

CRITERION 1 AND 2 – IDENTIFY REPORTING ENTITY, STRUCTURE, OPERATIONS AND SUPPLY CHAINS

REPORTING ENTITIES AND STRUCTURE

RARD No. 3 Pty Ltd A.C.N 618 271 542 (**RARD No. 3**) is an Australian family owned and operated business with its principal place of business and head office in Yeerongpilly, Brisbane. RARD No.3 controls a group of companies involved in a broad range of business operations. The subsidiaries of RARD No. 3 include companies branded under the “Canstruct” and “MFIC” business names.

The reporting entities in the Group for the reporting period ending 30 June 2021 are Canstruct International Pty Ltd (**Canstruct**), and RARD No.3 as the parent entity (**Group**). As at 30 June 2021, the Group had 129 employees.

OPERATIONS

The activities undertaken by the Group include:

- Direct employment of workers;
- Provision and delivery of services necessary to the operation of remote workplaces, i.e., facilities management operations including cleaning, cooking and accommodation;
- Construction;
- Financial investments;
- Manage and operate joint ventures;
- Acquisition and leasing of property including retail shops, commercial and industrial facilities; and
- Charitable activities.

(“Operations”)

SUPPLY CHAINS

The Operations of the Group in the financial year ending 30 June 2021 were conducted in Australia and the South West Pacific region.

In the reporting period, the Group had a supply chain made up of approximately 180 suppliers and service providers. Over 90% of these suppliers were located in Australia. Approximately 5% were located in Nauru and the remaining 5% were located in the US, UK and New Zealand.

The Group’s suppliers vary from small Australian family operated businesses to large corporates. Products and services that we procure include, for example, construction materials, labour, ICT products and office supplies.

The suppliers located in Nauru supplied products and services for the Group’s Operations located in Nauru (including labour, construction materials, food products, consumables and equipment, laundry products, fuel, freight forwarders, aircraft charters, telecommunications and vehicles and parts).

CRITERION 3 - IDENTIFYING MODERN SLAVERY RISKS IN OUR SUPPLY CHAINS

RISK ASSESSMENT

We have undertaken the following review of the Group's modern slavery risks for the reporting period:

- Review of entity risks and internal business operations and practices;
- Identification of all direct suppliers, the type of product or service that is supplied and where they are located;
- Issuing self-assessment questionnaires to suppliers;
- Review of supplier self-assessment questionnaire responses; and
- Assessment of supply chain risks and allocation of risk profiles.

RISKS OF CAUSING OR CONTRIBUTING TO MODERN SLAVERY PRACTICES

The risk of the Group causing or contributing to modern slavery practices was assessed as low. The Group has zero tolerance for any form of modern slavery. We promote a values-based culture, and we are committed to acting ethically in all aspects of our business, including by having practices and procedures in place to minimise these risks. The Group also requires its staff and contractors to undertake training to raise awareness of modern slavery, to identify modern slavery risk factors and how to report any suspected incidences of modern slavery should it arise.

The Group has a modern slavery policy, with its principal objectives including to model a culture of ethical behaviour by conducting business with stakeholders that share our values and maintaining policies and plans that promote ethical and legally compliant business conduct and that contribute to prevent modern slavery.

RISKS OF BEING DIRECTLY LINKED TO MODERN SLAVERY PRACTICES

As part of the initial scoping exercise we identified products and services that we procure that may fall within categories of industries or products that are considered to be at higher risk of modern slavery practices. These include, for example, labour hire, construction materials, ICT equipment, food products and services, and laundry and cleaning services. We continue to procure these types of products and services as part of our ongoing operations.

Acknowledging that no organisation is immune to modern slavery risks in their operations and supply chains, we are cognisant that modern slavery practices may exist within these supply chains, particularly where the products, or the materials used to produce them, have originated from countries where modern slavery practices are more prevalent.

While the majority of our suppliers are located in Australia, we acknowledge greater visibility on the origin of products is required. Identification of the origins of the products and services that we procure relies on our suppliers' willingness to engage with us in an open and transparent way and the capability and maturity of their own modern slavery response.

CRITERION 4 – ACTIONS TAKEN TO ASSESS OR ADDRESS MODERN SLAVERY RISKS

During the reporting period, the Group has undertaken the following further initiatives:

- Annual review of its Modern Slavery Policy, Plan and Procedure and procurement procedures;
- Due diligence of our existing suppliers, including issuing supplier questionnaires to improve supplier awareness of modern slavery risks and to assist us to identify modern slavery risks in our supply chains; and
- Provided modern slavery training to our staff and contractors to raise awareness of modern slavery risks and to provide guidance on how to respond to incidents should they arise.

CRITERION 5 – ASSESSING THE EFFECTIVENESS OF ACTIONS

The Group has established a process for assessing the effectiveness of the Group's response to modern slavery risks. This process includes:

- Annual review of the Group's Modern Slavery Policy, Plan and Procedures;
- Annual audit of the Group's due diligence processes to track and measure:
 - The number of due diligence questionnaires completed for engaged suppliers;
 - The number of risk assessments completed for engaged suppliers;
 - Whether risk mitigation procedures have been implemented for suppliers that are identified in the risk assessment as medium and high risk suppliers;
 - The number of new supplier contracts that include modern slavery clauses; and
 - The number of medium or high-risk suppliers engaged by the Group.
- Annual senior management review of the effectiveness of the processes implemented by the Group.

CRITERION 6 – CONSULTATION WITH OWNED AND CONTROLLED ENTITIES

Consultation has occurred between RARD No.3 and Canstruct for the preparation of this statement. Canstruct is wholly owned by RARD No.3 and has the same company officers.

CRITERION 7 – ANY OTHER INFORMATION

We have identified some further improvements that will be made to our supplier engagement and procurement processes, which will be implemented in the next reporting period.

We will also continue to explore ways that our practices and processes can be improved to improve supplier engagement and encourage good practice.

This statement was approved by the Board of RARD No.3 Pty Ltd on 20 December 2021.

Rory Murphy

Rory Murphy (Dec 21, 2021 10:22 GMT+10)

Rory Murphy

Chairperson