



NIOA

Modern Slavery Statement

25 November 2022

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1 COVERED ENTITIES

NIOA Nominees Pty Ltd as Trustee for the Bill Nioa Family Trust (ABN 11 646 964 149), is filing this Modern Slavery Statement (**Statement**) on behalf of NIOA Nominees Pty Ltd, an Australian, privately owned company. Only NIOA Nominees Pty Ltd meets the mandatory reporting criteria as set out the *Modern Slavery Act 2018* (Cth) however, to demonstrate our commitment to modern slavery compliance, related Australian trading entity, NIOA Munitions Pty Ltd (ABN 93 622 573 095), also elects to voluntarily report under this statement (collectively, **NIOA**).

This is the third Statement for NIOA for the purposes of the *Modern Slavery Act 2018* (Cth) and relates to the financial year ending 30 June 2022.

2 NIOA'S STRUCTURE, OPERATIONS AND SUPPLY CHAINS

2.1 STRUCTURE

NIOA is a long-established operator in the licensed firearms, weapons and munitions market, headquartered in Brisbane, Australia and supporting Sporting, Law Enforcement and Defence customers. At the time of reporting, we have approximately 175 employees across our operations in Australia and New Zealand.

NIOA has strategic fixed infrastructure investments in specialist weapons and munitions storage, maintenance, manufacture and logistics facilities, and specialised teams of professionals operating across all elements of the associated complex spectrum of operations, engineering, program management, manufacturing and support functions. These activities are supported through a network of business locations within Australia and New Zealand including Melbourne, Canberra, Benalla, Brisbane, and Auckland.

2.2 OPERATIONS (CAPABILITIES)

2.2.1 Sporting Market

NIOA is a major supplier of firearms, optics, ammunition and accessories to the Australian and New Zealand sporting markets, operating through a traditional linear business model by purchasing product from both domestic and overseas suppliers, and wholesaling to a network of licensed firearm dealerships, who in turn sell to licensed consumers.

NIOA's value-add process involves state of the art warehousing, customer support and product servicing in Brisbane and Auckland. The distributed products help to give a diverse body of law-abiding people competitive access to recreational sports. The products also support Australia and New Zealand's agricultural industries as the leading tool for pest mitigation, encouraging the restoration of local environmental conditions.

2.2.2 Law Enforcement and Defence

NIOA's Law Enforcement and Defence sector focuses on supplying our Defence and Government customers with a broad range of firearms, weapons, munitions product, manufacturing capability and maintenance, training, testing, engineering and through life support services.

The activities in this field not only help to keep soldiers and the police force safe but aim to keep all Australian people safe from local and international threats.

2.3 SUPPLY CHAINS

NIOA's operations leverage a long-standing, reputable supply chain built on robust relationships. Our supply chain incorporates a wide range of Australian and international companies, small to medium

enterprises, large multinationals, and many original equipment manufacturers (**OEMs**). NIOA has over 520 suppliers within its direct supply chain, consisting of key strategic suppliers (**First Tier Suppliers**) supporting our Sporting, Law Enforcement and Defence sectors from the following locations:¹

- 46% in the United States of America;
- 31% in Europe;
- 19% in Australia; and
- 4% Other.

Our supply chain also includes suppliers supporting our corporate operations from a wide range of industries involving travel, utilities, technology and software, cleaning, catering and stationary supplies, where we prioritise local suppliers. Over 80% of our corporate suppliers are based within Australia.

3 NIOA'S MODERN SLAVERY COMPLIANCE PROGRAM

3.1 MODERN SLAVERY COMMITTEE

NIOA's Modern Slavery Committee is the driver behind our modern slavery compliance program that is multifaceted in its approach to ensuring compliance through positive culture, company-wide policies and training, supplier due diligence and contractual obligations. In FY 2021-2022, NIOA's internal Modern Slavery Committee continued to meet regularly to monitor and champion compliance, and assist with implementing the necessary plans and strategies aligning with NIOA's commitments to assessing and limiting the risk of modern slavery, as well as engaging in discussions regarding future planning and development for new strategies to align with the growth of the business and identified emerging risks.

3.2 CULTURE

NIOA's corporate values reflect our commitment to a culture of honesty, integrity, trust and respect, where safety is priority. NIOA ensures all aspects of our business are aligned with a focus on safe and ethical conduct by ensuring our values form the basis of NIOA's *Code of Conduct* (to which all employees are bound) and our *Business Partner Code of Conduct* (which outlines NIOA's expectations of business partners). NIOA's management team promote and foster a culture aligning with the NIOA Code of Conduct and otherwise of transparency, inclusion and "speaking up". NIOA recognizes its corporate responsibility for upholding and protecting human rights within its operations and within its global supply chain. Modern slavery practices directly contradict NIOA's ethics and corporate culture.

3.3 POLICIES and TRAINING

Corporate policies and procedures pertaining to modern slavery are readily available to all NIOA staff including but not limited to the *Modern Slavery Policy*, reviewed and refreshed in 2022. All employees, directors and officers are bound by NIOA's *Modern Slavery Policy*.

In FY2021-2022, NIOA successfully launched mandatory modern slavery awareness training for all employees, directors and officers. The training program mandates annual refresher training and all new staff are required to complete the training during their on-boarding process.

3.4 CONTRACT TERMS

In 2022, NIOA enshrined modern slavery principles in all of its standard contracting templates and works with our supply partners to introduce procurement obligations to maintain compliance with NIOA's ethical standards for business, including modern slavery identification and monitoring.

3.5 KEY PERFORMANCE INDICATORS (KPIs)

NIOA monitors its modern slavery compliance program through the use of KPIs. Review of KPI

¹ Percentages are approximate.

performance is a standing agenda item for the Modern Slavery Committee.

4 MODERN SLAVERY RISK EXPOSURE

NIOA has assessed its operations and acknowledges the possibility for modern slavery risk to exist within Human Resources (**HR**), supply chain and manufacturing functions regardless of its commitment to monitoring and mitigating such risks. NIOA considers risk within its own operations and first tier supply chain as minimal due to the rigor it applies to its own HR processes, internal training and first tier supply chain screening. The highly regulated and complex industry in which NIOA operates also supports a natural screening and monitoring of its conduct and that of its business partners.

4.1 WORKFORCE (OPERATIONS)

NIOA has robust policies and processes in place within its HR department governing recruitment and retention processes, reflective of applicable Fair Work standards, industrial relations instruments and equal opportunity regulations. We are certified as compliant with the *Workplace Gender Equality Act 2012* (Cth). On this basis, NIOA assesses risk of modern slavery within its own employment practices as low, however, acknowledges that modern slavery risk could exist within the operations of its supply chain, where such entities don't have robust, transparent HR practices. NIOA's supply chain due diligence process seeks to identify and manage this potential exposure.

4.2 SUPPLY CHAINS

4.2.1 Due Diligence

NIOA's business has been subject to extensive growth over the last reporting period, including increasing supplier engagement internationally. This has prompted a renewed focus on maturing the risk self-assessment process across all of its business divisions and corporate operations. In FY 2020-2021, NIOA assessed the effectiveness of its existing *Supplier Onboarding Form* and began working to improve its supplier management process. In FY 2021-2022 the *Supplier Onboarding Form* was replaced with the comprehensive *Supplier Engagement Form*, the introduction of NIOA's *Supplier Management Policy* and preliminary supply chain mapping occurred to support the categorization of our suppliers, especially those from high-risk areas as identified on the Global Slavery Index. NIOA has assessed that the greatest modern slavery compliance risk is posed by the procurement of products and services sourced and manufactured outside Australia.

The *Supplier Management Policy* drives an aligned approach to due diligence, coordinating all key functions within NIOA (Information & Communications Technology, procurement, legal and compliance), for the review and screening of suppliers through the use of external databases to identify and take into account the following non-financial risks:

- anti-bribery and corruption;
- fraud or theft;
- cybersecurity;
- money laundering;
- tax evasion;
- business stability; and
- compliance with legislation and regulations – including but not limited to modern slavery legislation.

NIOA's risk assessment process has been developed from the initial base level identification of modern slavery risk of previous years by considering and managing risk factors for both First Tier Suppliers and lower tiers of the supply chain, such as:

- the sector with which the supplier conducts business;
- the types of products and services supplied by the supplier; and
- the supplier's geographic location,

and now contains further due diligence process by:

- obtaining formal statement of compliance with modern slavery requirements from all suppliers;
- formal commitment to NIOA's *Business Partner Code of Conduct* as part of our supply chain review and approval processes;
- adjustment to terms and conditions in contracts where required;
- managing suppliers considered to have significant risk of modern slavery by reviewing and leveraging higher risk suppliers' own supply chains and identifying any inadvertent risks for NIOA; and
- incorporating preventative supply chain risk assessments within supplier assessment questionnaires.

In addition to the supplier screening process, NIOA:

- is constantly exploring ways to expand and qualify a wider network of suppliers to provide for Australian-based procurement and manufacturing to support the delivery of its Australian Industrial Capability commitments;
- is committed to continually enhancing and maturing its approach to assessing and managing modern slavery risks, especially those within its supply chain; and
- recognises that forced labour and related practices have the potential to intersect with the sub-tiers of its supply chains, particularly those supply chains which may run into the raw materials/services that are used for the products and services which NIOA purchases. Although a thorough assessment of these lower tier suppliers is still underway, NIOA is conscious of this and will continue to work closely with its suppliers to undertake and implement processes to mitigate the risks of any form of modern slavery being present within its supply chain.

4.2.2 Australian Trusted Trader

In June 2022, NIOA was accredited as an 'Australian Trusted Trader', a government partnership administered by the Australian Border Force to streamline legitimate trade. NIOA demonstrated a secure international supply chain and compliant trade practices. Under our Trusted Trader Agreement with the Commonwealth, NIOA is required to satisfy specific qualification criteria which addresses relevant risks in relation to NIOA's international supply chain.

Being an Australian Trusted Trader adds another level of transparency to NIOA's due diligence and risk management process. NIOA is required to report, and the Commonwealth has the right to inspect and assess NIOA's compliance with the qualification criteria, strengthening NIOA's and the country's supply chain security.

5 ASSESSMENT

5.1 FY 2021-2022

This is NIOA's third Statement.

During FY 2021-2022, NIOA made strong progress with respect to the actions it has taken to assess and manage its modern slavery risks. In particular, NIOA's key achievements include:

- Development and implementation of *NIOA Supplier Management Policy*, driving NIOA's objectives to ensure that NIOA enters and develops appropriate business relationships with individuals and entities who maintain ethical business practices, and are compliant with all relevant laws and regulations.
- Establishing KPI transparency within the business by introducing an internal Modern Slavery Compliance SharePoint page which highlights to employees the nominated members of the Modern Slavery Committee and publishes KPI status. This helps raise and maintain awareness of NIOA's Modern Slavery Compliance Program.
- Analysing and assessing gaps in NIOA's due diligence process in order to mature NIOA's supplier management initiatives, which have been incorporated into NIOA's new *Supplier Management Procedure*, to be finalised in FY 2022-2023. The new *Supplier Management Procedure* aims to provide overarching guidance on the *Supplier Management Policy* and associated processes,

ensuring a consistent and high standard of diligence is applied.

- Implementing the *Supplier Engagement Form* to align with evolving ethical and commercial risks in the business.
- Continuation of NIOA's internal Modern Slavery Committee.
- Refreshing the *NIOA Modern Slavery Policy*.

Furthermore, no grievances or whistleblowing issues relating to modern slavery have been raised to date.

5.2 FUTURE COMMITMENTS

During FY 2022-2023, the Modern Slavery Committee will work together to monitor amendments to the Australian and New Zealand modern slavery compliance regime, further develop and mature NIOA's risk management system and refine the assurance framework for assessing the effectiveness of its actions, to ensure the risks of modern slavery in NIOA's supply chain remain low. This will be completed by:

- Conducting refresher training with all employees to ensure awareness of modern slavery risk remains at front of mind.
- Refreshing the modern slavery training module to ensure continued applicability and suitability to NIOA and our operations.
- Continuing to self-evaluate the performance of NIOA's supply chain due diligence program with the intent to improve and evolve as new and/or emerging modern slavery risks are identified.
- Appointing a supply chain manager who will have control and oversight over NIOA's supply chain to assess, manage and mitigate risks.
- Delivering on and achieve the proposed KPIs.
- Reviewing the applicability and refresh template contract clauses pertaining to modern slavery.

6 DECLARATION & APPROVAL

This Statement is made pursuant to the *Modern Slavery Act 2018* (Cth) and constitutes the Modern Slavery Statement of NIOA for the financial year ending 30 June 2021.

This Statement was endorsed by the Senior (Executive) Leadership Team on 20 November 2022 and approved by the Trustee for the Bill Nioa Family Trust (the principal governing body) on 25 November 2022, in accordance with the *Modern Slavery Act 2018* (Cth).



Robert Nioa

(Sole Director and Company Secretary of NIOA Nominees Pty Ltd as Trustee for the Bill Nioa Family Trust ABN 11 646 964 149 and NIOA Munitions Pty Ltd ABN 93 622 573 095)