may be where a potential new supplier may not have a Code of Conduct in place or an equivalent standard to our own. The action may be to help them write their own Code of Conduct and to put it in place, or if they are not prepared to do this, we may choose to use a different supplier.

What would ARA do if modern slavery were found in its supply chain

If modern slavery or human rights abuses were found within our operations or our supply chains, we would act (and already have acted to date) to immediately work with the supplier and relevant authorities to understand the circumstances of what has been found and to then put in place corrective actions that help the affected workers and protect them from further harm.

If a supplier was unwilling to address the issue and/or amend the manner of their dealings in future, then corrective action would potentially include termination of contracts with that supplier and selection of an alternative supplier.



Contractual Expectations

In the 2020-2021 financial year, ARA exhausted all measures in negotiating each contract in which it was involved in for the supply or provision of goods or services, to ensure that reasonable provisions were made in respect of adhering to the Modern Slavery Act 2018 (Cth) and minimising the risks of modern slavery and human rights abuses.

In the 2021-2022 financial year, ARA's focus is to continue to work collaboratively with all members of the supply chains in raising awareness of modern slavery risks and human rights abuses and taking reasonable steps to minimise the risks of such occurring in our dealings and those of our direct supply chains.



Training

A directly delivered training program to educate our employees and contractors on modern slavery and human rights risks has been developed and in the 2020-2021 financial year, this training was delivered to high volumes of staff.

The extent of this training programme was jeopardised by the extensive lockdown and subsequent government restrictions implemented due to the COVID-19 pandemic. ARA intends to resume this training and expand it to a greater audience of its personnel in the 2021-2022 financial year.

Approval By Subsidiaries

This statement has been approved by the Board of Directors of the following subsidiaries and affiliates:

- Allen & Newton Pty Ltd
- Allen & Newton Queensland Pty Ltd
- ARA Building Services Pty Limited
- ARA Building Services (Qld) Pty Ltd
- ARA Building Services (NSW) Pty Ltd
- ARA Corporate Services Pty Limited
- ARA Electrical Engineering Services Pty Limited
- ARA Electrical High Voltage Services Pty Limited
- ARA Electrical Major Projects Division Pty Ltd
- ARA Fire Protection Services Pty Limited
- ARA Indigenous Services Pty Limited (affiliate member of ARA Group)
- ARA Manufacture Pty Ltd
- ARA Mechanical Services Pty Limited
- ARA Property Services Pty Ltd the trustee for the CMC Unit Trust
- ARA Security Services Pty Limited
- Asset Fire Security & Mechanical Services Pty Limited
- Australasian Vaulting Industries Pty Ltd
- CMC Cleaning Services Pty Ltd
- CMC ECRM Pty Ltd
- CMC Maintenance Pty Ltd
- CMC Property Services (Aust) Pty Ltd
CMC Rapid Response Pty Ltd
- Complex Solutions (Aust) Pty Ltd
- Crimewatch Video Pty Ltd
- Construction Electrical Services Pty Ltd
- Dynamic Facilities Maintenance Group Pty Limited
- Environmental Automation Pty Limited
- Excell Control Pty Limited
- HUD Electronic Security Pty Ltd
- HUD Security Pty Limited
- Hunter Power Pty Limited
- ID Supplies Pty Limited
- International Security Control Solutions Pty Limited
- JBM Power Pty Ltd
- Leda Export Pty Ltd
- Leda Group (Australia) Pty Ltd
- Leda International Pty Ltd
- Leda Security Exports Pty Ltd
- Leda Security Products Pty Ltd
- Leda Trading Pty Limited
- Monarch Group Pty Limited
- National Construction Solutions Pty Limited
- Parking Guidance Australia Pty Limited
- Sherry Service & Maintenance Pty Ltd
- Servcore Pty Limited
- TALV Pty Limited
- Thermoscan Inspections Services Pty Limited
- Transelect Pty Limited
- Web ID Pty Limited
- Wiltrading Stace Pty Limited

All delegated approval to Edward Federman to sign this statement on their behalf.



Edward Federman

Executive Chairman and Managing Director
ARA Group Limited

Signed: 14 May 2022,
following Board of Director approvals.

ARA Group Limited
34 Denison Street
Camperdown NSW 2050
Australia